



**Australian Government**  
**Registered Organisations Commission**

2 June 2020

Mr Ian Horne  
General Manager, South Australia Branch  
Australian Hotels Association

cc. Mr Christopher Clarke, Auditor

Dear Sir

**Re: – Financial reporting – Australian Hotels Association, South Australia Branch - for year ending 31 December 2019 (FR2019/306)**

I refer to the financial report of the South Australia Branch of the Australian Hotels Association in respect of the year ending 31 December 2019. The documents were lodged with the Registered Organisations Commission ('ROC') on 19 May 2020.

The financial report has been filed. The financial report was filed based on a primary review. This involved confirming whether the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements. Please note the report for year ending 31 December 2020 may be subject to an advanced compliance review.

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](#).

Yours faithfully

A handwritten signature in black ink that reads "Stephen Kellett".

Stephen Kellett  
Financial Reporting  
Registered Organisations Commission

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19 May 2020

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 2019**
- **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 23 April 2020; and
- that the full report was presented to a general meeting of members of the reporting unit on 18 May 2020 in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.

A handwritten signature in black ink, appearing to read 'R. Lovell', with a long, sweeping underline.

**R.S.J. LOVELL**

Dated: 19 May 2020



## **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 2019.

### **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 2019 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 523 members in 2019.

### **Number of Employees**

As at 31 December 2019 staffing levels were AHA|SA 11.9 and Gaming Care 8. Total 19.9.

**AHA|SA Committee of Management  
1 January – 31 December 2019**

David Basheer	President
Matthew Binns	Vice President
Andrew Bullock	Deputy Vice President
Richard Lovell	Secretary/Treasurer

Brad Barreau	
Matthew Brien	
Mark Davies	
Luke Donaldson	<i>(appointed May 2019)</i>
Jeff Ellis	
Trevor Evans	
Jason Fahey	
Trent Fahey	
James Franzon	<i>(appointed May 2019)</i>
Tony Franzon	
John Giannitto	
Timothy Gregg	
Andrew Gunn	
Jason Kelly	
Michael Lunniss	<i>(retired March 2019)</i>
Guy Matthews	
Melinda McCauley	<i>(retired May 2019)</i>
Sam McInnes	
Karen Milesi	<i>(appointed to casual vacancy May 2019)</i>
Peer Norsell	<i>(retired January 2019)</i>
Andrew Plush	
Matt Rogers	
Darren Steele	<i>(appointed to casual vacancy May 2019)</i>
Craig Williams	<i>(retired May 2019)</i>

**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

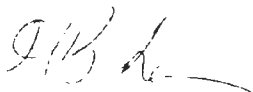
- David Basheer
- Matthew Binns

**Gaming Care Ltd**

Principal Activity: Harm minimisation agency

Board Member

- Andrew Bullock *(replacing Matthew Binns)*
- Ian Horne



**DAVID BASHEER**

President

7/4/2020

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

**FINANCIAL REPORT  
FOR THE YEAR ENDED  
31 DECEMBER 2019**

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

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2019**

	Note	Economic Entity		Parent Entity	
		2019	2018	2019	2018
		\$	\$	\$	\$
<b>Revenue</b>					
Membership subscriptions		2,022,563	1,830,478	2,022,563	1,830,478
Associate membership subscriptions		3,343	3,256	3,343	3,256
<b>Total membership subscriptions</b>		<b>2,025,906</b>	<b>1,833,734</b>	<b>2,025,906</b>	<b>1,833,734</b>
Capitation fees and other revenue from another reporting unit	2A	-	750,000	-	750,000
Levies		-	-	-	-
Term deposit interest		101,899	99,563	101,899	99,563
Rent received from properties		80,400	79,200	80,400	79,200
Other revenue	2B	1,329,151	1,123,505	1,329,151	1,123,505
<b>Total revenue</b>		<b>3,537,356</b>	<b>3,886,002</b>	<b>3,537,356</b>	<b>3,886,002</b>
<b>Other Income</b>					
Grants or donations		-	-	-	-
Gains from sale of assets		-	1,815	-	1,815
Revenue from recovery of wages activity		-	-	-	-
<b>Total other income</b>		<b>-</b>	<b>1,815</b>	<b>-</b>	<b>1,815</b>
<b>Total income</b>		<b>3,537,356</b>	<b>3,887,817</b>	<b>3,537,356</b>	<b>3,887,817</b>
<b>Expenses</b>					
Employee expenses	3A	(1,617,377)	(1,589,834)	(1,617,377)	(1,589,834)
Depreciation expense	5A	(63,228)	(56,053)	(43,228)	(36,053)
Capitation fees and other expenses to another reporting unit	3B	(73,776)	(72,468)	(73,776)	(72,468)
Other expenses	3C	(1,542,255)	(2,632,093)	(1,562,255)	(2,652,093)
<b>Total expenses</b>		<b>(3,296,636)</b>	<b>(4,350,448)</b>	<b>(3,296,636)</b>	<b>(4,350,448)</b>
<b>Current year surplus/(deficit) before income tax</b>		<b>240,720</b>	<b>(462,631)</b>	<b>240,720</b>	<b>(462,631)</b>
Income tax expense		-	-	-	-
<b>Net current year surplus/(deficit)</b>		<b>240,720</b>	<b>(462,631)</b>	<b>240,720</b>	<b>(462,631)</b>
<b>Other comprehensive income</b>					
<b>Items that will be reclassified subsequently to profit or loss when specific conditions are met</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Items that will not be reclassified subsequently to profit or loss</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year, net of tax</b>		<b>240,720</b>	<b>(462,631)</b>	<b>240,720</b>	<b>(462,631)</b>
Net current year surplus/(deficit) attributable to members of the parent entity		240,720	(462,631)	240,720	(462,631)
Total comprehensive income attributable to members of the parent entity		240,720	(462,631)	240,720	(462,631)

The accompanying notes form part of these financial statements.

A detailed income statement is provided in note 22.

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

**STATEMENT OF FINANCIAL POSITION**  
**AS AT**  
**31 DECEMBER 2019**

	Note	Economic Entity		Parent Entity	
		2019	2018	2019	2018
		\$	\$	\$	\$
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	4A	4,845,323	4,541,662	4,845,313	4,541,652
Trade and other receivables	4B	82,352	137,449	620,510	695,607
Inventories	4C	19,084	18,766	19,084	18,766
Other current assets	4C	135,763	120,668	135,763	120,668
<b>TOTAL CURRENT ASSETS</b>		<b>5,082,522</b>	<b>4,818,545</b>	<b>5,620,670</b>	<b>5,376,693</b>
<b>NON-CURRENT ASSETS</b>					
Investment in controlled entity at cost	15	-	-	10	10
Land, buildings, plant and equipment	5A	1,421,803	1,454,583	207,026	219,806
Intangible assets	5B	350	350	-	-
Investment in associated company	14	-	-	-	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,422,153</b>	<b>1,454,933</b>	<b>207,036</b>	<b>219,816</b>
<b>TOTAL ASSETS</b>		<b>6,504,675</b>	<b>6,273,478</b>	<b>5,827,706</b>	<b>5,596,509</b>
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
Trade and other payables	6A & 6B	1,092,603	1,151,416	1,092,603	1,151,416
Employee provisions	7A	538,197	451,661	538,197	451,661
Other provisions	7B	214,377	202,377	214,377	202,377
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,845,177</b>	<b>1,805,454</b>	<b>1,845,177</b>	<b>1,805,454</b>
<b>NON-CURRENT LIABILITIES</b>					
Employee provisions	7A	-	49,246	-	49,246
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>-</b>	<b>49,246</b>	<b>-</b>	<b>49,246</b>
<b>TOTAL LIABILITIES</b>		<b>1,845,177</b>	<b>1,854,700</b>	<b>1,845,177</b>	<b>1,854,700</b>
<b>NET ASSETS</b>		<b>4,659,498</b>	<b>4,418,778</b>	<b>3,982,529</b>	<b>3,741,809</b>
<b>EQUITY</b>					
Capital profits reserve	8A	676,969	676,969	-	-
General reserve	8A	380,000	380,000	380,000	380,000
Retained earnings		3,602,529	3,361,809	3,602,529	3,361,809
<b>TOTAL EQUITY</b>		<b>4,659,498</b>	<b>4,418,778</b>	<b>3,982,529</b>	<b>3,741,809</b>

The accompanying notes form part of these financial statements.



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

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED  
31 DECEMBER 2019**

	Note	Retained earnings	Capital profits reserve	General reserve	Total equity
		\$	\$	\$	\$
<b>Economic Entity</b>					
<b>Balance at 1 January 2018</b>		3,824,440	676,969	380,000	4,881,409
<b>Comprehensive income</b>					
Net surplus/(deficit) for the year		(462,631)	-	-	(462,631)
Other comprehensive income for the year		-	-	-	-
<b>Total comprehensive income attributable to members of the parent entity</b>		(462,631)	-	-	(462,631)
<b>Balance at 31 December 2018</b>		3,361,809	676,969	380,000	4,418,778
<b>Balance at 1 January 2019</b>		3,361,809	676,969	380,000	4,418,778
<b>Comprehensive income</b>					
Net surplus/(deficit) for the year		240,720	-	-	240,720
Other comprehensive income for the year		-	-	-	-
<b>Total comprehensive income attributable to members of the parent entity</b>		240,720	-	-	240,720
<b>Balance at 31 December 2019</b>		3,602,529	676,969	380,000	4,659,498
<b>Parent Entity</b>					
<b>Balance at 1 January 2018</b>		3,824,440	-	380,000	4,204,440
<b>Comprehensive income</b>					
Net surplus/(deficit) for the year		(462,631)	-	-	(462,631)
Other comprehensive income for the year		-	-	-	-
<b>Total comprehensive income attributable to members of the parent entity</b>		(462,631)	-	-	(462,631)
<b>Balance at 31 December 2018</b>		3,361,809	-	380,000	3,741,809
<b>Balance at 1 January 2019</b>		3,361,809	-	380,000	3,741,809
<b>Comprehensive income</b>					
Net surplus/(deficit) for the year		240,720	-	-	240,720
Other comprehensive income for the year		-	-	-	-
<b>Total comprehensive income attributable to members of the parent entity</b>		240,720	-	-	240,720
<b>Balance at 31 December 2019</b>		3,602,529	-	380,000	3,982,529

The accompanying notes form part of these financial statements.

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

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED  
31 DECEMBER 2019**

	Note	Economic Entity		Parent Entity	
		2019	2018	2019	2018
		\$	\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from AHA National	9B	-	750,000	-	750,000
Receipts from customers		3,742,836	3,308,669	3,742,836	3,308,669
Payments to suppliers and employees		(3,429,672)	(4,809,821)	(3,429,672)	(4,809,821)
Payments to AHA National	9B	(70,809)	(70,268)	(70,809)	(70,268)
Payments to AHA (VIC)	9B	(467)	-	(467)	-
Payments to AHA (WA)	9B	(2,500)	(2,200)	(2,500)	(2,200)
Interest received		94,837	119,573	94,837	119,573
Net cash provided by (used in) operating activities	9A	334,225	(704,047)	334,225	(704,047)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from sale of plant and equipment		10,363	5,255	10,363	5,255
Purchase of plant and equipment		(40,927)	(79,932)	(40,927)	(79,932)
Net cash provided by (used in) investing activities		(30,564)	(74,677)	(30,564)	(74,677)
	9B	303,661	(778,724)	303,661	(778,724)
Cash at beginning of financial year		4,541,662	5,320,386	4,541,652	5,320,376
Cash at end of financial year	9A	4,845,323	4,541,662	4,845,313	4,541,652

The accompanying notes form part of these financial statements.

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2019

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 7 April 2020 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**

In applying the association's accounting policies, the committee of management continually evaluates judgements and estimates based on experience and other factors including expectations of future events that may have an impact on the association. All judgments and estimates made are believed to be reasonable based on the most current set of circumstances available to the committee of management. Actual results may differ under different conditions from when the judgments and estimates were made. Significant judgments and estimates made by the committee of management in the preparation of this financial report are described in the various notes:

Depreciation	Note 1e
Impairment of non-financial assets	Note 1g
Employee and officials benefits	Note 1h
Provisions	Note 1j
Financial instruments	Note 1l
Revenue	Note 1n
Events after the reporting period	Note 20
Going concern	Note 21

**New Australian Accounting Standards**

**Adoption of New Australian Accounting Standard Requirements**

No accounting 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:

**AASB 16: Leases (AASB 16)**

AASB 16 removes the current operating and finance lease distinction for lessees and requires entities to recognise all material leases on the Statement of Financial Position. AASB 16 requires the recognition of a right-of-use asset and a corresponding lease liability at the commencement of all leases, except for short-term leases and leases of low value assets.

AASB 116 has been adopted from 1 January 2019. However, it did not materially impact the financial statements.

**AASB 15: Revenue from Contracts with Customers (AASB 15)**

AASB 15 establishes a comprehensive five-step framework for recognising revenue. AASB 15 applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. Under AASB 15, revenue is recognised when a performance obligation has been satisfied at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer / member. The standard requires entities to exercise judgment, taking into consideration all the relevant facts and circumstances when applying each step of the model to contracts with their customers / members. The association has applied the five-step model to the various revenue streams to assess the impacts of AASB 15.

AASB 15 has been adopted from 1 January 2019. However, it did not materially impact the financial statements.

**AASB 1058: Income of Not-for-Profit Entities (AASB 1058)**

AASB 1058 simplifies the income recognition requirements that apply to not-for-profit entities in conjunction with AASB 15: *Revenue from Contracts with Customers*.

AASB 1058 has been adopted from 1 January 2019. However, it did not materially impact the financial statements.

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

**AASB 2018-7: Amendments to Australian Accounting Standards – Definition of Material (AASB 2018-7)**

AASB 2018-7 principally amends AASB 101: *Presentation of Financial Statements* and AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors*. The amendments refine the definition of material in AASB 101 with the intention of making it easier to understand without altering the underlying concept of materiality in AASB Standards. The amendments clarify the definition of material and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendment also includes some supporting requirements in AASB 101 in the definition to give it more prominence and clarifies the explanation accompanying the definition of material.

AASB 2018-7 applies to annual reporting periods beginning on or after 1 January 2020. The committee of management does not anticipate that the application of AASB 2018-7 will have a material impact on the financial statements.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2019**

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

**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 associates 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.

**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	
	2019	2018
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.

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

**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 capable 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**

All leases of low value assets 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.

**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.

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**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);

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**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.

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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 existing 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**

Revenues are measured at the fair value of the consideration received or receivable.

Revenues are recognised when the following steps have been satisfied:

1. Identify contract with the customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to each performance obligation
5. Recognise revenue when (or as) performance obligations are satisfied.

**Membership subscriptions**

The association's membership subscription year is 1 January to 31 December with subscriptions payable annually in advance. Only those membership subscription receipts that are attributable to the current financial year are recognised as revenue. Membership subscription receipts for periods beyond the current financial year are included, excluding goods and services tax, in the Statement of Financial Position under the headings of Current liabilities and Trade and other payables in Prepayments received / unearned revenue.

**Sponsorship benefits revenue**

The association receives revenue from sponsor generated activity through its Corporate Partnership program. This revenue is recognised over the respective period of service.

**Other revenue-generating activities**

The association undertakes certain activities which are accounted for when the performance obligation is satisfied including:

- Training courses
- Conferences, seminars and events
- Rental of office space

Revenue is recognised for these activities depending on when the performance obligation is satisfied:

- **Over a period of time** – if the performance obligation is satisfied over a period of time, revenue will be recognised by being spread over this period.
- **At a point in time** – if the performance obligation is satisfied at a point in time, for example, when an event is delivered, revenue is recognised at this point.

**Sale of goods**

Revenue from the sale of goods is recognised when physical control of the goods passes to the buyer pursuant to an enforceable sales contract as it is at this point the performance obligation has been satisfied.

**Interest income**

Interest income on term deposits is recognised on an accruals basis using the effective interest method.

**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 accruals basis over the respective period of service.



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	Note	Economic Entity		Parent Entity	
		2019	2018	2019	2018
		\$	\$	\$	\$
<b>NOTE 2: INCOME</b>					
<b>NOTE 2A: Capitation fees and other revenue from another reporting unit</b>					
Capitation fees		-	-	-	-
Subtotal capitation fees		-	-	-	-
Other revenue from another reporting unit					
AHA National - contribution to Community Relations Campaign		-	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
<b>NOTE 2B: Other revenue</b>					
- advocacy services income		143,488	186,693	143,488	186,693
- sponsorships		545,222	464,714	545,222	464,714
- commissions received		98,397	95,587	98,397	95,587
- conferences, seminars and events		396,543	270,896	396,543	270,896
- sale of goods		12,397	17,164	12,397	17,164
- other		133,104	88,451	133,104	88,451
Total other revenue		1,329,151	1,123,505	1,329,151	1,123,505

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Note	Economic Entity		Parent Entity	
	2019	2018	2019	2018
	\$	\$	\$	\$
<b>NOTE 3: EXPENSES</b>				
<b>NOTE 3A: Employee Expenses</b>				
<b>Holders of office:</b>				
Wages and salaries	18,980	18,375	18,980	18,375
Superannuation	1,803	1,746	1,803	1,746
Leave and other entitlements	-	-	-	-
Separation and redundancies	-	-	-	-
Other employee expenses	-	-	-	-
<b>Subtotal employee expenses holders of office</b>	<b>20,783</b>	<b>20,121</b>	<b>20,783</b>	<b>20,121</b>
<b>Employees other than holders of office:</b>				
Wages and salaries	1,214,541	1,165,753	1,214,541	1,165,753
Superannuation	195,076	235,856	195,076	235,856
Leave and other entitlements	77,970	51,227	77,970	51,227
Separation and redundancies	-	-	-	-
Other employee expenses	109,007	116,877	109,007	116,877
<b>Subtotal employee expenses employees other than holders of office</b>	<b>1,596,594</b>	<b>1,569,713</b>	<b>1,596,594</b>	<b>1,569,713</b>
<b>Total employee expenses</b>	<b>1,617,377</b>	<b>1,589,834</b>	<b>1,617,377</b>	<b>1,589,834</b>
<b>NOTE 3B: Capitation fees and other expenses to another reporting unit</b>				
<b>Capitation fees</b>				
Capitation fees (AHA National)	69,303	69,303	69,303	69,303
<b>Subtotal capitation fees</b>	<b>69,303</b>	<b>69,303</b>	<b>69,303</b>	<b>69,303</b>
<b>Other expenses to another reporting unit</b>				
Affiliation fees (AHA National)	300	300	300	300
Expense reimbursement (AHA National)	1,206	665	1,206	665
Expense reimbursement (AHA Victoria)	467	-	467	-
Expense reimbursement (AHA Western Australia)	2,500	2,200	2,500	2,200
<b>Subtotal other expenses to another reporting unit</b>	<b>4,473</b>	<b>3,165</b>	<b>4,473</b>	<b>3,165</b>
<b>Total capitation fees and other expenses to another reporting unit</b>	<b>73,776</b>	<b>72,468</b>	<b>73,776</b>	<b>72,468</b>

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	Note	Economic Entity		Parent Entity	
		2019	2018	2019	2018
		\$	\$	\$	\$
<b>NOTE 3C: Other expenses</b>					
Bad debts		6,183	-	6,183	-
Conference and meeting expenses		456,875	337,354	456,875	337,354
Total paid to employers for payroll deductions of membership subscriptions		-	-	-	-
Contractors/Consultants		121,352	1,139,028	121,352	1,139,028
Compulsory levies		-	-	-	-
Fees/allowances meetings & conferences		1,719	2,280	1,719	2,280
Grants - \$1,000 or less		-	-	-	-
Grants - over \$1,000		-	-	-	-
Information/Communications/Technology		107,893	93,130	107,893	93,130
Donations - \$1,000 or less		400	623	400	623
Donations - over \$1,000		-	3,900	-	3,900
Legal costs - Litigation		-	2,100	-	2,100
Legal costs - Other		4,779	7,220	4,779	7,220
Gains from sale of assets		116	2,769	116	2,769
Office Expenses		58,229	56,301	58,229	56,301
Penalties - via RO Act or the Fair Work Act 2009		-	-	-	-
Political donations - \$1,000 or less		-	-	-	-
Political donations - over \$1,000		4,000	191,250	4,000	191,250
Property Expenses		80,362	83,921	100,362	103,921
Other expenses		<u>700,347</u>	<u>712,217</u>	<u>700,347</u>	<u>712,217</u>
Total other expenses from ordinary activities		<u>1,542,255</u>	<u>2,632,093</u>	<u>1,562,255</u>	<u>2,652,093</u>

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	Note	Economic Entity		Parent Entity	
		2019	2018	2019	2018
<b>NOTE 4 CURRENT ASSETS</b>					
<b>NOTE 4A: CASH AND CASH EQUIVALENTS</b>		\$	\$	\$	\$
Cash at bank and on hand		622,186	713,362	622,176	713,352
Short-term bank deposits		4,223,137	3,828,300	4,223,137	3,828,300
<b>TOTAL CASH AND CASH EQUIVALENTS</b>		<b>4,845,323</b>	<b>4,541,662</b>	<b>4,845,313</b>	<b>4,541,652</b>

The effective interest rates on short-term bank deposits were 2019: 2.65%; 1.55%; 1.25%; 1.40%; these deposits mature on 18 January 2020; 9 April 2020; 11 September 2020; 19 September 2020.

	Note	Economic Entity		Parent Entity	
		2019	2018	2019	2018
<b>NOTE 4B: TRADE AND OTHER RECEIVABLES</b>		\$	\$	\$	\$
<b>Receivables from other reporting units</b>					
Wholly-owned subsidiary - AHA Properties Pty Ltd		-	-	538,158	558,158
<b>Total receivables from other reporting units</b>		<b>-</b>	<b>-</b>	<b>538,158</b>	<b>558,158</b>
<b>Less provision for doubtful debts</b>					
Wholly owned subsidiary - AHA Properties Pty Ltd		-	-	-	-
<b>Total provision for doubtful debts</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Receivables from other reporting units (net)</b>		<b>-</b>	<b>-</b>	<b>538,158</b>	<b>558,158</b>
<b>Other receivables</b>					
Trade receivables		82,352	137,449	82,352	137,449
<b>Total other receivables</b>		<b>82,352</b>	<b>137,449</b>	<b>82,352</b>	<b>137,449</b>
<b>Total trade and other receivables (net)</b>		<b>82,352</b>	<b>137,449</b>	<b>620,510</b>	<b>695,607</b>

		2019	2018	2019	2018
<b>NOTE 4C: OTHER CURRENT ASSETS</b>					
Inventories		19,084	18,766	19,084	18,766
Work in progress		900	2,562	900	2,562
Prepayments		62,452	63,911	62,452	63,911
Undeposited funds		3,226	5,796	3,226	5,796
Accrued income from other sources		69,185	48,399	69,185	48,399
<b>Total other current assets excl inventories</b>		<b>135,763</b>	<b>120,668</b>	<b>135,763</b>	<b>120,668</b>
<b>Total other current assets incl inventories</b>		<b>154,847</b>	<b>139,434</b>	<b>154,847</b>	<b>139,434</b>

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	Note	Economic Entity		Parent Entity	
		2019	2018	2019	2018
		\$	\$	\$	\$
<b>NOTE 5: NON-CURRENT ASSETS</b>					
<b>NOTE 5A: LAND, BUILDINGS, PLANT &amp; EQUIPMENT</b>					
Freehold land and buildings at cost		1,774,777	1,774,777	-	-
Less accumulated depreciation		560,000	540,000	-	-
		<u>1,214,777</u>	<u>1,234,777</u>	<u>-</u>	<u>-</u>
Plant and equipment at cost		456,022	456,852	456,022	456,852
Less accumulated depreciation		326,379	311,307	326,379	311,307
		<u>129,643</u>	<u>145,545</u>	<u>129,643</u>	<u>145,545</u>
Motor vehicles at cost		105,036	135,280	105,036	135,280
Less accumulated depreciation		27,653	61,019	27,653	61,019
		<u>77,383</u>	<u>74,261</u>	<u>77,383</u>	<u>74,261</u>
Total land, buildings, plant and equipment		<u>1,421,803</u>	<u>1,454,583</u>	<u>207,026</u>	<u>219,806</u>

**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
	\$	\$	\$	\$
<b>Economic Entity</b>				
Balance at the beginning of the year	1,234,777	145,545	74,261	1,454,583
Additions	-	6,258	34,669	40,927
Written down value of disposed assets	-	(116)	(10,363)	(10,479)
Depreciation expense	(20,000)	(22,044)	(21,184)	(63,228)
Carrying amount at the end of the year	<u>1,214,777</u>	<u>129,643</u>	<u>77,383</u>	<u>1,421,803</u>
<b>Parent Entity</b>				
Balance at the beginning of the year	-	145,545	74,261	219,806
Additions	-	6,258	34,669	40,927
Written down value of disposed assets	-	(116)	(10,363)	(10,479)
Depreciation expense	-	(22,044)	(21,184)	(43,228)
Carrying amount at the end of the year	<u>-</u>	<u>129,643</u>	<u>77,383</u>	<u>207,026</u>

**NOTE 5B: INTANGIBLE ASSETS**

	Economic Entity		Parent Entity	
	2019	2018	2019	2018
	\$	\$	\$	\$
Preliminary expenses at cost	350	350	-	-
<b>TOTAL INTANGIBLE ASSETS</b>	<u>350</u>	<u>350</u>	<u>-</u>	<u>-</u>

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	Note	Economic Entity		Parent Entity	
		2019	2018	2019	2018
		\$	\$	\$	\$
<b>NOTE 6: CURRENT LIABILITIES</b>					
<b>NOTE 6A: TRADE PAYABLES</b>					
Trade creditors		49,862	34,326	49,862	34,326
Payables to other reporting units		-	-	-	-
<b>Total trade payables</b>		<b>49,862</b>	<b>34,326</b>	<b>49,862</b>	<b>34,326</b>
<b>NOTE 6B: OTHER PAYABLES</b>					
Salaries and allowances – officials		19,085	14,980	19,085	14,980
Superannuation – officials		1,813	1,413	1,813	1,413
Superannuation – other		13,675	800	13,675	800
Payable to employers for making payroll deductions of membership subscriptions		-	-	-	-
Legal expenses		-	-	-	-
Prepayments received/unearned revenue		845,761	923,927	845,761	923,927
GST, PAYG and FBT Payable		96,494	111,120	96,494	111,120
Other payables and accrued expenses		65,913	64,850	65,913	64,850
<b>TOTAL OTHER PAYABLES</b>		<b>1,042,741</b>	<b>1,117,090</b>	<b>1,042,741</b>	<b>1,117,090</b>
<b>TOTAL TRADE AND OTHER PAYABLES</b>		<b>1,092,603</b>	<b>1,151,416</b>	<b>1,092,603</b>	<b>1,151,416</b>
<b>NOTE 7: PROVISIONS</b>					
<b>NOTE 7A: EMPLOYEE PROVISIONS</b>					
<b>Office Holders:</b>					
Annual leave – officials		-	-	-	-
Long service leave – officials		-	-	-	-
Separations and redundancies		-	-	-	-
Other		-	-	-	-
<b>Subtotal employee provisions - office holders</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Employees other than office holders:</b>					
Annual leave – employees		293,865	255,904	293,865	255,904
Long service leave - employees		244,332	245,003	244,332	245,003
Separations and redundancies		-	-	-	-
Other		-	-	-	-
<b>Subtotal employee provisions - employees other than office holders</b>		<b>538,197</b>	<b>500,907</b>	<b>538,197</b>	<b>500,907</b>
<b>Total employee provisions</b>		<b>538,197</b>	<b>500,907</b>	<b>538,197</b>	<b>500,907</b>
Current employee provisions		538,197	451,661	538,197	451,661
Non current employee provisions		-	49,246	-	49,246
<b>Total employee provisions</b>		<b>538,197</b>	<b>500,907</b>	<b>538,197</b>	<b>500,907</b>

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Note	Economic Entity		Parent Entity	
	2019	2018	2019	2018
<b>NOTE 7B: OTHER PROVISIONS</b>				
Maintenance provision	\$ 214,377	\$ 202,377	\$ 214,377	\$ 202,377
Total other provisions	214,377	202,377	214,377	202,377
<b>Total employee and other provisions</b>	<b>752,574</b>	<b>703,284</b>	<b>752,574</b>	<b>703,284</b>
Total Current provisions	752,574	654,038	752,574	654,038
Total Non current provisions	-	49,246	-	49,246
<b>Total provisions</b>	<b>752,574</b>	<b>703,284</b>	<b>752,574</b>	<b>703,284</b>
Number of employees at year end	11.9	11.9	11.9	11.9
<b>NOTE 8: EQUITY</b>				
<b>NOTE 8A: RESERVES</b>				
<b>Capital Profits Reserve</b>				
The capital profits reserve records profits on disposal of non-current assets.	676,969	676,969	-	-
<b>General Reserve</b>				
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
<b>NOTE 8B: OTHER SPECIFIC DISCLOSURES - FUNDS</b>				
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	-	-	-	-
<b>Balance as at end of year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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	Note	Economic Entity		Parent Entity	
		2019	2018	2019	2018
<b>NOTE 9: CASH FLOW</b>					
		\$	\$	\$	\$
<b>NOTE 9A: CASH FLOW RECONCILIATION</b>					
Reconciliation of cash and cash equivalents as per Statement of Financial Position to Statement of Cash Flows					
Statement of Cash Flows		4,845,323	4,541,662	4,845,313	4,541,652
Statement of Financial Position		4,845,323	4,541,662	4,845,313	4,541,652
Difference		-	-	-	-
<b>Reconciliation of Cash Flows from Operating Activities with Net Current Year Surplus/(Deficit)</b>					
Net Current Year Surplus/(Deficit)		240,720	(462,631)	240,720	(462,631)
Adjustments for non-cash flows:					
Depreciation		63,228	56,053	43,228	36,053
Net Loss on disposal of plant and equipment		116	954	116	954
Changes in assets and liabilities:					
Decrease (increase) in net receivables		(23,069)	(101,816)	(3,069)	(81,816)
Decrease (increase) in other assets		(15,095)	8,256	(15,095)	8,256
Decrease (increase) in inventories		(318)	3,353	(318)	3,353
Increase (decrease) in payables		19,353	(228,615)	19,353	(228,615)
Increase (decrease) in provisions		49,290	20,399	49,290	20,399
Cash flows from/(used in) operating activities		334,225	(704,047)	334,225	(704,047)
<b>NOTE 9B: CASH FLOW INFORMATION</b>					
Cash inflows					
AHASA		3,848,036	3,433,497	3,848,036	3,433,497
AHA National		-	750,000	-	750,000
<b>Total cash inflows</b>		3,848,036	4,183,497	3,848,036	4,183,497
Cash outflows					
AHASA		(3,470,599)	(4,889,753)	(3,470,599)	(4,889,753)
AHA National		(70,809)	(70,268)	(70,809)	(70,268)
AHA (VIC)		(467)	-	(467)	-
AHA (WA)		(2,500)	(2,200)	(2,500)	(2,200)
<b>Total cash outflows</b>		(3,544,375)	(4,962,221)	(3,544,375)	(4,962,221)
<b>Total net cash flows</b>		303,661	(778,724)	303,661	(778,724)



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Note	Economic Entity		Parent Entity	
	2019	2018	2019	2018
	\$	\$	\$	\$

**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 2019 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 2019, 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**

**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	-	-	538,158	558,158

**Gaming Care Ltd (Gaming Care):**

— rent received	80,400	79,200	80,400	79,200
— electricity contribution received	7,440	7,200	7,440	7,200
— cleaning contribution received	6,600	6,480	6,600	6,480
— administration fees received	73,760	88,440	73,760	88,440
— expenses reimbursed	281,069	185,092	281,069	185,092

- amounts owed by Gaming Care Ltd (included in trade receivables)	33,336.00	45,867.00	33,336	45,867

**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.

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	Note	Economic Entity		Parent Entity	
		2019	2018	2019	2018
		\$	\$	\$	\$
<b>NOTE 11B: KEY MANAGEMENT PERSONNEL REMUNERATION FOR THE REPORTING PERIOD</b>					
Total short-term employee benefits		418,096	409,448	418,096	409,448
Total post-employment benefits		-	-	-	-
Total other long-term benefits		19,219	16,677	19,219	16,677
Termination benefits		-	-	-	-
<b>Total</b>		<b>437,315</b>	<b>426,125</b>	<b>437,315</b>	<b>426,125</b>

	Economic Entity		Parent Entity	
	2019	2018	2019	2018
	\$	\$	\$	\$
<b>NOTE 12: AUDITORS' REMUNERATION</b>				
<b>VALUE OF THE SERVICES PROVIDED</b>				
Auditing the financial report of the Parent Entity	31,800	28,000	31,800	28,000
Other services:				
- Auditing the financial report of AHA Properties Pty Ltd	1,000	1,070	1,000	1,070
- 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	1,175	1,745	1,175	1,745
<b>TOTAL REMUNERATION OF AUDITORS</b>	<b>32,975</b>	<b>29,745</b>	<b>32,975</b>	<b>29,745</b>

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**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.

	Note	Economic Entity		Parent Entity	
		2019	2018	2019	2018
		\$	\$	\$	\$
<b>Financial Assets</b>					
Financial assets at amortised cost					
Cash and equivalents	4A	4,845,323	4,541,662	4,845,313	4,541,652
Trade receivables	4B	82,352	137,449	82,352	137,449
Amount receivable from wholly owned subsidiary	4B	-	-	538,158	558,158
<b>Total financial assets</b>		<b>4,927,675</b>	<b>4,679,111</b>	<b>5,465,823</b>	<b>5,237,259</b>
<b>Financial liabilities</b>					
Financial liabilities at amortised cost:					
- Trade creditors	6A	49,862	34,326	49,862	34,326
- Other payables and accruals	6B	1,042,741	1,117,090	1,042,741	1,117,090
<b>Total financial liabilities</b>		<b>1,092,603</b>	<b>1,151,416</b>	<b>1,092,603</b>	<b>1,151,416</b>
		<b>3,835,072</b>	<b>3,527,695</b>	<b>4,373,220</b>	<b>4,085,843</b>

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:

	2019	2018	2019	2018
	\$	\$	\$	\$
Cash and cash equivalents	4,845,323	4,541,662	4,845,313	4,541,652
Loans and receivables	82,352	137,449	620,510	695,607

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**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 2019 investment in Cash, Fixed Interest and Floating Interest rate deposits, less bank loans amounted to \$4,845,323. A +/-1% change in interest rates during the year ended 31 December 2019 would have resulted in a +/- change in net interest income of \$1,019.

At 31 December 2018 investment in Cash, Fixed Interest and Floating Interest rate deposits, less bank loans amounted to \$4,541,652. 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.

**(ii) Currency Risk**

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

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**NOTE 14: ASSOCIATED COMPANY**

An interest is held in the following non-listed associated company:  
Gaming Care 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	
	2019	2018	2019	2018	2019	2018
	%	%	%	%	\$	\$
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.

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**NOTE 14: ASSOCIATED COMPANY (CONT'D)**

	Gaming Care	
	2019	2018
	\$	\$
<b>Summarised Financial Information of Associated Company</b>		
<b>Statement of financial position</b>		
Current assets	386,292	576,714
Non-current assets	189,555	180,982
<b>Total assets</b>	<b>575,847</b>	<b>757,696</b>
Current liabilities	575,847	757,696
Total liabilities	575,847	757,696
Net assets	-	-
<b>Statement of comprehensive income</b>		
Income	1,642,351	1,436,893
Expenses	1,642,351	1,436,893
Net surplus/(deficit)	-	-
<b>Share of net surplus/(deficit) after tax</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>

**NOTE 15: CONTROLLED ENTITY**

The parent entity is Australian Hotels Association (South Australian Branch) (AHASA). The principal activity of AHASA during the year was being a registered employer industrial relations organisation with objectives to promote and protect the interests of its members. AHASA is incorporated in Australia.

An interest is held in the following non-listed subsidiary company:

AHA Properties Pty Ltd

The principal activity of AHA Properties Pty Ltd during the year was being the registered owner of premises occupied by AHASA and Gaming Care. AHA Properties Pty Ltd is incorporated in Australia.

The interest is held as follows:

	Ownership interest		Voting power		Carrying amount of investment	
	2019	2018	2019	2018	2019	2018
	%	%	%	%	\$	\$
AHA Properties Pty Ltd	100	100	100	100	10	10

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**NOTE 15: CONTROLLED ENTITY (CONT'D)**

	AHA Properties Pty Ltd	
	2019	2018
	\$	\$
<b>Summarised Financial Information of Controlled Company</b>		
<b>Statement of financial position</b>		
Current assets	10	10
Non-current assets	1,215,127	1,235,127
<b>Total assets</b>	<b>1,215,137</b>	<b>1,235,137</b>
Non-current liabilities	538,158	558,158
<b>Total liabilities</b>	<b>538,158</b>	<b>558,158</b>
<b>Net assets</b>	<b>676,979</b>	<b>676,979</b>
<b>Statement of comprehensive income</b>		
Income	20,000	20,000
Expenses	20,000	20,000
Net surplus/(deficit)	-	-
<b>Share of net surplus/(deficit) after tax</b>	-	-
<b>Total comprehensive income</b>	-	-

**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)

4<sup>th</sup> 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 of the Fair Work Commission under subsections 245(1) or 249(1) of the RO Act.

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**NOTE 20: EVENTS AFTER THE REPORTING PERIOD**

**COVID-19**

**Nature of the event**

Coronavirus disease 2019 (COVID-19) is a respiratory illness caused by the coronavirus SARS-CoV-2. The coronavirus outbreak was first identified in Wuhan, China in December 2019. The World Health Organisation (WHO) declared it to be a "public health emergency of international concern" on 30 January 2020 and recognised it as a global pandemic on 11 March 2020.

**Non-adjusting event after the reporting period**

The coronavirus outbreak was not declared as an emergency until January 2020 therefore the subsequent spread of the coronavirus and the various control measures taken do not provide additional evidence about the situation that existed as at 31 December 2019. Notably there was no explicit evidence of human-to-human transmission as at 31 December 2019. As a result, the coronavirus outbreak is deemed to be a non-adjusting event after the reporting period.

**Financial impact of the event**

On 22 March 2020, the Federal Government announced the closure of many Australian businesses from midday 23 March 2020 in an attempt to slow the spread of the coronavirus outbreak. These measures have had a significant impact on AHASA's members because the bars and restaurants in their hotels have had to temporarily close. Hotels are still allowed to offer accommodation and their restaurants can offer takeaway and delivery services. Bottle shops have been deemed to be an essential service and remain open.

Due to the temporary closure of hotels, AHASA's budget for the 2020 financial year has been reviewed on the basis that hotel trading may not recommence for some time. The reviewed budget includes the following judgments and estimates made by the committee of management:

- Hotel trading may not recommence until October 2020
  - Memberships unpaid at the date of hotel closures may not be collected
  - Sponsorship revenue will reduce
  - Training income will reduce due to the suspension of training courses during the hotel closure period.
- All expenses in the budget have been reviewed and relevant Federal and State Government rebates and funding are being applied for.

Although AHASA anticipates hotels being fully operational by October 2020, a budget for the 2021 financial year has also been undertaken on the basis that the industry will take some time to fully recover from the closures applied by the Federal Government during the coronavirus outbreak.

During the 2021 financial year, reductions in membership and sponsorship revenue are expected and therefore all expenses have been assessed.

**NOTE 21: 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.

The committee of management has assessed the impact of the coronavirus outbreak and COVID-19 on the association's ability to continue on a going concern basis. This assessment has included a review of the 2020 financial year budget and cash flow. A conservative approach has been adopted in performing this review. This assessment has also included the preparation of a budget for the 2021 financial year. As a result of the assessment, the committee of management believes that:

- the association's strong cash reserves will underwrite the on-going financial viability of the association
- the coronavirus outbreak and COVID-19 will not affect the association's ability to continue on a going concern basis
- the association will be able to pay its debts as and when they become due and payable.



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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2019**

NOTE 22: DETAILED INCOME STATEMENT	Economic Entity		Parent Entity	
	2019	2018	2019	2018
	\$	\$	\$	\$
<b>INCOME</b>				
Members' subscriptions	2,022,563	1,830,478	2,022,563	1,830,478
Associate members' subscriptions	3,343	3,256	3,343	3,256
Advocacy services income	143,488	186,693	143,488	186,693
Sponsorships	545,222	464,714	545,222	464,714
Commissions received	98,397	95,587	98,397	95,587
Conferences, seminars and events	396,543	270,896	396,543	270,896
Rent received	80,400	79,200	80,400	79,200
Sale of goods	12,397	17,164	12,397	17,164
Other income	133,104	838,451	133,104	838,451
Bank interest	101,899	99,563	101,899	99,563
Gain on disposal of plant and equipment	-	1,815	-	1,815
<b>Total income from ordinary activities</b>	<b>3,537,356</b>	<b>3,887,817</b>	<b>3,537,356</b>	<b>3,887,817</b>
<b>EXPENDITURE</b>				
Advocacy expenses	-	-	-	-
Annual leave provision	37,708	12,596	37,708	12,596
Bad Debts	6,183	-	6,183	-
Conferences, seminars and events	388,826	269,742	388,826	269,742
Delegates fees and expenses	10,397	7,700	10,397	7,700
Depreciation	63,228	56,053	63,228	36,053
Donations and grants	400	4,523	400	4,523
Entertainment	61,110	72,372	61,110	72,372
National AHA Capitation Fees	69,303	69,303	69,303	69,303
Gaming expenses	-	-	-	-
General expenses	21,465	26,899	21,465	26,899
Insurance	21,880	20,387	21,880	20,387
Legal expenses	4,779	9,320	4,779	9,320
Long service leave provision	40,262	38,631	40,262	38,631
Loss on disposal of plant and equipment	116	2,769	116	2,769
Media advertising expenses	184,786	953,838	184,786	953,838
Media coverage expenses	67,821	69,413	67,821	69,413
Meeting expenses	59,839	62,192	59,839	62,192

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

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

NOTE 22: DETAILED INCOME STATEMENT (CONT'D)	Economic Entity		Parent Entity	
	2019	2018	2019	2018
	\$	\$	\$	\$
<b>EXPENDITURE (CONT'D)</b>				
Motor vehicle expenses	36,644	48,843	36,644	48,843
Other administration expenses	158,877	151,272	158,877	151,272
Payroll tax	58,296	55,419	58,296	55,419
Political donations	4,000	191,250	4,000	191,250
Printing, postage and stationery	86,469	95,248	86,469	95,248
Professional, consultancy and audit expenses	109,102	351,993	109,102	351,993
Rates and taxes	20,182	19,778	20,182	19,778
Rent paid	-	-	20,000	20,000
Repairs, cleaning, light and power	98,803	102,693	98,803	102,693
Salaries and allowances – officials	18,980	18,375	18,980	18,375
Salaries and allowances – other	1,214,541	1,165,753	1,214,541	1,165,753
Sponsorship expense	107,012	110,390	107,012	110,390
Staff Recruitment Costs	610	-	610	-
Subscriptions	41,045	20,399	41,045	20,399
Superannuation – officials	1,803	1,746	1,803	1,746
Superannuation – other	195,076	235,856	195,076	235,856
Telephone	31,299	28,605	31,299	28,605
Travelling expenses	66,083	67,232	66,083	67,232
Workcover	9,711	9,858	9,711	9,858
<b>Total expenditure on ordinary activities</b>	<b>3,296,636</b>	<b>4,350,448</b>	<b>3,296,636</b>	<b>4,350,448</b>
<b>Surplus/(Deficit) attributable to members of the parent entity</b>	<b>240,720</b>	<b>(462,631)</b>	<b>240,720</b>	<b>(462,631)</b>

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

COMMITTEE OF MANAGEMENT'S STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2019

On 7 April 2020, 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 2019:

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.

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



DAVID BASHEER  
President



RICHARD STEFAN JOHN LOVELL  
Secretary/Treasurer  
Dated 7 April, 2020

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

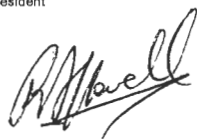
REPORT REQUIRED UNDER SUBSECTION 255(2A) FOR THE YEAR ENDED 31 DECEMBER 2019

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 31 December 2019.

Categories of expenditures	Economic Entity		Parent Entity	
	2019	2018	2019	2018
	\$	\$	\$	\$
Remuneration and other employment-related costs and expenses - employees	1,617,377	1,589,834	1,617,377	1,589,834
Advertising	11,063	8,146	11,063	8,146
Media advertising other	173,723	945,692	173,723	945,692
Operating costs	1,485,694	1,606,206	1,485,694	1,606,206
Donations to political parties	4,000	191,250	4,000	191,250
Legal costs	4,779	9,320	4,779	9,320



DAVID BASHEER  
President



RICHARD STEFAN JOHN LOVELL  
Secretary/Treasurer  
Dated 7 April, 2020

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

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 2019.

The reporting unit did not:

- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity.
- provide cash flows to a controlled entity.
- receive cash flows from a 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 7 April, 2020

**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 2019, 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 2019, 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 2019 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**

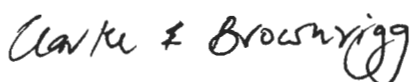
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that 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 (number (AA2017/184)).



CLARKE & BROWNRIGG  
Chartered Accountants



CHRISTOPHER R CLARKE  
Partner  
Registered company auditor number 5024  
Registered RO Act auditor number (AA2017/184)

22 April 2020  
8 Angas Street, Kent Town SA 5067