



18 May 2021

Ian Horne
General Manager, South Australian Branch
Australian Hotels Association

cc. Christopher Clarke, Auditor

Dear Ian Horne

Re: – Financial reporting – Australian Hotels Association, South Australian Branch - for year ending 31 December 2020 (FR2020/284)

I refer to the financial report of the South Australian Branch of the Australian Hotels Association in respect of the year ending 31 December 2020. The documents were lodged with the Registered Organisations Commission ('ROC') on 12 May 2021.

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 2021 may be subject to an advanced compliance review.

You are not required to take any further action in relation to the 2020 report. However I make the following comments to assist when preparing the next report.

Partial disclosure – accounting policies note

Note 1 of the financial report for the previous year ending 31 December 2019 stated that Australian Accounting Standard AASB 1058 *Income of Not-for-Profit Entities* had been adopted. However, the accounting policy information disclosed in note 1.7 *Revenue* in the financial report for 2020 did not appear to have been updated to cover 'Covid-19 government assistance' of \$341,500 which might be considered to be a material "Other Income" item.

I draw your attention to illustrative policy wording on pages 29-30 of the model financial statements 2019-2020 and pages 24-25 of the model financial statements 2020-2021 (see attached) which may provide applicable guidance.

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, appearing to read "Stephen Kellett", with a long horizontal stroke extending to the right.

Stephen Kellett
Financial Reporting
Registered Organisations Commission

Australian Hotels Association
(South Australian Branch)

ABN 77 237 576 146

and Controlled Entity

Financial Report
2020

**Australian Hotels Association (South Australian Branch)
and Controlled Entity**

Financial Report 2020

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* The certificate by prescribed designated officer and the operating report are not included in this financial report and are both lodged separately with the Registered Organisations Commission

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE
AUSTRALIAN HOTELS ASSOCIATION (SOUTH AUSTRALIAN BRANCH)**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of the Australian Hotels Association (South Australian Branch) (the "Parent Entity") and the Australian Hotels Association (South Australian Branch) and Controlled Entity (the "Consolidated Group"), which comprises the statement of financial position as at 31 December 2020, 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 Consolidated Group as at 31 December 2020, 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 Consolidated Group 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 operating report (included in the 2020 annual report) 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 Consolidated Group'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 Consolidated Group or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE AUSTRALIAN HOTELS ASSOCIATION (SOUTH AUSTRALIAN BRANCH)

Auditor's Responsibilities for the Audit of the Financial Report

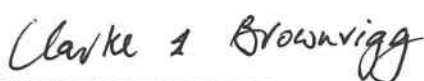
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that 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 Consolidated Group'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 Consolidated Group'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 Consolidated Group 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 Consolidated Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Consolidated Group 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

9 April 2021
8 Angas Street, Kent Town SA 5067

**Australian Hotels Association (South Australian Branch)
and Controlled Entity**

Report required under subsection 255(2A)

for the year ended 31 December 2020

The committee of management presents the expenditure report as required under subsection 255(2A) for the year ended 31 December 2020.

Categories of expenditures	Consolidated group		Parent entity	
	2020 \$	2019 \$	2020 \$	2019 \$
Remuneration and other employment-related costs and expenses – employees	1,684,872	1,617,377	1,684,872	1,617,377
Advertising	5,407	11,063	5,407	11,063
Media advertising other	80,549	173,723	80,549	173,723
Operating costs	935,734	1,485,694	935,734	1,485,694
Donations to political parties	-	4,000	-	4,000
Legal costs	39,107	4,779	39,107	4,779

Signature of designated officer:



Name and title of designated officer:

David Basheer, President

Dated:

7 April 2021



SECRETARY / TREASURER

RICHARD STEFAN JOHN LOVELL

**Australian Hotels Association (South Australian Branch)
and Controlled Entity**

Committee of management statement

for the year ended 31 December 2020

On 7 April 2021, 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 year ended 31 December 2020:

The committee of management declares that in its opinion:

- the financial statements and notes comply with the Australian Accounting Standards;
- 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);
- the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Australian Hotels Association (South Australian Branch) and Controlled Entity for the financial year to which they relate;
- there are reasonable grounds to believe that Australian Hotels Association (South Australian Branch) and Controlled Entity will be able to pay their debts as and when they become due and payable; and
- during the financial year to which the GPFR relates and since the end of that year:
 - meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned;
 - the financial affairs of the Australian Hotels Association (South Australian Branch) have been managed in accordance with the rules of the organisation including the rules of a branch concerned;
 - the financial records of the Australian Hotels Association (South Australian Branch) have been kept and maintained in accordance with the RO Act;
 - where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation;
 - where information has been sought in any request by a member of the organisation or the Commissioner duly made under section 272 of the RO Act, that information has been provided to the member or the Commissioner; and
 - where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

This declaration is made in accordance with a resolution of the committee of management.

Signature of designated officer:

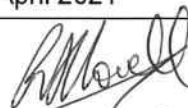


Name and title of designated officer:

David Basheer, President

Dated:

7 April 2021



SECRETARY/TREASURER

RICHARD STEFAN JOHN LOVELL

**Australian Hotels Association (South Australian Branch)
and Controlled Entity**

**Statement of profit or loss and other comprehensive income
for the year ended 31 December 2020**

	Notes	Consolidated group		Parent entity	
		2020	2019 Restated Note 1.2	2020	2019 Restated Note 1.2
		\$	\$	\$	\$
Revenue from contracts with customers	3				
Membership subscriptions		2,075,811	2,022,563	2,075,811	2,022,563
Associate membership subscriptions		2,827	3,343	2,827	3,343
Sponsorships		608,144	545,222	608,144	545,222
Advocacy services including training		136,652	143,488	136,652	143,488
Commissions received		77,824	98,397	77,824	98,397
Conferences, seminars and events		2,590	396,543	2,590	396,543
Sale of goods		14,325	12,397	14,325	12,397
Total revenue from contracts with customers		2,918,173	3,221,953	2,918,173	3,221,953
Other income					
Interest income		64,612	101,899	64,612	101,899
Rental income from properties		81,600	80,400	81,600	80,400
Covid-19 government assistance		341,500	-	341,500	-
Other		95,197	133,104	95,197	133,104
Total other income		582,909	315,403	582,909	315,403
Total income		3,501,082	3,537,356	3,501,082	3,537,356
Expenses					
Employee expenses	4A	1,684,872	1,617,377	1,684,872	1,617,377
Capitation fees and other expenses to another reporting unit	4B	70,803	73,776	70,803	73,776
Administration expenses	4C	891,122	1,526,777	911,122	1,546,777
Donations	4D	-	4,400	-	4,400
Depreciation	6A	59,361	63,228	39,361	43,228
Legal costs	4E	39,107	4,779	39,107	4,779
Losses from sale of assets		404	116	404	116
Other expenses	4F	-	6,183	-	6,183
Total expenses		2,745,669	3,296,636	2,745,669	3,296,636
Surplus (deficit) for the year		755,413	240,720	755,413	240,720
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		755,413	240,720	755,413	240,720

The above statement should be read in conjunction with the notes.

**Australian Hotels Association (South Australian Branch)
and Controlled Entity**

Statement of financial position

as at 31 December 2020

	Notes	Consolidated group		Parent entity	
		2020	2019 Restated Note 1.2	2020	2019 Restated Note 1.2
		\$	\$	\$	\$
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	5A	6,112,364	4,845,323	6,112,354	4,845,313
Trade and other receivables	5B	274,182	82,352	792,340	620,510
Inventory	5D	17,323	19,084	17,323	19,084
Other current assets	5E	123,860	135,763	123,860	135,763
TOTAL CURRENT ASSETS		6,527,729	5,082,522	7,045,877	5,620,670
NON-CURRENT ASSETS					
Property, plant and equipment	6A	1,392,121	1,421,803	197,344	207,026
Intangibles	6B	350	350	-	-
Investment in subsidiary	6C	-	-	10	10
Investment in associate	6D	-	-	-	-
TOTAL NON-CURRENT ASSETS		1,392,471	1,422,153	197,354	207,036
TOTAL ASSETS		7,920,200	6,504,675	7,243,231	5,827,706
LIABILITIES					
CURRENT LIABILITIES					
Trade payables	7A	36,358	49,862	36,358	49,862
Other payables	7B	242,222	196,980	242,222	196,980
Employee provisions	8A	567,833	538,197	567,833	538,197
Other provisions	8B	216,377	214,377	216,377	214,377
Contract liabilities	5C	1,436,449	845,761	1,436,449	845,761
TOTAL CURRENT LIABILITIES		2,499,239	1,845,177	2,499,239	1,845,177
NON-CURRENT LIABILITIES					
Employee provisions	8A	6,050	-	6,050	-
TOTAL NON-CURRENT LIABILITIES		6,050	-	6,050	-
TOTAL LIABILITIES		2,505,289	1,845,177	2,505,289	1,845,177
NET ASSETS		5,414,911	4,659,498	4,737,942	3,982,529
EQUITY					
Capital profits reserve	9A	676,969	676,969	-	-
General reserve	9A	380,000	380,000	380,000	380,000
Retained earnings		4,357,942	3,602,529	4,357,942	3,602,529
TOTAL EQUITY		5,414,911	4,659,498	4,737,942	3,982,529

The above statement should be read in conjunction with the notes.

**Australian Hotels Association (South Australian Branch)
and Controlled Entity**

Statement of changes in equity

for the year ended 31 December 2020

	Notes	Capital profits reserve \$	General reserve \$	Retained earnings \$	Total equity \$
Consolidated group					
Balance as at 1 January 2019		676,969	380,000	3,361,809	4,418,778
Surplus (deficit) for the year		-	-	240,720	240,720
Other comprehensive income for the year		-	-	-	-
Balance as at 31 December 2019		676,969	380,000	3,602,529	4,659,498
Surplus (deficit) for the year		-	-	755,413	755,413
Other comprehensive income for the year		-	-	-	-
Balance as at 31 December 2020		676,969	380,000	4,357,942	5,414,911
Parent entity					
Balance as at 1 January 2019		-	380,000	3,361,809	3,741,809
Surplus (deficit) for the year		-	-	240,720	240,720
Other comprehensive income for the year		-	-	-	-
Balance as at 31 December 2019		-	380,000	3,602,529	3,982,529
Surplus (deficit) for the year		-	-	755,413	755,413
Other comprehensive income for the year		-	-	-	-
Balance as at 31 December 2020		-	380,000	4,357,942	4,737,942

The above statement should be read in conjunction with the notes.

**Australian Hotels Association (South Australian Branch)
and Controlled Entity**

Statement of cash flows

for the year ended 31 December 2020

	Notes	Consolidated group		Parent entity	
		2020	2019	2020	2019
		\$	\$	\$	\$
OPERATING ACTIVITIES					
Cash received					
Receipts from customers		4,193,354	3,742,836	4,193,354	3,742,836
Interest		77,015	94,837	77,015	94,837
Cash used					
Suppliers and employees		(2,902,442)	(3,429,672)	(2,902,442)	(3,429,672)
Payment to other reporting units	10B	(70,803)	(73,776)	(70,803)	(73,776)
Net cash from (used by) operating activities	10A	1,297,124	334,225	1,297,124	334,225
INVESTING ACTIVITIES					
Cash received					
Proceeds from sale of plant and equipment		-	10,363	-	10,363
Cash used					
Purchase of plant and equipment		(30,083)	(40,927)	(30,083)	(40,927)
Net cash from (used by) investing activities		(30,083)	(30,564)	(30,083)	(30,564)
Net increase (decrease) in cash held		1,267,041	303,661	1,267,041	303,661
Cash and cash equivalents at the beginning of the reporting period		4,845,323	4,541,662	4,845,313	4,541,652
Cash and cash equivalents at the end of the reporting period	5A	6,112,364	4,845,323	6,112,354	4,845,313

The above statement should be read in conjunction with the notes.

**Australian Hotels Association (South Australian Branch)
and Controlled Entity**

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for the year ended 31 December 2020

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Note 7	Current liabilities
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Australian Hotels Association (South Australian Branch) and Controlled Entity

Notes to the financial statements

for the year ended 31 December 2020

Note 1: Summary of significant accounting policies

This consolidated financial report represents that of the Australian Hotels Association (South Australian Branch) and Controlled Entity (the “consolidated group” or “group”). The Australian Hotels Association (South Australian Branch) (AHA|SA) is an organisation operating pursuant to the *Fair Work (Registered Organisations) Act 2009* (RO Act), incorporated and domiciled in South Australia.

The separate financial report of the parent entity, AHA|SA, has also been presented within this financial report.

The financial report was authorised for issue on 7 April 2021 by the members of the committee of management of the AHA|SA.

1.1 Basis of preparation of the financial report

The financial report is a general purpose financial report and has been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the RO Act. For the purpose of preparing the general purpose financial report, the AHA|SA is a not-for-profit entity.

The financial report, except for the cash flow information, has been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The amounts presented in the financial report have been rounded to the nearest Australian dollar.

1.2 Comparative amounts

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

The statement of profit or loss and other comprehensive income and the statement of financial position have been restated during the current financial year for the following reasons:

- The presentation as per the model set of financial statements issued by the Registered Organisations Commission has been fully adopted; and
- More comprehensive disclosure as required by AASB 15: *Revenue from Contracts with Customers* has been provided as follows:
 - Revenue from contracts with customers is shown and disaggregated by type of arrangements in the statement of profit or loss and other comprehensive income; and

**Australian Hotels Association (South Australian Branch)
and Controlled Entity**

Notes to the financial statements

for the year ended 31 December 2020

1.2 Comparative amounts (cont'd)

- Revenue from contracts with customers received in advance is shown as contract liabilities rather than in trade and other payables in current liabilities in the statement of financial position.

1.3 Significant accounting judgements and estimates

In applying the group'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 group. 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 judgements and estimates were made. Significant judgements and estimates made by the committee of management in the preparation of this financial report are described in the various notes:

- | | |
|---------------------------------------|--------------------|
| • Revenue | Note 1.7 |
| • Employee and office holder benefits | Note 1.8 |
| • Financial instruments | Notes 1.11 to 1.13 |
| • Depreciation | Note 1.16 |
| • Impairment of non-financial assets | Note 1.18 |
| • Provisions | Note 1.21 |

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard requirements

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 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.

**Australian Hotels Association (South Australian Branch)
and Controlled Entity**

Notes to the financial statements

for the year ended 31 December 2020

1.4 New Australian Accounting Standards (cont'd)

AASB 2018-7 has been adopted from 1 January 2020 however it did not materially impact the financial statements.

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

Future Australian Accounting Standards Requirements

There are no 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 group.

1.5 Principles of consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent entity (AHA|SA) and its controlled entity (subsidiary). The AHA|SA 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. Information regarding the AHA|SA's subsidiary is provided in Note 6C.

The assets, liabilities and results of subsidiaries are fully consolidated into the financial statements of the group from the date on which control is obtained by the AHA|SA. 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 group.

1.6 Investment in associates

An associate is an entity over which the AHA|SA 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. Information regarding the AHA|SA's associate is provided in Note 6D.

The assets, liabilities and results of associates are incorporated into the financial statements of the group 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.

The AHA|SA does not have any joint ventures or joint operations.

**Australian Hotels Association (South Australian Branch)
and Controlled Entity**

Notes to the financial statements

for the year ended 31 December 2020

1.7 Revenue

The AHA|SA enters into various arrangements where it receives consideration from another party. The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements.

Revenue from contracts with customers

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 AHA|SA'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 contract liabilities.

For membership subscriptions paid annually in advance, the AHA|SA has elected to apply the practical expedient to not adjust the transaction price for the effects of a significant financing component because the period from when the member pays and the goods or services will transfer to the member will be one year or less.

Sponsorship benefits revenue

The AHA|SA 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 AHA|SA undertakes certain other revenue-generating activities which are accounted for when the performance obligation is satisfied including:

- Advocacy services
- Training
- Conferences, seminars and events

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.

**Australian Hotels Association (South Australian Branch)
and Controlled Entity**

Notes to the financial statements

for the year ended 31 December 2020

1.7 Revenue (cont'd)

- **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 is recognised on an accrual basis using the effective interest method.

Rental income from properties

Leases in which the AHA|SA as a lessor, does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the relevant lease term.

1.8 Employee and office holder 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*) which are expected to be settled within twelve months of the end of the reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the AHA|SA 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 of service.

Office holders do not earn any benefits from services rendered, except current financial year's allowances, hence no provision is made for a liability for annual or long service leave for them.

1.9 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.

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1.10 Cash

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.

1.11 Financial instruments

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

1.12 Financial assets

Contract assets and receivables

A contract asset is recognised when the group has satisfied a performance obligation but cannot recognise a receivable until other obligations are satisfied.

While a contract asset represents a right to payment that is conditional on further performance, a receivable represents an unconditional right to payment.

Contract assets and receivables are subject to impairment assessment. Refer to accounting policies on impairment of financial assets below.

Initial recognition and measurement

Financial assets are classified at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income (OCI) or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

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1.12 Financial assets (cont'd)

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date i.e. the date that the group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in five categories:

- (Other) financial assets at amortised cost
- (Other) financial assets at fair value through other comprehensive income
- Investments in equity instruments designated at fair value through other comprehensive income
- (Other) financial assets at fair value through profit or loss
- (Other) financial assets designated at fair value through profit or loss

Financial assets at amortised cost

The group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The group's financial assets at amortised cost include trade receivables and loans to related parties.

Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
 - the group has transferred substantially all the risks and rewards of the asset; or

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1.12 Financial assets (cont'd)

- the group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the group continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

Impairment

Expected credit losses

Receivables for goods and services are recognised at the nominal amounts due less any loss allowance due to expected credit losses at each reporting date.

Trade receivables

For trade receivables that do not have a significant financing component, the group applies a simplified approach in calculating expected credit losses (ECLs) which requires lifetime expected credit losses to be recognised from initial recognition of the receivables. Therefore, the group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

1.13 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified at initial recognition and subsequently measured at amortised cost or fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The group's financial liabilities include trade payables, other payables and contract liabilities.

Subsequent measurement

Financial liabilities at amortised cost

After initial recognition, trade payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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1.13 Financial liabilities (cont'd)

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

1.14 Liabilities relating to contracts with customers

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the AHA|SA transfers the related goods or services. Contract liabilities include deferred income. Contract liabilities are recognised as revenue when the AHA|SA performs under the contract i.e. transfers control of the related goods or services to the customer.

1.15 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 to 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.

1.16 Land, buildings, plant and equipment

Land, buildings, plant and equipment are measured on the cost basis in the statement of financial position 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. Information regarding details of impairment is provided in Note 1.18.

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1.16 Land, buildings, plant and equipment (cont'd)

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 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 and are as follows:

	2020	2019
Buildings	1%	1%
Plant and equipment	7 to 40%	7 to 40%
Motor vehicles	22.5%	22.5%

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.

1.17 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 on 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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1.18 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 group were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

1.19 Taxation

The AHA|SA is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligations 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 (ATO). Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO 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 ATO is classified within operating cash flows.

1.20 Inventory

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

1.21 Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Note 2: Events after the reporting period

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the group, the results of those operations or the state of affairs of the group in subsequent financial periods.

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Note 3: Revenue

Disaggregation of revenue from contracts with customers

A disaggregation of revenue by type of arrangements is provided in the statement of profit or loss and other comprehensive income. The table below also sets out a disaggregation of revenue by timing.

	Consolidated group		Parent entity	
	2020	2019	2020	2019
	\$	\$	\$	\$
Timing of revenue recognition				
Over time				
Membership subscriptions	2,075,811	2,022,563	2,075,811	2,022,563
Associate membership subscriptions	2,827	3,343	2,827	3,343
Sponsorships	608,144	545,222	608,144	545,222
Total over time	2,686,782	2,571,128	2,686,782	2,571,128
Point in time				
Advocacy services including training	136,652	143,488	136,652	143,488
Commissions received	77,824	98,397	77,824	98,397
Conferences, seminars and events	2,590	396,543	2,590	396,543
Sale of goods	14,325	12,397	14,325	12,397
Total point in time	231,391	650,825	231,391	650,825
Total revenue from contracts with customers	2,918,173	3,221,953	2,918,173	3,221,953

Note 4: Expenses

Note 4A: Employee expenses

Holders of office

Allowances	17,665	18,980	17,665	18,980
Superannuation	1,678	1,803	1,678	1,803
Subtotal employee expenses holders of office	19,343	20,783	19,343	20,783

Employees other than office holders

Wages and salaries	1,346,127	1,214,541	1,346,127	1,214,541
Superannuation	174,384	195,076	174,384	195,076
Leave and other entitlements	87,341	77,970	87,341	77,970
Other employee expenses	57,677	109,007	57,677	109,007
Subtotal employee expenses employees other than office holders	1,665,529	1,596,594	1,665,529	1,596,594
Total employee expenses	1,684,872	1,617,377	1,684,872	1,617,377

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	Consolidated group		Parent entity	
	2020	2019	2020	2019
	\$	\$	\$	\$
Note 4B: Capitation fees and other expenses to another reporting unit				
Capitation fees				
AHA National	69,303	69,303	69,303	69,303
Subtotal capitation fees	69,303	69,303	69,303	69,303
Other expenses to another reporting unit				
AHA National – affiliation fees	300	300	300	300
AHA National – expense reimbursement	1,200	1,206	1,200	1,206
AHA Victoria – expense reimbursement	-	467	-	467
AHA WA – expense reimbursement	-	2,500	-	2,500
Subtotal other expenses to another reporting unit	1,500	4,473	1,500	4,473
Total capitation fees and other expenses to another reporting unit	70,803	73,776	70,803	73,776

Note 4C: Administration expenses

Fees / allowances – meetings and conferences	845	1,719	845	1,719
Conference and meeting expenses	44,782	456,875	44,782	456,875
Contractors / consultants	78,882	121,352	78,882	121,352
Property expenses	78,483	80,362	98,483	100,362
Office expenses	58,620	58,229	58,620	58,229
Information communications technology	105,862	107,893	105,862	107,893
Entertainment	46,300	61,110	46,300	61,110
Media advertising and coverage	149,678	237,857	149,678	237,857
Motor vehicles and travelling	56,747	102,727	56,747	102,727
Printing, postage and stationery	71,891	86,469	71,891	86,469
Sponsorship expenses	81,547	107,012	81,547	107,012
Subscriptions	41,348	41,045	41,348	41,045
Other	76,137	64,127	76,137	64,127
Total administration expenses	891,122	1,526,777	911,122	1,546,777

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	Consolidated group		Parent entity	
	2020	2019	2020	2019
	\$	\$	\$	\$
Note 4D: Donations				
Political donations				
Total expensed that were \$1,000 or less	-	-	-	-
Total expensed that exceeded \$1,000	-	4,000	-	4,000
Other donations				
Total expensed that were \$1,000 or less	-	400	-	400
Total expensed that exceeded \$1,000	-	-	-	-
Total donations	-	4,400	-	4,400

Note 4E: Legal costs

Non litigation legal costs	39,107	4,779	39,107	4,779
Total legal costs	39,107	4,779	39,107	4,779

Note 4F: Other expenses

Bad debts written off	-	6,183	-	6,183
Total other expenses	-	6,183	-	6,183

Note 5: Current assets

Note 5A: Cash and cash equivalents

Cash on hand	1,010	194	1,000	184
Cash at bank	1,828,583	621,992	1,828,583	621,992
Bank term deposits	4,282,771	4,223,137	4,282,771	4,223,137
Total cash and cash equivalents	6,112,364	4,845,323	6,112,354	4,845,313

The effective interest rates on bank term deposits were 1.64%, 0.66% and 0.73% (2019: 2.65%, 1.55%, 1.25% and 1.4%); these deposits mature on 18 January 2021, 2 April 2021 and 11 June 2021 respectively.

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	Consolidated group		Parent entity	
	2020	2019	2020	2019
	\$	\$	\$	\$
Note 5B: Trade and other receivables				
Trade receivables	274,182	82,352	274,182	82,352
Less allowance for expected credit losses	-	-	-	-
Total trade receivables (net)	274,182	82,352	274,182	82,352
Other receivables				
AHA Properties Pty Ltd	-	-	518,158	538,158
Total other receivables	-	-	518,158	538,158
Total trade and other receivables (net)	274,182	82,352	792,340	620,510

Note 5C: Contract assets and contract liabilities

The following assets and liabilities are related to contracts with customers:

Included in trade receivables (current)	234,413	49,016	234,413	49,016
Contract liabilities (current)				
Membership subscriptions received in advance	949,153	666,471	949,153	666,471
Sponsorships received in advance	181,694	167,858	181,694	167,858
Conferences, seminars and events income received in advance	165,866	-	165,866	-
Training income received in advance	19,736	11,432	19,736	11,432
Covid-19 mental health funding received in advance	120,000	-	120,000	-
Total contract liabilities (current)	1,436,449	845,761	1,436,449	845,761

The significant changes between opening and closing balances of contract liabilities are detailed in the table above.

Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period was \$845,761.

There was no revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods.

Information regarding the performance obligations in contracts with customers is provided in Note 1.7.

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	Consolidated group		Parent entity	
	2020	2019	2020	2019
	\$	\$	\$	\$
Note 5D: Inventory				
Goods held for resale	17,323	19,084	17,323	19,084
Total inventory	17,323	19,084	17,323	19,084

Note 5E: Other current assets

Work in progress	2,200	900	2,200	900
Prepayments	69,048	62,452	69,048	62,452
Un-deposited funds	-	3,226	-	3,226
Accrued income	52,612	69,185	52,612	69,185
Total other current assets	123,860	135,763	123,860	135,763

Note 6: Non-current assets

Note 6A: Property, plant and equipment

Freehold land and buildings at cost	1,774,777	1,774,777	-	-
Less accumulated depreciation	580,000	560,000	-	-
	1,194,777	1,214,777	-	-
Plant and equipment at cost	452,876	456,022	452,876	456,022
Less accumulated depreciation	315,504	326,379	315,504	326,379
	137,372	129,643	137,372	129,643
Motor vehicles	105,036	105,036	105,036	105,036
Less accumulated depreciation	45,064	27,653	45,064	27,653
	59,972	77,383	59,972	77,383
Total property, plant and equipment	1,392,121	1,421,803	197,344	207,026

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Note 6A: Property, plant and equipment (cont'd)

Reconciliation of opening and closing balances of property, plant and equipment

	Freehold land and buildings \$	Plant and equipment \$	Motor vehicles \$	Total \$
Consolidated group				
Net book value as at 1 January 2020	1,214,777	129,643	77,383	1,421,803
Additions	-	30,083	-	30,083
Depreciation expense	(20,000)	(21,950)	(17,411)	(59,361)
Written down value of disposals	-	(404)	-	(404)
Net book value as at 31 December 2020	1,194,777	137,372	59,972	1,392,121
Parent entity				
Net book value as at 1 January 2020	-	129,643	77,383	207,026
Additions	-	30,083	-	30,083
Depreciation expense	-	(21,950)	(17,411)	(39,361)
Written down value of disposals	-	(404)	-	(404)
Net book value as at 31 December 2020	-	137,372	59,972	197,344

	Consolidated group		Parent entity	
	2020	2019	2020	2019
	\$	\$	\$	\$
Note 6B: Intangibles				
Preliminary expenses at cost	350	350	-	-
Total intangibles	350	350	-	-

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Note 6C: Investment in subsidiary

The parent entity of the consolidated group is the Australian Hotels Association (South Australian Branch) (AHA|SA). The principal activity of the AHA|SA during the reporting period was being a registered employer industrial relations organisation with objectives to promote and protect the interests of its members. The AHA|SA is incorporated in Australia. The AHA|SA has an interest in AHA Properties Pty Ltd, a non-listed subsidiary. The interest is held as follows:

	Ownership		Voting power		Carrying amount of investment	
	2020	2019	2020	2019	2020	2019
	%	%	%	%	\$	\$
AHA Properties Pty Ltd	100	100	100	100	10	10

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

	2020	2019
	\$	\$
Summary financial information of subsidiary		
Statement of financial position		
Assets	1,195,137	1,215,137
Liabilities	518,158	538,158
Net assets	676,979	676,979
Statement of comprehensive income		
Income	20,000	20,000
Expenses	20,000	20,000
Surplus (deficit)	-	-
Share of surplus (deficit)		
Share of surplus (deficit) before tax	-	-
Income tax expense	-	-
Share of surplus (deficit) after tax	-	-

Note 6D: Investment in associate

The AHA|SA has an interest in Gaming Care Ltd, a non-listed associate. The interest is held as follows:

	Ownership		Voting power		Carrying amount of investment	
	2020	2019	2020	2019	2020	2019
	%	%	%	%	\$	\$
Gaming Care Ltd	100	100	40	40	-	-

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Note 6D: Investment in associate (cont'd)

The principal activities of Gaming Care Ltd during the reporting period 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 Ltd commenced registration as a company on 16 November 2005 and is a public company limited by guarantee.

Equity accounted investment in associate

The AHA|SA holds 40% of the voting power of Gaming Care Ltd hence exerts significant influence over it. Gaming Care Ltd is therefore considered to be an associate of the AHA|SA.

The cost of the AHA|SA's investment in Gaming Care Ltd is \$nil because Gaming Care Ltd is limited by guarantee and does not have any share capital. The AHA|SA's share of the post-acquisition surplus or deficit of Gaming Care Ltd is also \$nil due to a clause in the constitution of Gaming Care Ltd as detailed below.

In light of the above, the AHA|SA's investment in Gaming Care Ltd, when equity accounted for, is \$nil.

Significant restrictions on the ability of Gaming Care Ltd to transfer funds to the AHA|SA

The constitution of Gaming Care Ltd 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 for 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, the payment of interest or the payment of rent.

	2020	2019
	\$	\$
Summary financial information of associate		
Statement of financial position		
Assets	757,615	575,847
Liabilities	291,406	309,867
Net assets	466,209	265,980
Statement of comprehensive income		
Income	1,628,487	1,465,784
Expenses	1,428,258	1,642,350
Surplus (deficit)	200,229	(176,566)
Share of surplus (deficit)		
Share of surplus (deficit) before tax	-	-
Income tax expense	-	-
Share of surplus (deficit) after tax	-	-

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	Consolidated group		Parent entity	
	2020	2019	2020	2019
	\$	\$	\$	\$

Note 7: Current liabilities

Note 7A: Trade payables

Trade creditors	36,358	49,862	36,358	49,862
Total trade payables	36,358	49,862	36,358	49,862

Trade payables are usually settled within 30 days.

Note 7B: Other payables

Allowances – office holders	-	19,085	-	19,085
Superannuation – office holders	-	1,813	-	1,813
Wages and salaries – employees	21,049	10,874	21,049	10,874
Superannuation – employees	2,455	13,675	2,455	13,675
GST, PAYG and FBT payable	154,474	96,494	154,474	96,494
Other	64,244	55,039	64,244	55,039
Total other payables	242,222	196,980	242,222	196,980

Other payables are expected to be settled within 12 months.

Note 8: Provisions

Note 8A: Employee provisions

Employees other than office holders

Annual leave	319,737	293,865	319,737	293,865
Long service leave	254,146	244,332	254,146	244,332
Subtotal employee provisions – employees other than office holders	573,883	538,197	573,883	538,197
Total employee provisions	573,883	538,197	573,883	538,197

Current	567,833	538,197	567,833	538,197
Non-current	6,050	-	6,050	-
Total employee provisions	573,883	538,197	573,883	538,197

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	Consolidated group		Parent entity	
	2020	2019	2020	2019
	\$	\$	\$	\$
Note 8B: Other provisions				
Maintenance provision	216,377	214,377	216,377	214,377
Total other provisions	216,377	214,377	216,377	214,377
Current	216,377	214,377	216,377	214,377
Non-current	-	-	-	-
Total other provisions	216,377	214,377	216,377	214,377

Note 9: Equity

Note 9A: Reserves

Capital profits reserve

Balance as at start and end of year	676,969	676,969	-	-
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The capital profits reserve records profits on disposal of non-current assets. There was no movement on the reserve during the reporting period.

General reserve

Balance as at start and end of year	380,000	380,000	380,000	380,000
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The general reserve records amounts set aside to fund the future expansion of the organisation. There was no movement on the reserve during the reporting period.

Note 10: Cash flow

Note 10A: Cash flow reconciliations

Reconciliation of cash and cash equivalents as per the statement of financial position to the statement of cash flows

Cash and cash equivalents as per:

Statement of cash flows	6,112,364	4,845,323	6,112,354	4,845,313
Statement of financial position	6,112,364	4,845,323	6,112,354	4,845,313
Difference	-	-	-	-

**Australian Hotels Association (South Australian Branch)
and Controlled Entity**

Notes to the financial statements

for the year ended 31 December 2020

	Consolidated group		Parent entity	
	2020	2019	2020	2019
	\$	\$	\$	\$
Note 10A: Cash flow reconciliations (cont'd)				
Reconciliation of surplus (deficit) for the year to net cash from (used by) operating activities				
Surplus (deficit) for the year	755,413	240,720	755,413	240,720
Adjustment for non-cash items				
Depreciation	59,361	63,228	39,361	43,228
Losses from sale of assets	404	116	404	116
Changes in assets and liabilities				
(Increase) decrease in net receivables	(191,830)	55,097	(171,830)	75,097
(Increase) decrease in inventory	1,761	(318)	1,761	(318)
(Increase) decrease in other current assets	11,903	(15,095)	11,903	(15,095)
Increase (decrease) in trade and other payables	31,738	19,353	31,738	19,353
Increase (decrease) in provisions	37,686	49,290	37,686	49,290
Increase (decrease) in contract liabilities	590,688	(78,166)	590,688	(78,166)
Net cash from (used by) operating activities	1,297,124	334,225	1,297,124	334,225

Note 10B: Cash flow information

Cash outflows to other reporting units

AHA National	70,803	70,809	70,803	70,809
AHA Victoria	-	467	-	467
AHA WA	-	2,500	-	2,500
Total cash outflows to other reporting units	70,803	73,776	70,803	73,776

Note 11: Contingent liabilities, assets and commitments

The Australian Hotels Association (South Australian Branch) and its controlled entity had no contingent liabilities, contingent assets or commitments as at 31 December 2020 or for the forthcoming year.

**Australian Hotels Association (South Australian Branch)
and Controlled Entity**

Notes to the financial statements

for the year ended 31 December 2020

	Consolidated group		Parent entity	
	2020	2019	2020	2019
	\$	\$	\$	\$

Note 12: Related party disclosures

Note 12A: Related party transactions for the reporting period

The following details the transactions that have been entered into with related parties for the reporting period:

AHA Properties Pty Ltd

Rent paid	-	-	20,000	20,000
Rent paid by the AHA SA to AHA Properties Pty Ltd is less than a normal commercial rate and there are no conditions attached.				
Amount owed by AHA Properties Pty Ltd	-	-	518,158	538,158

Gaming Care Ltd

Rent received	81,600	80,400	81,600	80,400
Electricity contribution received	7,560	7,440	7,560	7,440
Cleaning contribution received	6,720	6,600	6,720	6,600
Administration fee received	67,200	73,760	67,200	73,760
Expenses reimbursed	201,105	281,069	201,105	281,069
Amount owed by Gaming Care Ltd (included in trade receivables)	39,769	33,336	39,769	33,336

Office holders of the parent entity

Some office holders of the parent entity are licensees of hotels that are members of the AHA|SA. Membership fees and other charges such as training and advocacy are paid by these hotels to the AHA|SA on normal terms and conditions no more favourable than those available to other members.

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 2020, the AHA|SA 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.

**Australian Hotels Association (South Australian Branch)
and Controlled Entity**

Notes to the financial statements

for the year ended 31 December 2020

	Consolidated group		Parent entity	
	2020	2019	2020	2019
	\$	\$	\$	\$
Note 12B: Key management personnel remuneration for the reporting period				
Short-term employee benefits	442,586	418,096	442,586	418,096
Long-term employee benefits	9,623	19,219	9,623	19,219
Total key management personnel remuneration for the reporting period	452,209	437,315	452,209	437,315

Note 13: Remuneration of auditors

Value of the services provided

Auditing the financial report of the parent entity	31,825	31,800	31,825	31,800
Other services:				
Auditing the financial report of AHA Properties Pty Ltd	1,000	1,000	1,000	1,000
Verifying the ASIC annual statement	175	175	175	175
Financial report advice with respect to Covid-19 and new Australian Accounting Standards	3,500	-	3,500	-
Total other services	4,675	1,175	4,675	1,175
Total remuneration of auditors	36,500	32,975	36,500	32,975

Note 14: Financial instruments

In common with all other businesses, the organisation is exposed to risks that arise from its use of financial instruments. This note describes the organisation'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 the financial report.

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

It is the organisation's policy to monitor interest rate risks through the Treasurer. The organisation has fixed and floating interest deposits with a number of financial institutions and for varying terms and aims 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.

**Australian Hotels Association (South Australian Branch)
and Controlled Entity**

Notes to the financial statements
for the year ended 31 December 2020

	Consolidated group		Parent entity	
	2020	2019	2020	2019
	\$	\$	\$	\$
Note 14A: Categories of financial instruments				
Financial assets				
At amortised cost:				
Cash and cash equivalents	6,112,364	4,845,323	6,112,354	4,845,313
Trade and other receivables	274,182	82,352	792,340	620,510
Total	6,386,546	4,927,675	6,904,694	5,465,823
Carrying amount of financial assets	6,386,546	4,927,675	6,904,694	5,465,823
Financial liabilities				
Other financial liabilities:				
Trade payables	36,358	49,862	36,358	49,862
Other payables	242,222	196,980	242,222	196,980
Contract liabilities	1,436,449	845,761	1,436,449	845,761
Total	1,715,029	1,092,603	1,715,029	1,092,603
Carrying amount of financial liabilities	1,715,029	1,092,603	1,715,029	1,092,603

Note 14B: Credit risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the organisation incurring a financial loss. This usually occurs when debtors fail to settle their obligations owing to the organisation. There is no concentration of credit risk with respect to current trade receivables as the organisation has a large number of customers. The organisation'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:

	Consolidated group		Parent entity	
	2020	2019	2020	2019
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	6,112,364	4,845,323	6,112,354	4,845,313
Trade and other receivables	274,182	82,352	792,340	620,510
Total	6,386,546	4,927,675	6,904,694	5,465,823

**Australian Hotels Association (South Australian Branch)
and Controlled Entity**

Notes to the financial statements

for the year ended 31 December 2020

Note 14C: Liquidity risk

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

Note 14D: Market risk

Market risk arises from the use of interest bearing and tradable financial instruments. It is the risk that the fair value of 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).

Interest rate risk

The organisation'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 organisation's policy to monitor interest rate risks through regular board meetings where monthly management accounts are presented and analysed. The organisation's financial instruments consist of fixed and floating interest deposits.

The following sensitivity analysis of interest rate risk has assumed that the issuers' credit risk rating remains unchanged.

At 31 December 2020, investments in cash and cash equivalents amounted to \$6,112,364. A +/- 1% change in interest rates during the year ended 31 December 2020 would have resulted in a +/- change in net interest income of \$646.

At 31 December 2019, investments in cash and cash equivalents 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.

Currency risk

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

14E: Fair value measurements

The fair value of financial assets and financial liabilities approximates their carrying value. No financial assets or financial liabilities are readily traded on organised markets in standardised form. Financial assets where the carrying amount exceeds fair value have not been written down as the group intends to hold these assets to maturity.

The 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.

Australian Hotels Association (South Australian Branch) and Controlled Entity

Notes to the financial statements
for the year ended 31 December 2020

Note 15: Section 272 Fair Work (Registered Organisations) Act 2009

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, 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:

- A member of the AHA|SA, or the Commissioner, may apply to the AHA|SA for specified prescribed information in relation to the AHA|SA to be made available to the person making the application.
- 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 AHA|SA.
- The AHA|SA must comply with an application made under subsection (1).

Note 16: Segment reporting

The AHA|SA 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)
Level 4, 60 Hindmarsh Square
Adelaide SA 5000

**Australian Hotels Association (South Australian Branch)
and Controlled Entity**

Notes to the financial statements
for the year ended 31 December 2020

	Consolidated group		Parent entity	
	2020	2019	2020	2019
	\$	\$	\$	\$
Note 18: Detailed income and expenditure statement				
Income				
Membership subscriptions	2,075,811	2,022,563	2,075,811	2,022,563
Associate membership subscriptions	2,827	3,343	2,827	3,343
Sponsorships	608,144	545,222	608,144	545,222
Advocacy services including training	136,652	143,488	136,652	143,488
Commissions received	77,824	98,397	77,824	98,397
Conferences, seminars and events	2,590	396,543	2,590	396,543
Sale of goods	14,325	12,397	14,325	12,397
Interest income	64,612	101,899	64,612	101,899
Rental income from properties	81,600	80,400	81,600	80,400
Covid-19 government assistance	341,500	-	341,500	-
Other	95,197	133,104	95,197	133,104
Total income	3,501,082	3,537,356	3,501,082	3,537,356
Expenditure				
Allowances – office holders	17,665	18,980	17,665	18,980
Annual leave provision	50,223	37,708	50,223	37,708
Bad debts written off	-	6,183	-	6,183
Conferences, seminars and events	22,331	388,826	22,331	388,826
Delegates fees and expenses	2,693	10,397	2,693	10,397
Depreciation	59,361	63,228	39,361	43,228
Donations and grants	-	400	-	400
Entertainment	46,300	61,110	46,300	61,110
General	28,267	21,465	28,267	21,465
Insurance	23,389	21,880	23,389	21,880
Legal	39,107	4,779	39,107	4,779
Long service leave provision	37,118	40,262	37,118	40,262
Losses from sale of assets	404	116	404	116
Media advertising	85,956	184,786	85,956	184,786
Media coverage	63,722	67,821	63,722	67,821
Meetings	20,603	59,839	20,603	59,839
Motor vehicles	37,844	36,644	37,844	36,644
National AHA capitation fees	69,303	69,303	69,303	69,303
Other administration	148,798	158,877	148,798	158,877
Payroll tax	9,156	58,296	9,156	58,296
Political donations	-	4,000	-	4,000

**Australian Hotels Association (South Australian Branch)
and Controlled Entity**

Notes to the financial statements

for the year ended 31 December 2020

	Consolidated group		Parent entity	
	2020	2019	2020	2019
	\$	\$	\$	\$
Note 18: Detailed income and expenditure statement (cont'd)				
Printing, postage and stationery	71,891	86,469	71,891	86,469
Professional, consultancy and audit	78,882	109,102	78,882	109,102
Rates and taxes	19,706	20,182	19,706	20,182
Rent	-	-	20,000	20,000
Repairs, cleaning, light and power	101,539	98,803	101,539	98,803
ReturnToWorkSA	8,921	9,711	8,921	9,711
Sponsorship expenses	81,547	107,012	81,547	107,012
Staff recruitment	7,665	610	7,665	610
Subscriptions	41,348	41,045	41,348	41,045
Superannuation – employees	174,384	195,076	174,384	195,076
Superannuation – office holders	1,678	1,803	1,678	1,803
Telephone	30,838	31,299	30,838	31,299
Travelling	18,903	66,083	18,903	66,083
Wages and salaries – employees	1,346,127	1,214,541	1,346,127	1,214,541
Total expenditure	2,745,669	3,296,636	2,745,669	3,296,636
Surplus (deficit) for the year	755,413	240,720	755,413	240,720

**Australian Hotels Association (South Australian Branch)
and Controlled Entity**

Officer declaration statement

for the year ended 31 December 2020

I, Richard Stefan John Lovell, being the Secretary / Treasurer of the Australian Hotels Association (South Australian Branch) declare that the following activities did not occur during the year ended 31 December 2020:

The Australian Hotels Association (South Australian Branch) did not:

- agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive capitation fees or any other revenue amount from another reporting unit
- receive revenue via compulsory levies
- receive donations or grants
- receive revenue from undertaking recovery of wages activity
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- pay compulsory levies
- pay a grant that was \$1,000 or less
- pay a grant that exceeded \$1,000
- pay leave and other entitlements to holders of office
- pay separation and redundancy to holders of office
- pay other employee expenses to holders of office
- pay separation and redundancy to employees (other than holders of office)
- pay legal costs relating to litigation
- pay a penalty imposed under the RO Act or the Fair Work Act 2009
- have a receivable with other reporting unit
- have a payable with other reporting unit
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- have a payable in respect of legal costs relating to litigation
- have a payable in respect of legal costs relating to other legal matters

**Australian Hotels Association (South Australian Branch)
and Controlled Entity**

Officer declaration statement

for the year ended 31 December 2020

- have an annual leave provision in respect of holders of office
- have a long service leave provision in respect of holders of office
- have a separation and redundancy provision in respect of holders of office
- have other employee provisions in respect of holders of office
- have a separation and redundancy provision in respect of employees (other than holders of office)
- have other employee provisions in respect of employees (other than holders of office)
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- receive cash flows from another reporting unit and / or controlled entity
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit

Signature of officer:



Name and title of officer:

Richard Stefan John Lovell,
Secretary / Treasurer

Dated:

7 April 2021



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 2020.

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 2020 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 526 members in 2020.

Number of Employees

As at 31 December 2020 staffing levels were AHA|SA 11.2 and Gaming Care 8. Total 19.2.

AHA|SA Committee of Management - 1 January – 31 December 2020

David Basheer	President
Matthew Binns	Vice President
Andrew Bullock	Deputy Vice President
Richard Lovell	Acting Secretary/Treasurer (Retired July 2020)
Brad Barreau	
Matthew Brien	
Mark Davies	Retired May 2020
Luke Donaldson	
Jeff Ellis	
Trevor Evans	
Jason Fahey	
Trent Fahey	
Elise Fassina	Appointed May 2020
James Franzon	
Tony Franzon	
John Giannitto	
Timothy Gregg	Retired October 2020
Andrew Gunn	
Tom Hannah	Appointed to Casual Vacancy October 2020
Anna Hurley	Appointed to Casual Vacancy October 2020
Jason Kelly	
Andrew Kemp	Appointed to Casual Vacancy October 2020
Guy Matthews	
Sam McInnes	
Karen Milesi	
Andrew Plush	
Matt Rogers	
Darren Steele	Appointed May 2020

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 Members

- David Basheer
- Matthew Binns

Gaming Care Ltd

Principal Activity: Harm minimisation agency

Board Members

- Andrew Bullock
- Ian Horne



DAVID BASHEER

President

7/4/2021



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 9 April 2021; and
- that the full report was presented to a general meeting of members of the reporting unit on 3 May 2021 in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.

A handwritten signature in black ink, appearing to read 'R.S.J. Lovell', with a long horizontal flourish underneath.

R.S.J. LOVELL

Dated: 4 May 2021