



**Australian Government**  
**Australian Industrial Registry**

Level 8, Terrace Towers  
80 William Street, East Sydney, NSW 2011  
Telephone: (02) 8374 6666  
Fax: (02) 9380 6990

**Ref: FR2006/510-[108V]**

Mr Jeffrey Lawrence  
National Secretary  
Liquor, Hospitality and Miscellaneous Union  
Locked Bag 9  
HAYMARKET NSW 1240

Dear Mr Lawrence

**Financial Return - year ending 30 June, 2006**

Our records show the organisation's financial year ended recently. This letter outlines some of the things you must do to meet your financial reporting obligations and when you have to do them. For simplicity, we will call the documents you have to lodge with us your *financial return*.

This letter is intended as guide to the law applicable on the date of this letter, and should not be used as a substitute for legal or accounting advice. We only summarise some of the reporting requirements in this letter. More detailed information is at the end of this letter.

**Information on AIRC Website**

We recommend you and your accountant/auditor also refer to the following documents on the Commission's website at [www.airc.gov.au](http://www.airc.gov.au):

- [RAO Schedule](#)
- [RAO Regulations](#)
- [Registrar's Reporting Guidelines](#) - All GPFR's must comply with these Guidelines. Please note that the Guidelines set out requirements that are *in addition* to those required by the Australian Accounting Standards.
- [RAO Fact Sheets](#) - These Fact Sheets explain the requirements of the RAO Schedule - many of them deal with financial reporting matters.

**Reporting Unit**

Under the provisions of the Registration and Accountability of Organisations Schedule (RAO), Schedule 1 of the *Workplace Relations Act 1996*, reporting entities are known as "*reporting units*". Where an organisation is **not** divided into branches the reporting unit is the whole of the organisation. Where an organisation **is** divided into branches each branch will be a reporting unit unless the Industrial Registrar has determined a division of the organisation into reporting units on an alternative basis. We can discuss this with you if you need more information.

For simplicity, we will use the term "reporting unit" in this letter.

## Industrial Registrar's Guidelines

The Industrial Registrar's reporting guidelines set out certain disclosure requirements in addition to those prescribed by Australian Accounting Standards having in mind the nature of organisations registered under the Workplace Relations Act.

The disclosure requirements prescribed by the reporting guidelines are directed towards providing members of the reporting unit with information to enable them to gauge the performance of the committee of management and other holders of office in relation to the financial management of the reporting unit. In addition, the reporting guidelines seek to improve the quality of information available to users of the financial report about the reporting unit's economic support of, or economic dependency on, other reporting units of the organisation.

### Timeline Planner and Checklist

We have attached a Timeline/Planner (Attachment A) to help you **plan** your financial return and carry out all the necessary steps. We have also attached a Document Checklist (Attachment B) to **check** your documents before lodging them in the Registry. Both documents are abbreviated summaries of the relevant provisions of the RAO Schedule, RAO Regulations and the Industrial Registrar's Reporting Guidelines.

In the following section we describe some of the documents your reporting unit must prepare and the sequence of their preparation and completion.

### Three Reports

Your reporting unit must prepare two reports as soon as practicable after its financial year, which, together with the Auditor's Report, comprise the reporting unit's financial return.

1. **General Purpose Financial Report** - this must comply with the Australian Accounting Standards and the Industrial Registrar's Reporting Guidelines. The GPFR consists of:

(a) Financial Statements containing:

- a profit and loss statement, or other operating statement; and
- a balance sheet; and
- a statement of cash flows; and
- any other statements required by the Australian Accounting Standards; and

(b) Notes to the Financial Statements containing:

- notes required by the Australian Accounting Standards; and
- information required by the Industrial Registrar's *Reporting Guidelines* under section 255 including disclosures related to any recovery of wages activity ; and

(c) Committee of Management Statement as required by the Registrar's Reporting Guidelines (a sample certificate for illustrative purposes is at Attachment C) including declarations related to the recovery of wages activity.

2. **Operating Report** - this report includes a review of your reporting unit's principal activities for the year and other specified information.

Your reporting unit must appoint an auditor to audit the GPFR and to provide:

3. an **Auditor's Report**.

### First Meeting (Committee of Management)

For simplicity, we will call the meeting at which the committee of management first considers the GPFR the first meeting. At the first meeting your committee, if satisfied that all is in order, will resolve to express its opinion on the GPFR and complete a Committee of Management Statement.

## The Auditor

After the first meeting, the auditor takes the GPFR and the Committee of Management Statement and prepares a report on the GPFR. In practice, your auditor may have already completed most of his or her examination of your accounts. The auditor may only be waiting on the Committee to pass the required resolution and make the Statement before signing the report the same day.

## Informing Your Members

Your reporting unit must provide free of charge to the general membership, copies of the GPFR, the Operating Report and the Auditor's Report. RAO calls these the "full report". Under certain circumstances, your reporting unit can provide a more limited *concise report*.

The reporting unit can meet its obligation to provide copies of the full or concise report to members by publishing the report in a journal that is available to the members free of charge.

A reporting unit may meet this obligation in whole or in part by publication of the report in a journal published on a web site on the Internet dependent on:

- a. the extent of the accessibility of the members of the reporting unit to the Internet; and
- b. that the members are notified by the reporting unit in the usual manner in which it communicates with its members that the report has been so published at a specified Internet address.

The report must be provided within 5 or 6 months from the end of the financial year, depending on the internal arrangements of the organisation for the presentation of its financial reports.

## The Second Meeting - if it is a General Meeting of Members

After providing the full report to members it must be presented to a general meeting of members. For simplicity this is referred to as the *second meeting*.

Your reporting unit must always allow a minimum of 21 days for members to receive the full report before presenting it to a general meeting of members (s265(5)). The purpose of the interval is to enable the members to have time to consider the report and, if they wish, to attend the second meeting to discuss it.

If the rules of the organisation permit a general meeting to be a series of meetings held at different locations, the full report may be presented to such a series of meetings. In this case the 'date' of the general meeting is taken to be the date of the last meeting in the series (see s266(2)).

## The Second Meeting - if it is a Committee of Management Meeting

If the rules of your organisation contain a provision that allows up to 5% of members to demand a general meeting to be held consider the report (see s266(3)), it is permissible to present the report directly to a Committee of Management meeting.

## Lodge full report within 14 days of meeting

You must lodge a copy of the full report and any concise report in the Industrial Registry within 14 days of the second meeting. For your convenience you are encouraged to lodge the material electronically (see eFiling Tab at [www.airc.gov.au](http://www.airc.gov.au)).

The Secretary (or another officer appropriately authorised under the rules of the organisation) must *certify* that the full report is a copy of the one provided to members and presented to the second meeting and provide the date of the meeting (a sample certification for illustrative purposes is at *Attachment D*).

When we receive your return we will check that it includes the information you must provide your members and that you have provided it to them correctly.

## Complying with time limits

This letter has outlined some of the steps in preparing and lodging your return. Many of the steps must be completed within fixed time limits.

Failure to complete them in time could make your reporting unit or its officers liable to financial or "civil penalties".


### **Extensions of Time**

We appreciate that sometimes circumstances beyond your reporting unit's control may delay completion of a financial return. If you believe your reporting unit is going to be unable to meet a time limit tell us as soon as you know. We can advise you if the step is one for which you may apply under RAO to the Industrial Registrar for extra time to complete. The maximum extra time allowed can be no more than one month.

### **Contact the Registry**

We encourage you to contact the Registry on (02) 8374 6666 or by e-mail at [riasydney@air.gov.au](mailto:riasydney@air.gov.au) as early as possible if you believe preparation or lodgment of your return will be delayed or if you have any queries. We can offer you advice on procedures but we cannot give you legal or accounting advice.

Yours sincerely



For Deputy Industrial Registrar...  
1 August, 2006

**National Office**  
Level 9  
187 Thomas Street  
Haymarket NSW 2000

Locked Bag 9  
Haymarket NSW 1240  
Telephone: (02) 8204 3000  
Facsimile: (02) 9281 4480  
E-mail: [lhmu@lhmu.org.au](mailto:lhmu@lhmu.org.au)  
Web address: [www.lhmu.org.au](http://www.lhmu.org.au)

**Jeff Lawrence**      **Brian Daley**  
National Secretary      National President

**Tim Ferrari**  
**Louise Tarrant**  
Assistant National Secretaries



**LHMU**

Organising for the future

ABN: 5272 8088 684

Please address all correspondence to the National Secretary

14 December, 2006

Mr Barry Jenkins  
Deputy Industrial Registrar  
Australian Industrial Registry  
80 William Street  
EAST SYDNEY NSW 2010

Dear Mr Jenkins

**re: NATIONAL COUNCIL FINANCIAL REPORTS**

I am writing to lodge the financial reports for the LHMU National Council for the year ended 30 June 2006. Enclosed is the Full Financial Report including:

- The National Executive Statement signed by the National Secretary.
- The Operating Report signed by the National Secretary.
- The Independent Audit Report signed by the Auditors.
- The accounts including the notes to and forming part of the accounts.

The financial reports were presented to the National Executive meeting on 25<sup>th</sup> October 2006. The Executive resolved:

- That the operating report be approved and signed.
- To endorse the National Executive Statement.
- That the National Secretary be authorised to sign the National Executive Statement.
- That the financial reports be distributed to members by publication on the LHMU website and advertising that link in the November edition of Union News.


Subsequently the financial reports including the General Purpose Financial Report, the Auditors' statements and the operating report were supplied to members through publication on the LHMU website. Members also received a copy of Union News which contained an advertisement advising members how to view the reports on the website.

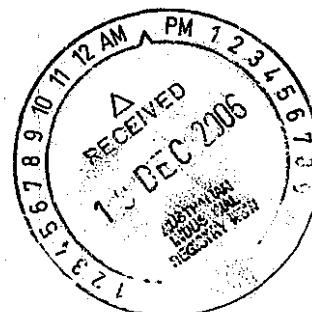
A full report was provided to the meeting of the National Executive on 11<sup>th</sup> December and was adopted by that meeting. Also enclosed is a copy of the National Secretary's certificate dated 11th December 2006.

On the basis of the above and the enclosed documentation it would seem that the National Council has complied with the audit and reporting requirements of the Act.

If you have any questions please contact me.

Yours faithfully

  
**JEFF LAWRENCE**  
NATIONAL SECRETARY



[www.lhmu.org.au](http://www.lhmu.org.au)

**LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION  
NATIONAL COUNCIL**

**FINANCIAL REPORTS FOR THE YEAR ENDED 30 JUNE 2006**

**CERTIFICATE BY SECRETARY OR PRESCRIBED OFFICER**

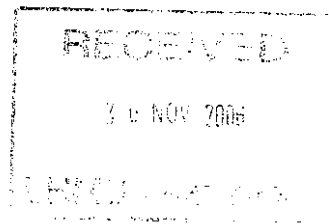
I Jeffrey Lawrence being the National Secretary of the Liquor, Hospitality and Miscellaneous Union certify:

- That the documents lodged herewith are copies of the full report, referred to in s268 of the RAO Schedule; and
- That the full report was provided to members on 30 November 2006 and
- That the full report was presented to a meeting of the committee of management of the reporting unit on 11<sup>th</sup> December 2006 in accordance with section 266 of the RAO Schedule.



**JEFF LAWRENCE  
NATIONAL SECRETARY**

Date: 11<sup>th</sup> December 2006



**LIQUOR, HOSPITALITY AND  
MISCELLANEOUS UNION**

**NATIONAL COUNCIL**

**FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2006**

# **LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION**

## **NATIONAL COUNCIL**

### **OPERATING REPORT**

This Operating Report covers the activities of the Liquor Hospitality and Miscellaneous Union, National Council, for the financial year ended 30 June 2006, the results of those activities and any significant changes in the nature of those activities during the year.

#### **1. Principal Activities of the National Council**

The principal activities of the National Council of the Union, as conducted through the National Office, during the past year fell into the following categories:

- Implementation of the decisions of the National Executive and National Council.
- Implementation of the National Plan as endorsed by the National Council.
- Implementation of the union's organising agenda, including direct assistance and strategic advice on particular industry or site organising projects, the training and development of officials and assistance to branches on planning and resourcing campaigns.
- Coordination of campaigns undertaken by the union. This particularly focussed on the child care and cleaning industries.
- Industrial support including representation of individual member grievances, advice on legal and legislative matters, pursuing relevant changes to the conditions of eligibility rules of the union, and responding to other unions' rules applications where they impact on membership of the LHMU.
- Consideration of the implication of the new Workchoices legislation and consequent advice to officials and members.
- The administration of federal awards.
- Management of information technology and strategic membership system designs to support organising.
- National media and communications to members and to the broader community via media releases in support of campaigns, video and film development, and targeted publications, including the national magazine Union News.
- National bargaining in key national industries and assistance to branches on bargaining by request.

The National Office has consulted with the ACTU on a range of issues. The National Office has assisted branches in the implementation of the union's policies and the priorities established by the National Council and National Executive.

The National office has also been involved in lobbying and negotiations with different levels of Government and key industry organisations around issues of importance to LHMU members, eg smoke free workplaces in hospitality and child care skill shortages issues.

#### **2. The National Council's Financial Affairs**

The level of sustentation income to National Council increased by 4% this financial year due to increases in membership dues and growth in membership in some branches. In the same period the total level of expenditure decreased by 11% leading to an improvement in the financial performance of National Council.

During the 2005-6 financial year, the National Office funded branches to implement mutually agreed growth projects and activities via the National Organising Fund. Funds were also allocated to ACTU campaigns against the Federal Government's Workchoices legislation.



# **LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION**

## **NATIONAL COUNCIL**

### **OPERATING REPORT (cont'd)**

#### **3. Right of Members to Resign**

All Members of the Union have the right to resign from the Union in accordance with Rule 10 of the Union Rules, (and Section 174 of Schedule 1 of the Workplace Relations Act); namely, by providing written notice addressed and delivered to the Secretary of the relevant Branch, including via email.

#### **4. Superannuation Trustees**

Tim Ferrari is an officer of the National Office and is a Trustee and Member of the Board of Directors of the HOSTPLUS Superannuation Fund.

#### **5. Membership of the Union**

There were 134,745 members of the union as at 30 June 2006.

#### **6. Employees of the National Council**

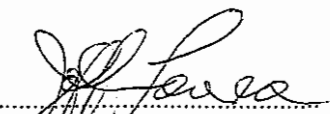
As at 30 June 2006 the National Council employed 27 full time employees and 9 part time employees with a total number of 33.14 employees on a fulltime equivalent basis.

#### **7. National Executive**

The following persons were members of the National Executive, during the year ending 30 June 2006:

<b>Name</b>	<b>Period of appointment</b>
Jeff Lawrence	1.7.05 to 30.06.06
Helen Creed	1.7.05 to 28.04.06
Louise Tarrant	1.7.05 to 30.06.06
Tim Ferrari	1.7.05 to 30.06.06
Annie Owens	1.7.05 to 30.06.06
Sonia Minutillo	1.7.05 to 30.06.06
Mark Boyd	1.7.05 to 30.06.06
Ron Monaghan	1.7.05 to 30.06.06
Irene Monro	1.7.05 to 30.06.06
Shirley Mellor	1.7.05 to 30.06.06
Gil Anderson	1.7.05 to 30.06.06
Brian Daley	1.7.05 to 30.06.06
Jane Farrell	1.7.05 to 30.06.06
David O'Byrne	1.7.05 to 30.06.06
Dave Kelly	1.7.05 to 30.06.06
Sue Lines	1.7.05 to 30.06.06
Mark Butler	1.7.05 to 30.06.06
Sue Fenwick	1.7.05 to 28.04.06

For the National Executive:

  
JEFF LAWRENCE

25 October 2006

# **LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION**

## **NATIONAL COUNCIL**

### **NATIONAL EXECUTIVE'S STATEMENT**

On 25 October 2006 the National Executive of the Liquor, Hospitality and Miscellaneous Union – National Council passed the following resolution in relation to the general purpose financial report (GPFR) of the National Council for the year ended 30 June 2006.

The National Executive declares in relation to the GPFR that in its opinion:

- (a) the financial report and notes comply with the Australian Accounting Standards;
- (b) the financial report and notes comply with the reporting guidelines of the Industrial Registrar;
- (c) the financial report and notes give a true and fair view of the financial performance, financial position and cash flows of the National Council for the financial year ended 30 June 2006;
- (d) there are reasonable grounds to believe that the National Council will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year ended 30 June 2006 and since the end of the financial year:
  - (i) meetings of the National Executive were held in accordance with the rules of the organisation and the rules of the National Council; and
  - (ii) the financial affairs of the National Council have been managed in accordance with the rules of the organisation and the rules of the National Council; and
  - (iii) the financial records of the National Council have been kept and maintained in accordance with Schedule 1B to the Workplace Relations Act 1996 and the Workplace Relations (Registration and Accountability of Organisations) Regulations 2003; and
  - (iv) the financial records of the National Council have been kept, as far as practicable, in a consistent manner to each of the other branches of the organisation; and
  - (v) no information has been sought in any request of a member of the National Council or a Registrar under section 272 of Schedule 1B to the Workplace Relations Act 1996; and
  - (vi) no orders have been made by the Industrial Registrar under section 273 of Schedule 1B to the Workplace Relations Act 1996

For the National Executive:

  
JEFF LAWRENCE

25 October 2006

**LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION****NATIONAL COUNCIL****INCOME STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2006**

	Note	2006 \$	2005 \$
<b>INCOME</b>			
Sustentation Fees		5,438,124	5,193,617
Sustentation Fees – prior year		-	178,558
Amortisation of discount on Non Interest Bearing Loan	11	5,470	-
Interest Received		173,608	177,030
Merchandising Income		22,864	9,026
Property Income		6,640	13,224
Publications Income		-	3,300
Sundry Income		<u>71,186</u>	<u>110,258</u>
<b>TOTAL INCOME</b>		<u>5,717,892</u>	<u>5,685,013</u>
<b>EXPENDITURE</b>			
<b>Depreciation</b>		<u>234,989</u>	<u>166,206</u>
<b>Employee Expenses</b>			
Salaries - Officers		249,717	257,987
Salaries - Other		988,570	1,006,760
Accrued Annual Leave		178,056	210,526
Long Service Leave		33,908	65,960
Motor Vehicle Allowance		148,137	114,962
Superannuation		237,410	210,064
Payroll Tax		82,352	59,455
Fringe Benefits Tax		<u>20,721</u>	<u>30,009</u>
		<u>1,938,871</u>	<u>1,955,723</u>

# LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION

## NATIONAL COUNCIL

### INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2006(Continued)

	Note	2006 \$	2005 \$
<b>Other Expenses</b>			
Advertising		2,337	5,597
Affiliation Fees		468,898	489,586
Assistance to Branches		152,373	173,042
Bad Debts		24,350	11,051
Bank Charges		19,872	3,269
Campaign Expenses			
- National Organising Fund		1,150,000	1,281,710
- Other	13	63,038	542,614
Donations		33,056	55,000
Electricity		8,845	5,447
General Expenses		24,241	60,224
Insurance		41,268	80,258
IT Project - Leasing		6,695	6,695
- Maintenance and Support		286,880	339,249
Market Research		24,959	11,549
Meeting and Conference			
Accommodation and Travel		216,818	173,195
Air Fares		251,238	199,804
Other		46,093	25,061
Motor Vehicle Expenses		9,864	42,246
Union News National		213,563	225,867
Publications		9,963	77,668
Union Services		6,818	13,182
Postage and Freight		15,703	22,645
Printing and Stationery		69,317	64,154
Professional Services	14	156,773	216,861
Promotions – Merchandising		14,084	31,743
Property Expenses		1,269	3,594
Provision for Doubtful Debts (written back)		-	(69,155)
Removal Expenses		11,495	18,486
Rent		52,569	54,684
Repairs and Maintenance		4,578	41,495
Staff Training		27,037	19,613
Subscriptions and Journals		75,354	45,891
Telephone		52,429	(9,923)
Video Conferencing		1,999	18,063
		<u>3,543,776</u>	<u>4,280,465</u>
<b>TOTAL EXPENDITURE</b>		5,717,636	6,402,394
<b>OPERATING SURPLUS (DEFICIT) FOR YEAR</b>		256	(717,381)
Surplus -Thomas Street Property Account		330,354	315,890
Surplus on Disposal of Assets		<u>2,669</u>	<u>446,835</u>
<b>NET SURPLUS FOR THE YEAR</b>		<u>333,279</u>	<u>45,344</u>

(The attached Notes form part of these Accounts)

**LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION**

**NATIONAL COUNCIL**

**BALANCE SHEET AS AT 30 JUNE 2006**

	<b>NOTE</b>	<b>2006 \$</b>	<b>2005 \$</b>
<b>ACCUMULATED FUNDS</b>		<u>20,074,002</u>	<u>19,756,052</u>
Represented by Net Assets as follows:			
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	5	931,363	591,674
Receivables	6	1,927,605	1,523,279
Stock on Hand - Badges and Other Merchandise		41,550	32,027
<b>Investments</b>			
Term Deposits - Employee Leave Fund	8	481,988	453,503
Term Deposits - Other	7	<u>2,733,762</u>	<u>2,597,076</u>
		<u>3,215,750</u>	<u>3,050,579</u>
<b>TOTAL CURRENT ASSETS</b>		<u>6,116,268</u>	<u>5,197,559</u>
<b>NON CURRENT ASSETS</b>			
<b>Receivables</b>			
Loans to Branches	11	43,240	82,788
<b>Shares</b>		556	50,556
Thomas Street Property Account	15	14,560,105	14,629,750
Property, Plant and Equipment	9	<u>817,013</u>	<u>770,828</u>
<b>TOTAL NON CURRENT ASSETS</b>		<u>15,420,914</u>	<u>15,533,922</u>
<b>TOTAL ASSETS</b>		<u>21,537,182</u>	<u>20,731,481</u>
<b>LESS CURRENT LIABILITIES</b>			
<b>Payables</b>			
Sundry Creditors		<u>984,375</u>	<u>521,009</u>
<b>Provisions</b>			
Provision for Annual Leave		240,718	241,847
Provision for Long Service Leave		<u>238,087</u>	<u>212,573</u>
		<u>478,805</u>	<u>454,420</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u>1,463,180</u>	<u>975,429</u>
<b>NET ASSETS</b>		<u>20,074,002</u>	<u>19,756,052</u>

The attached Notes form part of these Accounts)

**LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION**

**NATIONAL COUNCIL**

**STATEMENT OF CHANGES IN ACCUMULATED FUNDS  
FOR THE YEAR ENDED 30 JUNE 2006**

	<b>Accumulated Funds</b>
	<b>\$</b>
<b>Balance at 1 July 2004</b>	19,710,708
Net Surplus for Year ended 30 June 2005	<u>45,344</u>
<b>Balance at 30 June 2005</b>	19,756,052
Adjustment on adoption of AASB 132 and AASB 139 at July 2005	(15,329)
Net Surplus for Year ended 30 June 2006	<u>333,279</u>
<b>Balance at 30 June 2006</b>	<u>20,074,002</u>

(The attached Notes form part of these Accounts)

**LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION****NATIONAL COUNCIL****CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2006**

	Note	2006 \$	2005 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Sustentation Fees		5,438,124	5,193,617
Payments to Suppliers and Employees		(5,398,747)	(6,331,346)
Interest Received		173,608	177,030
Other Income		<u>100,691</u>	<u>135,808</u>
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	18	<u>313,676</u>	<u>(824,891)</u>
<b>CASH FROM INVESTING ACTIVITIES</b>			
Proceeds from Sale of Property, Plant and Equipment		17,500	846,326
Payments for Property, Plant and Equipment		(296,005)	(586,396)
Proceeds from Investments		(115,171)	53,793
Distribution from Thomas Street Property Account		400,000	-
Proceeds from Thomas Street Property Account Loan		-	962,432
Loans to Branches		<u>19,689</u>	<u>(57,499)</u>
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>		<u>26,013</u>	<u>1,218,656</u>
<b>NET INCREASE IN CASH HELD</b>		339,689	393,765
Cash at Beginning of Year		<u>591,674</u>	<u>197,909</u>
<b>CASH AT END OF YEAR</b>	17	<u>931,363</u>	<u>591,674</u>

(The attached Notes form part of these Accounts)

# **LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION**

## **NATIONAL COUNCIL**

### **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006**

#### **1. STATEMENT OF ACCOUNTING POLICIES**

The financial report is a general purpose financial report that has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Work Place Relations Act, 1996.

Compliance with Australian equivalents to International Financial Reporting Standards ensures that the financial report comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS) except for:

- Segment reporting because AASB 114 "Segment Reporting" does not apply to not-for-profit organisations.
- Impairment of assets under AASB 136 "Impairment of assets"

#### **BASIS OF PREPARATION**

The financial report is for the entity Liquor Hospitality and Miscellaneous Union National Council, as an individual entity. The Liquor Hospitality and Miscellaneous Union is an organisation registered under the Workplace Relations Act, 1996. In accordance with the Act the Union is a body corporate and has perpetual succession. By virtue of this method of incorporation, the Union and the National Council are not subject to the Corporations Act 2001.

The financial report has been prepared on the basis of historical costs modified by the revaluation of selected financial assets and liabilities for which the fair value basis of accounting has been applied. Cost is based on the fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

This is the first financial report prepared under AIFRS and AASB 1 First-Time Adoption of Australian Equivalents to International Financial Reporting Standards has been applied in preparing these statements. Comparatives for the year ended 30 June 2005 have been restated accordingly. The National Council has taken the exemption available under AASB 1 to apply AASB 132 and AASB 139 from 1 July 2005.

Reconciliations of the effect of the introduction of AIFRS on the Union's Accumulated Funds, Net Surplus, Assets and Liabilities are detailed in Note 4.

The following is a summary of the significant accounting policies adopted by the economic entity in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

##### **(a) Revenue**

The concept of accruals accounting has been adopted in the preparation of the financial statements. Sustentation Fees and Interest are accounted for on an accruals basis.

##### **(b) Income Tax**

No provision for Income Tax is necessary as the Union is exempt from Income Tax under Section 50 - 15 of the Income Tax Assessment Act 1997.



# LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION

## NATIONAL COUNCIL

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006 (cont'd)

#### 1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

##### (c) Property, Plant and Equipment

Each class of plant and equipment is carried at cost, less where applicable, any accumulated depreciation and any impairment in value.

##### *Depreciation*

The depreciable amount of property, plant and equipment is depreciated on a straight line method over their useful lives to the union commencing from the time the asset is ready for use.

The depreciation rates used for each class of asset are:

Property	2%
Office Furniture and Equipment	20%
Motor Vehicles	15%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance sheet date.

Gains and losses on disposals are calculated as the difference between the net disposal proceeds and the asset's carrying amount and are included in the income statement in the year that the item is derecognised.

##### (d) Impairment

The carrying amounts of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognised in the income statement for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less cost to sell and value in use. For the purpose of assessing value in use, this represents depreciated current replacement cost, as the Union is a not-for profit organisation.

##### (e) Employee Benefits

Provision is made for the Branch's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled plus related on costs.

Other employee benefits payable later than one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. In the case of Long Service Leave this results in an amount not materially different to that achieved by discounting future cash flows.

Contributions are made by the Branch to employee superannuation funds and are charged as expenses when incurred.

## **LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION**

### **NATIONAL COUNCIL**

#### **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006 (cont'd)**

##### **1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

###### **(f) Investments**

All investments and other financial assets are initially stated at cost, being the fair value of consideration given plus acquisition costs. Purchases and sales of investments are recognised on trade date, which is the date on which the entity commits to purchase, or sell the asset. Accounting policies for each category of investments and other financial assets subsequent to initial recognition are set out below.

###### *Available-for-sale financial assets*

Investments, which are classified as available for sale, are measured at fair value.

###### **(g) Goods and Services Tax**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables on the balance sheet are shown inclusive of GST.

###### **(h) Accounting Standards Issued But Not Yet Effective**

There have been no accounting standards issued which will impact the financial report in future periods and which are not yet effective.

##### **2. ACCOUNTING ESTIMATES AND JUDGEMENTS**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

###### **(a) Critical accounting estimates and assumptions**

The Union makes estimates and assumptions concerning the future. The resulting accounting estimates by definition seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of asset and liabilities.

###### **(b) Critical judgments in applying the Union's accounting principles**

There are no critical judgements that have a significant risk of causing a material adjustment to the carrying amount of the assets and liabilities.

# LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION

## NATIONAL COUNCIL

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006 (cont'd)

#### 3. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of the Workplace Relations Act, 1996 the attention of members is drawn to the provisions of Sub-Sections (1), (2) and (3) of Section 272 of Schedule 1B which read as follows:-

- (1) A member of an organisation, or a Registrar, 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.
- (3) A reporting unit must comply with an application made under subsection (1).

#### 4. IMPACT OF ADOPTION OF AIFRS

The impact of adopting AIFRS on the Accumulated Funds, Net Surplus, Assets, and Liabilities, reported under previous Australian Generally Accepted Accounting Principles ("AGAAP") are set out below.

	\$
(a) Total Accumulated Funds under previous AGAAP at 1 July 2005	19,756,052
Adjustment in respect of fair valuing of Non Interest Bearing Loan	<u>(15,329)</u>
Total Accumulated Funds under AIFRS at 1 July 2005	<u>19,740,723</u>
(b) Carrying value of Non Interest Bearing Loan under previous AGAAP at 1 July 2005	72,299
Fair value adjustment	<u>(15,329)</u>
Carrying value of Non Interest Bearing Loan under AIFRS at 1 July 2005	<u>56,970</u>
(c) The Union has elected to take the exemption available under AASB 1 to apply AASB 132 and AASB 139 from 1 July 2005. There are no other adjustments required to assets, liabilities or accumulated funds as a result of the introduction of AIFRS.	
(d) There are no material differences between the Cash Flow Statement presented under AIFRS and the Cash Flow Statement presented under AGAAP.	
(e) There was no impact on the previously reported 2005 surplus.	

	Note	2006 \$	2005 \$
5. CASH AND CASH EQUIVALENTS			
Cash at Bank		930,613	590,924
Cash on Hand		<u>750</u>	<u>750</u>
		<u>931,363</u>	<u>591,674</u>
6. RECEIVABLES			
Loans to branches	11	29,200	19,200
Amounts due from branches	12	1,716,632	1,326,424
Prepayments		137,465	125,199
Accrued Interest		3,962	11,919
Other Receivables		<u>40,346</u>	<u>40,537</u>
		<u>1,927,605</u>	<u>1,523,279</u>

**LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION**

**NATIONAL COUNCIL**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2006 (Cont'd)**

	2006 \$	2005 \$
<b>7. INVESTMENTS</b>		
Money market short term deposits	1,904,285	1,797,365
Short Term Bank Deposits	829,477	787,184
Other	-	12,527
	<u>2,733,762</u>	<u>2,597,076</u>
<b>8. LONG SERVICE LEAVE FUND</b>		
<b>INVESTMENTS</b>		
Short Term Bank Deposits	<u>481,988</u>	<u>453,503</u>
<b>9. PROPERTY, PLANT AND EQUIPMENT</b>		
<b>(a) FURNITURE AND FITTINGS</b>		
At Cost	539,070	404,168
Less accumulated depreciation	<u>402,902</u>	<u>376,604</u>
	<u>136,168</u>	<u>27,564</u>
<b>(b) IT SYSTEMS</b>		
At Cost	2,950,812	2,813,742
Less accumulated depreciation	<u>2,765,457</u>	<u>2,577,475</u>
	<u>185,355</u>	<u>236,267</u>
<b>(c) PROPERTIES</b>		
Land at Cost	165,000	165,000
Buildings at Cost	<u>285,854</u>	<u>285,854</u>
	450,854	450,854
Less Accumulated Depreciation on Buildings	<u>24,536</u>	<u>19,139</u>
	<u>426,318</u>	<u>431,715</u>
<b>(d) MOTOR VEHICLES</b>		
At Cost	91,990	90,338
Less accumulated depreciation	<u>22,818</u>	<u>15,056</u>
	<u>69,172</u>	<u>75,282</u>
<b>Total Property, Plant and Equipment</b>	<u>817,013</u>	<u>770,828</u>

**LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION**

**NATIONAL COUNCIL**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2006 (Cont'd)**

**10. MOVEMENTS IN CARRYING AMOUNTS OF  
PROPERTY, PLANT AND EQUIPMENT**

	Properties	Furniture and Fittings	Motor Vehicles	IT Systems	TOTAL
	\$	\$	\$	\$	\$
Balance at 1 July 2006	431,715	27,564	75,282	236,267	770,828
Additions	-	134,901	24,077	137,027	296,005
Disposals	-	-	(14,831)	-	(14,831)
Depreciation	(5,397)	(26,297)	(15,356)	(187,939)	(234,989)
Balance at 30 June 2006	426,318	136,168	69,172	185,355	817,013

	Note	2006 \$	2005 \$
<b>11. LOANS TO BRANCHES</b>			
Current			
ACT Branch - Payroll Tax	(a)	19,200	19,200
Tas Branch - building works		10,000	-
		29,200	19,200
Non Current			
ACT Branch - Payroll Tax	(a)	43,240	72,299
N T Branch - Cash Requirement		-	489
TAS Branch - Building Works		-	10,000
		43,240	82,788

**(a) NON INTEREST BEARING LOAN**

**ACT Branch - Payroll Tax**

Face Value of Loan	72,299	91,499
Face Value adjustment on transition to AIFRS at 1 July 2005	(15,329)	-
	)	
Amortisation of discount on Non Interest Bearing Loan	5,470	-
Carrying Amount of Loan	62,440	91,499

The amounts recognised in the balance sheet are as follows:

Current Liability	19,200	19,200
Non Current Liability	43,240	72,299
	62,440	91,499

The face value adjustment has been calculated  
using a discount rate of 8% P.A.

# LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION

## NATIONAL COUNCIL

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006 (cont'd)

	Note	2006 \$	2005 \$
<b>12. AMOUNTS DUE FROM BRANCHES</b>			
NSW			
Sustentation		391,206	342,873
Other		13,002	5,785
Victoria			
Sustentation		222,213	206,475
Other		64,991	21,312
Queensland			
Sustentation		322,385	238,529
Other		56,508	3,978
South Australia			
Sustentation		222,253	178,968
Other		13,452	796
Western Australia			
Sustentation		108,927	154,124
Other		68,413	4,719
Tasmania			
Sustentation		75,835	32,859
Other		29,096	30,750
ACT			
Sustentation		50,697	22,063
Other		18,284	13,857
Northern Territory			
Sustentation		34,145	28,910
Other		25,225	40,426
Provision for Doubtful Debts		-	-
	6	<u>1,716,632</u>	<u>1,326,424</u>
<b>13. CAMPAIGN EXPENSES - OTHER</b>			
ACTU TV Advertising Campaign for Industrial Rights		310,982	435,326
Less: Amount recouped from Branches in respect of the full year		<u>(310,982)</u>	-
		-	435,326
Other Expenses		<u>63,038</u>	<u>107,288</u>
		<u>63,038</u>	<u>542,614</u>
Note: As at 30 June 2006 National Council had a commitment to contribute a further \$310,982 (excluding GST) to the above advertising campaign. This amount was paid by National Council on 13 September 2006.			
<b>14. PROFESSIONAL SERVICES</b>			
Audit Fees		41,800	40,750
Legal Fees		<u>114,973</u>	<u>176,111</u>
		<u>156,773</u>	<u>216,861</u>

**LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION**

**NATIONAL COUNCIL**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2006 (cont'd)**

	2006 \$	2005 \$
<b>15. THOMAS STREET PROPERTY ACCOUNT</b>		
<b>ASSETS</b>		
Land	3,664,500	3,664,500
Building less Accumulated Depreciation	<u>8,730,847</u>	<u>8,871,832</u>
	12,395,347	12,536,332
Deposit	30,611	-
Accrued Interest	5,878	6,193
Prepayments	42,585	29,833
Cash at Bank	315,192	137,168
Investments	1,789,745	1,791,460
Sundry Debtors	<u>95,852</u>	<u>169,853</u>
<b>TOTAL ASSETS</b>	14,675,210	14,670,839
<b>LIABILITIES</b>		
Rent in advance	43,110	-
Sundry Creditors	<u>71,995</u>	<u>41,089</u>
<b>TOTAL LIABILITIES</b>	<u>115,105</u>	<u>41,089</u>
<b>NET ASSETS</b>	<u>14,560,105</u>	<u>14,629,750</u>

## LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION

### NATIONAL COUNCIL

#### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006 (cont'd)

#### 16. RELATED PARTIES

- (a) The following persons have held office in the Union during the financial period.

National President	Helen Creed	1.7.05 to 28.04.06
National Vice Presidents	Brian Daley	1.7.05 to 30.06.06
	Shirley Mellor	1.7.05 to 30.06.06
National Secretary	Jeff Lawrence	1.7.05 to 30.06.06
Assistant National Secretaries	Tim Ferrari	1.7.05 to 30.06.06
	Louise Tarrant	1.7.05 to 30.06.06
Executive Members	Gil Anderson	1.7.05 to 30.06.06
	David O'Byrne	1.7.05 to 30.06.06
	Dave Kelly	1.7.05 to 30.06.06
	Mark Butler	1.7.05 to 30.06.06
	Annie Owens	1.7.05 to 30.06.06
	Jane Farrell	1.7.05 to 30.06.06
	Ron Monaghan	1.7.05 to 30.06.06
	Mark Boyd	1.7.05 to 30.06.06
	Irene Monro	1.7.05 to 30.06.06
	Susan Lines	1.7.05 to 30.06.06
	Sonia Minutillo	1.7.05 to 30.06.06
	Sue Fenwick	1.7.05 to 28.04.06

- (b) The aggregate amount of remuneration paid to officers during the financial year is disclosed in the Income Statement under Salaries – Officers.
- (c) The aggregate amount paid during the financial period to a superannuation plan in respect of the retirement of officers was \$25,996 (2004: \$31,956).
- (d) There have been no other transactions between the officers and the Union other than those relating to their membership of the Union and the reimbursement by the Union in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which it is reasonable to expect would have been adopted by parties at arm's length.
- (e) The National Council is the ultimate controlling entity of the Liquor, Hospitality and Miscellaneous Union.

#### Transactions with Branches:

- (i) Sustentation Fees charged to Branches are disclosed as income in the Income Statement and as a receipt in the Cash Flow Statement.
- (ii) National Council Organising Fund funding to Branches and assistance to Branches are disclosed as expenses in the Income Statement.
- (iii) Amounts receivable from Branches are disclosed in the Balance Sheet.
- (iv) Loans to Branches are disclosed in the Balance Sheet.



**LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION**

**NATIONAL COUNCIL**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2006 (cont'd)**

	2006 \$	2005 \$
<b>17. RECONCILIATION OF CASH</b>		
For the purpose of the Cash Flow Statement, Cash includes Cash on Hand and in at call deposits with banks or financial institutions, net of bank overdrafts		
Cash at Bank	930,613	590,924
Cash on Hand	<u>750</u>	<u>750</u>
	<u>931,363</u>	<u>591,674</u>
<b>18. RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH NET SURPLUS</b>		
Net Surplus	333,279	45,344
<b>Non Cash Flows in Net Surplus</b>		
Amortisation of discount on non interest bearing loan	(5,470)	-
Depreciation	234,989	166,206
Surplus on Disposal of Assets	(2,669)	(446,835)
Thomas Street Surplus	(330,354)	(315,890)
<b>Changes in Assets and Liabilities</b>		
Decrease in other receivables	191	-
Increase in Stock on Hand	(9,523)	(15,856)
Increase in Prepayments	(12,266)	(103,363)
Increase/(Decrease) in Sundry Creditors	463,366	(242,053)
(Increase)/Decrease in Amounts Due From Branches	(390,209)	6,972
Increase in Employees Provisions	24,385	75,984
Decrease in Accrued Interest	<u>7,957</u>	<u>4,600</u>
<b>CASH FLOWS FROM OPERATIONS</b>	<u>313,676</u>	<u>(824,891)</u>

# LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION

## NATIONAL COUNCIL

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2006 (cont'd)

#### 19. FINANCIAL INSTRUMENTS

##### Interest Rate Risk

The Council's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out below:

30 June 2006	Floating interest rate	Fixed interest rate		Non interest bearing	Total
		1 year or less	Over 1 to 5 years		
Financial Assets	\$	\$	\$	\$	\$
Cash	930,613	-	-	750	931,363
Receivables	-	-	-	1,829,148	1,829,148
Term deposits – employee leave fund	481,988	-	-	-	481,988
Term deposits – other	2,733,762	-	-	-	2,733,762
	<u>4,146,363</u>	<u>-</u>	<u>-</u>	<u>1,829,898</u>	<u>5,976,261</u>
Weighted average Interest rate	5%				
<b>Financial Liabilities</b>					
Payables	-	-	-	984,375	984,375
Net financial assets/(liabilities)	<u>4,146,363</u>	<u>-</u>	<u>-</u>	<u>845,523</u>	<u>4,991,886</u>
<b>30 June 2005</b>					
<b>Financial Assets</b>					
Cash	590,924	-	-	750	591,674
Receivables	-	-	-	1,468,949	1,468,949
Term deposits – employee leave fund	453,503	-	-	-	453,503
Term deposits – other	2,597,076	-	-	-	2,597,076
	<u>3,641,503</u>	<u>-</u>	<u>-</u>	<u>1,469,699</u>	<u>5,111,202</u>
Weighted average Interest rate	4.5%				
<b>Financial Liabilities</b>					
Payables	-	-	-	521,009	521,009
Net financial assets/(liabilities)	<u>3,641,503</u>	<u>-</u>	<u>-</u>	<u>948,690</u>	<u>4,590,193</u>

##### Credit Risk Exposure

Credit risk is the risk that counterparties to a financial asset will fail to discharge their obligations, causing the National Council to incur a financial loss.

The credit risk exposure of the National Council to financial assets which have been recognised in the Balance Sheet is generally the carrying amounts, net of any provisions for doubtful debts.

The carrying amounts of cash and non-interest bearing monetary financial assets and liabilities (eg receivables and payables) approximate net fair values.

**LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION**

**NATIONAL COUNCIL**

***NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS***  
**FOR THE YEAR ENDED 30 JUNE 2006 (cont'd)**

**20. REGISTERED OFFICE**

The registered office and principal place of business of the National Council is;

Level 9  
187 Thomas Street,  
Haymarket,  
NSW 2000

## **LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION**

### **NATIONAL COUNCIL**

#### **INDEPENDENT AUDIT REPORT**

To the members of the Liquor, Hospitality and Miscellaneous Union, National Council.

##### **Scope**

###### *The Financial Report and the Responsibility of the National Executive and National Secretary*

The financial report comprises the balance sheet, income statement, statement of changes in accumulated funds, cash flow statement, accompanying notes to the financial statements and the National Executive's statement for the Liquor, Hospitality and Miscellaneous Union – National Council, for the year ended 30 June 2006.

The National Executive and the National Council secretary are responsible for the preparation and true and fair presentation of the financial report in accordance with the Workplace Relations Act 1996. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

##### *Audit Approach*

We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the National Council. Our audit has been conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal controls, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Workplace Relations Act 1996, including compliance with Accounting Standards and other mandatory professional reporting requirements in Australia a view which is consistent with our understanding of the National Council's financial position and its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the National Executive and the National Secretary.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

##### **Independence**

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Workplace Relations Act 1996.

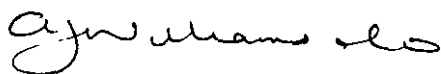
**LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION**

**NATIONAL COUNCIL**

**Audit Opinion**

In our opinion the financial report of Liquor, Hospitality and Miscellaneous Union – National Council is in accordance with the Workplace Relations Act 1996, including:

- (i) giving a true and fair view of the National Council's financial position as at 30 June 2006 and its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and other mandatory professional reporting requirements in Australia; and
- (iii) complying with any other requirements of the RAO.



**A J Williams & Co**  
Chartered Accountants



**D S McLean**  
Registered Company Auditor  
SYDNEY NSW 2000

25 October 2006

## LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION

### NATIONAL COUNCIL

#### INDEPENDENT AUDIT REPORT

To the members of the Liquor, Hospitality and Miscellaneous Union, National Council.

#### *Matters relating to the Electronic Presentation of the Audited Financial Report*

This audit report relates to the financial report of the Liquor, Hospitality and Miscellaneous Union, National Council for the year ended 30 June 2006 included on the Liquor, Hospitality and Miscellaneous Union web site. The National Executive and Secretary of the Liquor, Hospitality and Miscellaneous Union – National Council are responsible for the integrity of the Liquor, Hospitality and Miscellaneous Union web site. This audit report refers only to the statements named below. It does not provide an opinion on any other information that may have been hyper linked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on the web site.

#### Scope

#### *The Financial Report and the Responsibility of the National Executive and National Secretary*

The financial report comprises the balance sheet, income statement, statement of changes in accumulated funds, cash flow statement, accompanying notes to the financial statements and the National Executive's statement for the Liquor, Hospitality and Miscellaneous Union – National Council, for the year ended 30 June 2006.

The National Executive and the National Council secretary are responsible for the preparation and true and fair presentation of the financial report in accordance with the Workplace Relations Act 1996. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

#### *Audit Approach*

We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the National Council. Our audit has been conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal controls, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Workplace Relations Act 1996, including compliance with Accounting Standards and other mandatory professional reporting requirements in Australia a view which is consistent with our understanding of the National Council's financial position and its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the National Executive and the National Secretary.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

## **LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION**

### **NATIONAL COUNCIL**

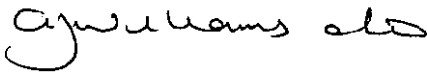
#### **Independence**

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Workplace Relations Act 1996.

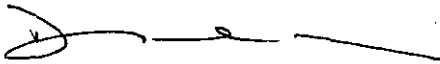
#### **Audit Opinion**

In our opinion the financial report of Liquor, Hospitality and Miscellaneous Union – National Council is in accordance with the Workplace Relations Act 1996, including:

- (i) giving a true and fair view of the National Council's financial position as at 30 June 2006 and its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and other mandatory professional reporting requirements in Australia; and
- (iii) complying with any other requirements of the RAO.



**A J Williams & Co**  
Chartered Accountants



**D S McLean**  
Registered Company Auditor  
SYDNEY NSW 2000

25 October 2006.



**Australian Government**  
**Australian Industrial Registry**

Level 8, Terrace Towers  
80 William Street, East Sydney, NSW 2011  
Telephone: (02) 8374 6666  
Fax: (02) 9380 6990  
Email: [sydney@air.gov.au](mailto:sydney@air.gov.au)

Mr Jeff Lawrence  
National Secretary,  
Liquor, Hospitality and Miscellaneous Union  
Locked Bag 9  
HAYMARKET NSW 1240

Dear Mr Lawrence

**Re: Lodgement of Financial Statements and Accounts – Liquor, Hospitality and  
Miscellaneous Union, National Office – for year ending 30 June 2006 (FR2006/510)**

I refer to the abovementioned financial statements and accounts which were lodged in the Registry on 15 December 2006.

The legislative requirements appear to have been met and accordingly the documents have been filed.

Yours sincerely,

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

Stephen Kellett  
Statutory Services Branch

20 December 2006