



Australian Government
Australian Industrial Registry

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

Ms Louise Tarrant
National Secretary
Liquor, Hospitality & Miscellaneous Union
National Office
Locked Bag 9
HAYMARKET NSW 1240

Dear Ms Tarrant

Re: LHMU National Office - Financial Return - year ending 30 June, 2008 - Schedule 1 of the Workplace Relations Act 1996 (RAO Schedule)

This is a courtesy letter to remind you of the financial reporting obligations of the abovenamed reporting unit under the *Workplace Relations Act 1996* ('the Act') for the financial year ended 30 June, 2008.

The legislative scheme set out in Chapter 8, Part 3 of the RAO Schedule is directed at ensuring that a registered organisation or a branch of such an organisation discharges obligations of accountability to its members in relation to its financial affairs through proper and regular disclosure of financial information. The various steps of the financial reporting requirements must be carried out within the time-scales prescribed by the legislation so as to ensure the relevance of the financial information provided to the members. A copy of the time-scale provisions is attached for your information.

Now that the financial year has ended, it is timely that you put in train the various steps of the financial reporting requirements. We recommend you and your accountant/auditor refer to the following documents on the Commission's website where a new site has been created dealing with:

- RAO Fact sheets - These Fact Sheets explain the requirements of the RAO Schedule - many of them deal with financial reporting matters.
- Financial Reporting Sample Documents - Sample Committee of Management's Statement, Designated Officer's Certificate and checklists for illustrative purposes.
- Registrar's Reporting Guidelines - The GPFR 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 Schedule and RAO Regulations

You can access these documents at: <http://www.airc.gov.au/registered/FR/information.htm>.

The Registry strongly encourages your organisation to lodge documents electronically by either:

- Sending an email with the documents attached to: orgs@air.gov.au
- Sending the documents by fax to: (02) 9380 6990

We encourage you to contact the Registry on (02) 8374 6666 or by e-mail at 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

Belinda Penna
(02) 8374 6666
12 August 2008

TIMELINE/ PLANNER

Financial reporting period ending:	/ /
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Prepare financial statements and Operating Report.
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(a) A Committee of Management Meeting must consider the financial statements, and if satisfied, pass a resolution declaring the various matters required to be included in the Committee of Management Statement.	/ /
(b) The Designated Officer must sign and date the Committee of Management Statement which is then forwarded to the auditor for consideration as part of the General Purpose Financial Report (GPFR).	/ /

As soon as practicable after end of financial year

Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /
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*Within a reasonable time of having received the GPFR
(NB: Auditor's report must be dated on or after date of Committee of Management Statement)*

Provide full report free of charge to members – s265 The full report includes: <ul style="list-style-type: none"> • the General Purpose Financial Report (which includes the Committee of Management Statement); • the Auditor's Report; and • the Operating Report. 	/ /
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*(a) if the report is to be presented to a General Meeting (which must be held within 6 months after the end of the financial year), the report must be provided to members 21 days before the General Meeting,
or
(b) in any other case including where the report is presented to a Committee of Management meeting*, the report must be provided to members within 5 months of end of financial year.*

Present full report to:	
(a) General Meeting of Members - s266 (1),(2); or	/ /
(b) where the rules of organisation or branch allow* - a Committee of Management meeting - s266 (3)	/ /

Within 6 months of end of financial year

Within 6 months of end of financial year

Lodge full report in the Industrial Registry, together with the Designated Officer's certificate – s268 #	/ /
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Within 14 days of meeting

* The full report may only be presented to a committee of management meeting if the rules of the reporting unit provide that a percentage of members (not exceeding 5%) are able to call a general meeting to consider the full report.

The Designated Officer's certificate must be signed by the Secretary or another officer who is an elected official and who is authorised under the rules (or by resolution of the organisation) to sign the certificate stating that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with s266 – dates of such events must be included in the certificate. A non-elected official is not allowed to sign the certificate.

National Office
Level 9
187 Thomas Street
Haymarket NSW 2000

Louise Tarrant *Brian Daley*
National Secretary National President



Locked Bag 9
Haymarket NSW 1240
Telephone: (02) 8204 3000
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Web address: www.lhmu.org.au

Tim Ferrari Sue Lines Troy Burton
Assistant National Secretaries

LHMU

Organising for the future

ABN: 5272 8088 684

Please address all correspondence to the National Secretary

15 December 2008

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 2008. 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 sent to the National Executive on 27th October 2008. 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 National Executive on 11 December and was adopted. Also enclosed is a copy of the National Secretary's certificate dated 12 December 2008.

A list of donations made by each of the LHMU Branches is also attached to this letter.

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

LOUISE TARRANT
NATIONAL SECRETARY

LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION
National Council



FINANCIAL REPORTS FOR THE YEAR ENDED 30 JUNE 2008

CERTIFICATE BY SECRETARY OR PRESCRIBED OFFICER

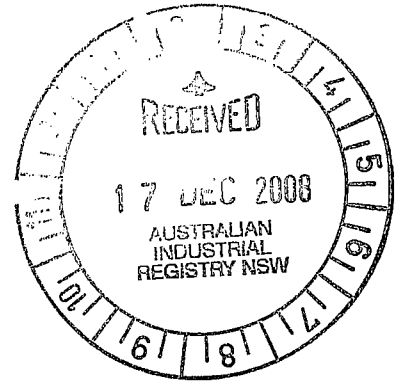
I, Louise Tarrant, being the National Secretary of the Liquor, Hospitality and Miscellaneous Union, National Council, certify:

- 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 24 November 2008 and
- That the full report was presented to a meeting of the committee of management of the reporting unit on 12 December, 2008 in accordance with section 266 of the RAO Schedule.

Signed

12 December 2008

Date:



**LIQUOR, HOSPITALITY AND
MISCELLANEOUS UNION**

NATIONAL COUNCIL

FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2008

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 2008, 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 a 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, accommodation and cleaning industries.
- Industrial support including representation of individual member grievances, advice on legal and legislative matters and responding to other unions' rules applications where they impact on membership of the LHMU.
- The administration of federal awards and participation in the award modernisation process.
- Participation in ACTU consultations on legislation to replace Workchoices.
- 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.
- Assisting branches in their implementation of the union's policies and the priorities established by the National Council and National Executive.
- 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.

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.

2. The National Council's Financial Affairs

The level of sustentation income to National Council decreased by 2% this financial year but other income increased by 41% leading to a 3.9% net increase in total income. In the same period the total level of expenditure increased by 2.4% leading to a surplus of \$112,869.

During the 2007-08 financial year, the National Office provided operational support to the Tasmanian, Northern Territory and ACT Branches and in April 2008 the finance and membership functions of the Branch were transferred to the National Office. The Member Service Centre was transferred to the New South Wales Branch to achieve some operational economies.

National Office also allocated funds to the ACTU campaign against WorkChoices.

LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION

NATIONAL COUNCIL

OPERATING REPORT (cont'd)

3. Events Subsequent to Balance Day

The National Council has made the commitment to purchase a new building up to the value of \$3 million. This building will be used as accommodation for the National Office.

The space currently occupied at 187 Thomas Street will be leased on commercial terms.

4. 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 1996.

In accordance with Section 174(1) of Schedule 1 of the Workplace Relations Act a member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a Branch of the organisation.

5. 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.

Brian Daley is an officer of the National Office and is a Trustee and Member of the Board of Directors of the HOSTPLUS Superannuation Fund and the Australian Super Fund.

6. Membership of the Union

There were 120,673 members of the union as at 30 June 2008.

7. Employees of the National Council

As at 30 June 2008 the National Council employed 29 full time employees and 7 part time employees with a total number of 32.9 employees on a fulltime equivalent basis working in the National Office.

The ACT Branch employees were also employed by the National Office as at 30 June, 2008. The ACT Branch has 5 full time employees and 3 part time employees with a total number of 7.1 employees on a fulltime equivalent basis.

8. National Executive

The following persons were members of the National Executive, during the year ending 30 June 2008:

<i>Name</i>	<i>Period of appointment</i>	
Jeff Lawrence	1.7.07 to 31.08.07	Resigned
Mark Butler	1.7.07 to 26.11.07	Resigned
Ron Monaghan	1.7.07 to 30.11.07	Resigned
Irene Munro	1.7.07 to 11.1.08	Resigned
Sharon Holmes	1.7.07 to 11.2.08	Resigned
Gil Anderson	1.7.07 to 23.8.07	Resigned
Valda Graham	1.7.07 to 7.12.07	Resigned
Sonia Minutillo	1.7.07 to 17.1.08	Resigned
Jane Farrell	1.7.07 to 28.9.07	Resigned
Annie Owens	1.7.07 to 24.8.07	Resigned
Louise Tarrant	1.7.07 to 30.6.08	
Tim Ferrari	1.7.07 to 30.6.08	
Sue Lines	1.7.07 to 30.6.08	
Brian Daley	1.7.07 to 30.6.08	
Mark Boyd	1.7.07 to 30.6.08	

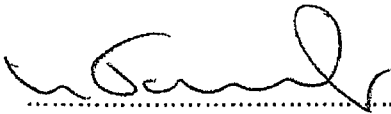
LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION

NATIONAL COUNCIL

OPERATING REPORT (cont'd)

<i>Name</i>	<i>Period of appointment</i>
David O'Byrne	1.7.07 to 30.6.08
Dave Kelly	1.7.07 to 30.6.08
Shirley Mellor	1.7.07 to 30.6.08
Jess Walsh	4.3.08 to 30.6.08
Troy Burton	29.10.07 to 30.6.08
David Di Troia	4.3.08 to 30.6.08
Gary Bullock	4.3.08 to 30.6.08
Carolyn Smith	4.3.08 to 30.6.08
Lyndal Ryan	4.3.08 to 30.6.08
Matthew Gardiner	4.3.08 to 30.6.08

For the National Executive



LOUISE TARRANT

29 October, 2008.

LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION

NATIONAL COUNCIL

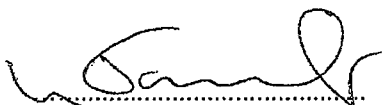
NATIONAL EXECUTIVE'S STATEMENT

On 29 October 2008 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 2008.

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 2008;
- (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 2008 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 the RAO Schedule and the RAO Regulations; 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 the RAO Schedule; and
 - (vi) no order for inspection of the financial records has been made by the Commission under section 273 of the RAO Schedule.
- (f) during the financial year ended 30 June 2008 the National Council did not participate in any recovery of wages activity.

For the National Executive:



LOUISE TARRANT

29 October, 2008.

LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION

NATIONAL COUNCIL

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008

	Note	2008 \$	2007 \$
INCOME			
Sustentation Fees		5,319,693	5,445,943
Amortisation of discount on Non Interest Bearing Loan	10	5,529	4,330
Interest Received		260,552	191,755
Merchandising Income		11,690	19,341
Property Income		4,048	5,997
Sundry Income		406,686	338,034
Reimbursement from ACT Branch		<u>100,177</u>	<u>-</u>
TOTAL INCOME		<u>6,108,375</u>	<u>6,005,400</u>
 EXPENDITURE			
Depreciation		<u>116,659</u>	<u>180,442</u>
Employee Expenses			
Salaries - Officers		229,656	157,506
Salaries - Other		1,528,247	1,334,065
Accrued Annual Leave		317,372	194,822
Long Service Leave		(25,350)	30,542
Motor Vehicle Allowance		264,140	188,128
Superannuation		365,898	223,148
Payroll Tax		120,528	90,133
Fringe Benefits Tax		<u>23,898</u>	<u>17,304</u>
		<u>2,824,389</u>	<u>2,235,648</u>

LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION

NATIONAL COUNCIL

**INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008(Continued)**

	Note	2008 \$	2007 \$
Other Expenses			
Advertising		-	1,462
Affiliation Fees		434,227	467,047
Assistance to Branches		500,000	496,364
Bad Debts		4,011	(1,067)
Bank Charges		8,678	8,563
Campaign Expenses			
- National Organising Fund		-	400,000
- Other	12	314,811	517,026
Donations		38,700	99,977
Electricity		7,616	7,709
General Expenses		41,681	27,900
Insurance		44,884	53,524
IT Project - Leasing		(1,674)	6,695
- Maintenance and Support		425,545	328,651
- Internet and Website		207,668	114,064
Market Research		195,344	48,975
Media Costs		43,680	38,121
Meeting and Conference			
Accommodation and Travel		192,169	237,496
Air Fares		322,968	317,558
Other		91,657	99,464
Motor Vehicle Expenses		8,200	10,922
Union News National		345,987	294,767
Publications		16,603	26,093
Postage and Freight		20,589	27,043
Printing and Stationery		88,429	73,033
Professional Services	13	90,014	145,580
Promotions – Merchandising		49,982	42,010
Property Expenses		143	4,272
Removal Expenses		30,294	-
Repairs and Maintenance		7,528	33,976
Staff Training		31,935	26,486
Subscriptions and Journals		44,947	27,180
Telephone		39,114	32,724
Video Conferencing		3,096	3,131
		<u>3,648,826</u>	<u>4,016,746</u>
TOTAL EXPENDITURE		6,589,874	6,432,836
OPERATING DEFICIT FOR YEAR		(481,499)	(427,436)
Surplus -Thomas Street Property Account		466,559	344,670
Surplus on Disposal of Assets		<u>127,809</u>	<u>-</u>
NET SURPLUS (DEFICIT) FOR THE YEAR		<u>112,869</u>	<u>(82,766)</u>

(The attached Notes form part of these Accounts)

LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION

NATIONAL COUNCIL

BALANCE SHEET AS AT 30 JUNE 2008

	Note	2008 \$	2007 \$
CURRENT ASSETS			
Cash and Cash Equivalents	4	945,834	780,108
Receivables	5	2,096,987	1,804,982
Stock on Hand - Badges and Other Merchandise		38,121	67,578
Investments			
Term Deposits - Employee Leave Fund	7	541,122	506,633
Term Deposits - Other	6	<u>3,076,523</u>	<u>2,867,598</u>
		<u>3,617,645</u>	<u>3,374,231</u>
TOTAL CURRENT ASSETS		<u>6,698,587</u>	<u>6,026,899</u>
NON CURRENT ASSETS			
Receivables			
Loans to Branches	10	-	28,370
Shares		556	556
Thomas Street Property Account	14	14,696,310	14,574,418
Property, Plant and Equipment	8	<u>245,713</u>	<u>711,019</u>
TOTAL NON CURRENT ASSETS		<u>14,942,579</u>	<u>15,314,363</u>
TOTAL ASSETS		<u>21,641,166</u>	<u>21,341,262</u>
LESS CURRENT LIABILITIES			
Payables			
Sundry Creditors		<u>817,035</u>	<u>885,171</u>
Provisions			
Provision for Annual Leave		430,662	218,602
Provision for Long Service Leave		<u>289,364</u>	<u>246,253</u>
		<u>720,026</u>	<u>464,855</u>
TOTAL CURRENT LIABILITIES		<u>1,537,061</u>	<u>1,350,026</u>
NET ASSETS		<u>20,104,105</u>	<u>19,991,236</u>
ACCUMULATED FUNDS		<u>20,104,105</u>	<u>19,991,236</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 2008**

	Accumulated Funds
	\$
Balance at 1 July 2006	20,074,002
Net Deficit for Year ended 30 June 2007	(82,766)
Balance at 30 June 2007	<u>19,991,236</u>
Net Surplus for Year ended 30 June 2008	<u>112,869</u>
Balance at 30 June 2008	<u>20,104,105</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 2008

	Note	2008 \$	2007 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Sustentation Fees		5,314,409	5,418,622
Payments to Suppliers and Employees		(6,418,903)	(6,224,085)
Interest Received		250,882	164,211
Other Income		<u>422,425</u>	<u>363,372</u>
NET CASH USED IN OPERATING ACTIVITIES	17	<u>(431,187)</u>	<u>(277,880)</u>
CASH FROM INVESTING ACTIVITIES			
Proceeds from Sale of Property, Plant and Equipment		564,774	-
Payments for Property, Plant and Equipment		(88,317)	(74,448)
Payments for Investments		(243,414)	(158,481)
Distribution from Thomas Street Property Account		344,670	330,354
Loans to Branches Repaid		<u>19,200</u>	<u>29,200</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES		<u>596,913</u>	<u>126,625</u>
NET INCREASE (DECREASE) IN CASH HELD		165,726	(151,255)
Cash at Beginning of Year		<u>780,108</u>	<u>931,363</u>
CASH AT END OF YEAR	16	<u>945,834</u>	<u>780,108</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 2008

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.

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. Sustainment 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.

(c) Property, Plant and Equipment

Each class of property, 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.

LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION

NATIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008 (cont'd)

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(c) Property, Plant and Equipment Policies (cont'd)

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) Loans and receivables

Loans and receivables including loans to branches are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Losses are recognised in profit and loss when the loans and receivables are derecognised or impaired. These are included in current assets, except for those with maturities greater than 12 months after balance date, which are classified as non-current.

Loans which are known to be uncollectable are written off. An allowance is made for doubtful debts where there is objective evidence that the National Council will not be able to collect all amounts due according to the original terms. Objective evidence of impairment includes financial difficulties of the debtor, default payments or debts overdue. On confirmation that the loan will not be collectible the gross carrying value of the asset is written off against the associated provision.

(f) Employee Benefits

Provision is made for the entity'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 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 2008 (cont'd)

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(g) 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.

(h) 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.

(i) Accounting Standards Issued But Not Yet Effective

There have been no accounting standards issued which will have a financial impact on 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 amounts of assets 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 amounts of assets and liabilities.

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).

LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION

NATIONAL COUNCIL

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008 (cont'd)**

	Note	2008 \$	2007 \$
4. CASH AND CASH EQUIVALENTS			
Cash at Bank		945,084	779,358
Cash on Hand		750	750
		<u>945,834</u>	<u>780,108</u>
5. RECEIVABLES			
Loans to Branches	10	33,899	19,200
Amounts due from Branches	11	1,924,872	1,549,153
Prepayments		86,670	121,383
Accrued Interest		41,176	31,506
Other Receivables		10,370	83,741
		<u>2,096,987</u>	<u>1,804,982</u>
6. INVESTMENTS			
Money Market Short Term Deposits		2,138,192	2,001,841
Short Term Bank Deposits		938,331	865,757
		<u>3,076,523</u>	<u>2,867,598</u>
7. EMPLOYEE LEAVE FUND			
INVESTMENTS			
Short Term Bank Deposits		541,122	506,633
8. PROPERTY, PLANT AND EQUIPMENT			
(a) FURNITURE AND FITTINGS			
At Cost		193,241	199,397
Less Accumulated Depreciation		<u>(108,317)</u>	<u>(87,367)</u>
		<u>84,924</u>	<u>112,030</u>
(b) IT SYSTEMS			
At Cost		578,552	604,123
Less Accumulated Depreciation		<u>(443,275)</u>	<u>(481,429)</u>
		<u>135,277</u>	<u>122,694</u>
(c) PROPERTIES			
Land at Cost		-	165,000
Buildings at Cost		-	285,854
		-	450,854
Less Accumulated Depreciation on Buildings		<u>-</u>	<u>(29,933)</u>
		<u>-</u>	<u>420,921</u>

LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION

NATIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008 (cont'd)

	2008 \$	2007 \$
8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)		
(d) MOTOR VEHICLES		
At Cost	47,990	91,990
Less Accumulated Depreciation	<u>(22,478)</u>	<u>(36,616)</u>
	<u>25,512</u>	<u>55,374</u>
Total Property, Plant and Equipment	<u>245,713</u>	<u>711,019</u>

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

	Properties	Furniture and Fittings	Motor Vehicles	IT Systems	TOTAL
	\$	\$	\$	\$	\$
Balance at 1 July 2007	420,921	112,030	55,374	122,694	711,019
Additions	-	7,939	-	80,378	88,317
Disposals	(403,659)	(13,941)	(19,364)	-	(436,964)
Depreciation	<u>(17,262)</u>	<u>(21,104)</u>	<u>(10,498)</u>	<u>(67,795)</u>	<u>(116,659)</u>
Balance at 30 June 2008	<u>-</u>	<u>84,924</u>	<u>25,512</u>	<u>135,277</u>	<u>245,713</u>

	Note	2008 \$	2007 \$
10. LOANS TO BRANCHES			
Current			
ACT Branch - Payroll Tax	(a)	<u>33,899</u>	<u>19,200</u>
		<u>33,899</u>	<u>19,200</u>
Non Current			
ACT Branch - Payroll Tax	(a)	<u>-</u>	<u>28,370</u>
		<u>-</u>	<u>28,370</u>

LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION

NATIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008 (cont'd)

	Note	2008 \$	2007 \$
10. LOANS TO BRANCHES (cont'd)			
(a) NON INTEREST BEARING LOAN			
ACT Branch – Payroll Tax			
Face Value of Loan		28,370	43,240
Amortisation of discount on Non Interest Bearing Loan		<u>5,529</u>	<u>4,330</u>
Carrying Amount of Loan		<u>33,899</u>	<u>47,570</u>
The amounts recognised in the balance sheet are as follows:			
Current Asset		33,899	19,200
Non Current Asset		<u>-</u>	<u>28,370</u>
		<u>33,899</u>	<u>47,570</u>
The face value adjustment has been calculated using a discount rate of 8% P.A.			
11. AMOUNTS DUE FROM BRANCHES			
NSW			
Sustentation		350,960	370,272
Other		2,484	12,153
Victoria			
Sustentation		226,065	199,056
Other		13,978	4,509
Queensland			
Sustentation		329,034	318,931
Other		41,105	13,202
South Australia			
Sustentation		214,867	217,775
Other		2,204	13,452
Western Australia			
Sustentation		246,870	257,156
Other		23,798	18,044
Tasmania			
Sustentation		39,761	40,076
Other		59,249	14,412
ACT			
Sustentation		21,866	23,968
Other		12,138	5,364
Transitional Costs		287,991	-
Northern Territory			
Sustentation		33,582	30,482
Other		18,920	10,301
Provision for Doubtful Debts		<u>-</u>	<u>-</u>
	5	<u>1,924,872</u>	<u>1,549,153</u>

LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION**NATIONAL COUNCIL****NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008 (cont'd)**

	2008 \$	2007 \$
12. CAMPAIGN EXPENSES - OTHER		
ACTU TV Advertising Campaign for Industrial Rights	621,965	621,965
Less: Amount recouped from Branches in respect of the full year	<u>(310,983)</u>	<u>(155,491)</u>
	310,982	466,474
Other Expenses	<u>3,829</u>	<u>50,552</u>
	<u>314,811</u>	<u>517,026</u>
13. PROFESSIONAL SERVICES		
Audit Fees	30,000	30,980
Accounting Services	-	7,360
Legal Fees	<u>60,014</u>	<u>107,240</u>
	<u>90,014</u>	<u>145,580</u>
14. THOMAS STREET PROPERTY ACCOUNT		
ASSETS		
Land	3,664,500	3,664,500
Building less Accumulated Depreciation	<u>8,019,006</u>	<u>8,437,959</u>
	11,683,506	12,102,459
Deposit	30,612	30,611
Accrued Interest	24,539	19,476
Prepayments	40,318	65,027
Cash at Bank	527,673	110,408
Investments	2,354,773	2,204,609
Sundry Debtors	<u>118,551</u>	<u>105,484</u>
TOTAL ASSETS	14,779,972	14,638,074
LIABILITIES		
Rent in advance	3,322	-
Sundry Creditors	<u>80,340</u>	<u>63,656</u>
TOTAL LIABILITIES	<u>83,662</u>	<u>63,656</u>
NET ASSETS	<u>14,696,310</u>	<u>14,574,418</u>

LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION

NATIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008 (cont'd)

15. RELATED PARTIES

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

National President	Brian Daley	1.7.07 to 30.6.08
National Vice Presidents	Ron Monaghan	1.7.07 to 30.11.07
	Annie Owens	1.7.07 to 24.8.07
	Jess Walsh	4.3.08 to 30.6.08
	David O'Byrne	24.8.07 to 30.6.08
National Secretary	Jeff Lawrence	1.7.07 to 31.8.07
	Louise Tarrant	1.9.07 to 30.6.08
Assistant National Secretaries	Louise Tarrant	1.7.07 to 31.8.07
	Tim Ferrari	1.7.07 to 30.6.08
	Sue Lines	1.10.07 to 30.6.08
	Troy Burton	29.10.07 to 30.6.08
Executive Members	Sue Lines	1.7.07 to 30.9.07
	Mark Butler	1.7.07 to 26.11.07
	Irene Munro	1.7.07 to 11.1.08
	Sharon Holmes	1.7.07 to 11.2.08
	Gil Anderson	1.7.07 to 23.8.07
	Valda Graham	1.7.07 to 7.12.07
	Sonia Minutillo	1.7.07 to 17.1.08
	Jane Farrell	1.7.07 to 28.9.07
	Mark Boyd	1.7.07 to 30.6.08
	David O'Byrne	1.7.07 to 24.8.07
	Dave Kelly	1.7.07 to 30.6.08
	Shirley Mellor	1.7.07 to 30.6.08
	David Di Troia	4.3.08 to 30.6.08
	Gary Bullock	4.3.08 to 30.6.08
	Carolyn Smith	4.3.08 to 30.6.08
	Lyndal Ryan	4.3.08 to 30.6.08
	Matthew Gardiner	4.3.08 to 30.6.08

- (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 \$80,833 (2007: \$69,474).
- (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.
- (ii) National Council Organising 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 2008 (cont'd)**

15. RELATED PARTIES (cont'd)

- (v) Reimbursements of \$100,177 are receivable from the ACT Branch in respect of expenses incurred during the year ended 30 June 2008 by National Council on behalf of that Branch. The amount of \$100,177 is included as income in National Council's Income Statement.
- (vi) On 1 April 2008 the ACT Branch's liabilities for long service leave and annual leave were transferred to National Council through the Branch's current account with National Council. Consequently at 30 June 2008 all ACT employee leave entitlements are included as part of the provisions for long service leave and annual leave in National Council's Balance Sheet

	2008	2007
	\$	\$
16. RECONCILIATION OF CASH		
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	945,084	779,358
Cash on Hand	<u>750</u>	<u>750</u>
	<u>945,834</u>	<u>780,108</u>
17. RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH NET SURPLUS (DEFICIT)		
Net Surplus (Deficit)	112,869	(82,766)
Non Cash Flows in Net Surplus (Deficit)		
Amortisation of discount on non interest bearing loan	(5,529)	(4,330)
Depreciation	116,659	180,442
Surplus on Disposal of Assets	(127,809)	-
Thomas Street Surplus	(466,559)	(344,670)
Changes in Assets and Liabilities		
(Increase)/Decrease in Other Receivables	73,370	(43,395)
Increase in Stock on Hand	29,457	(26,028)
(Increase)/Decrease in Prepayments	34,713	16,082
Increase/(Decrease) in Sundry Creditors	(68,139)	(99,201)
(Increase)/Decrease in Amounts Due From Branches	(375,720)	167,480
Increase/(Decrease) in Employees Provisions	255,171	(13,950)
(Increase)/Decrease in Accrued Interest	<u>(9,670)</u>	<u>(27,544)</u>
CASH FLOWS FROM OPERATIONS	<u>(431,187)</u>	<u>(277,880)</u>

LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION

NATIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008 (cont'd)

18. FINANCIAL RISK MANAGEMENT

(a) *General objectives, policies and processes*

The union is exposed to risks that arise from its use of financial instruments. This note describes the union's objectives, policies and processes for managing those risks and the methods used to measure them.

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

The union's financial instruments consist mainly of deposits with banks, trade receivables and payables. The main risks the union is exposed to through its financial instruments are interest rate risk (see section (e) below), liquidity risk and credit risk.

The National council has overall responsibility for the determination of the union's risk management objectives and policies and whilst retaining ultimate responsibility for them, the National council makes investment decisions after considering appropriate advice.

(b) *Credit Risk*

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the union incurring a financial loss. This usually occurs when debtors fail to settle their obligations owing to the union.

There is no concentration of credit risk with respect to current and non-current receivables.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provision for doubtful debts, as disclosed below:

	2008	2007
	\$	\$
Loans to Branches	33,899	47,570
Debtors – Branches	1,924,872	1,549,153
Other receivables	51,546	115,246
Total loans and receivables	<u>2,010,317</u>	<u>1,711,9699</u>

There has been no history of default and all receivables are likely to be repaid within the expected terms.

	2008	2007
	\$	\$
Cash	945,834	780,108
Term deposits employee leave fund	541,122	506,633
Term deposits other	3,076,523	2,867,598
Total cash and cash equivalents	<u>4,563,479</u>	<u>4,154,339</u>

Cash and cash equivalents are held within Australian financial institutions with good credit history.

LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION

NATIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008 (cont'd)

18. FINANCIAL RISK MANAGEMENT (cont'd)

(c) *Liquidity Risk*

Liquidity risk is the risk that the union may encounter difficulties raising funds to meet commitments associated with financial liabilities.

As at 30 June 2008 the Union had \$945,834 (\$780,108 – 2007) of cash and had term deposits \$3,617,645 (\$3,374,231 – 2007) to meet these commitments as they fall due. Financial liabilities at 30 June 2008 totalled \$718,692 (\$793,327 – 2007). The Union manages liquidity risk by monitoring cash flows and maintains an investment fund to cover the leave liability.

(d) *Market Risk*

Market risk arises from the use of interest bearing, tradable financial instruments. It is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk) or other market factors (other price risk).

(e) *Interest Rate Risk*

The Union's exposure to interest rate risk, which 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 liabilities are summarised below.

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 2008	Floating interest rate	Fixed interest rate		Non interest Bearing	Total
		1 year or less	Over 1 to 5 years		
Financial Assets	\$	\$	\$	\$	\$
Cash	945,084	-	-	750	945,834
Loans and Receivables	-	-	-	2,010,317	2,010,317
Term deposits employee leave fund		541,122	-	-	541,122
Term deposits other		3,076,523	-	-	3,076,523
	<u>945,084</u>	<u>3,617,645</u>	<u>-</u>	<u>2,011,067</u>	<u>6,573,796</u>
Weighted average Interest rate	0.8 %	7.7%			
Financial Liabilities					
Payables	<u>-</u>	<u>-</u>	<u>-</u>	<u>718,692</u>	<u>718,692</u>
Net financial assets	<u>945,084</u>	<u>3,617,645</u>	<u>-</u>	<u>1,292,375</u>	<u>5,855,104</u>

LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION

NATIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008 (cont'd)

18. FINANCIAL RISK MANAGEMENT (cont'd)

30 June 2007	Floating Interest Rate	Fixed Interest Rate	Non interest bearing	Total
		1 year or less	Over 1 to 5 years	
Financial Assets	\$	\$	\$	\$
Cash	779,358	-	-	750
Loans and Receivables	-	-	-	1,711,969
Term deposits employee leave fund		506,633	-	-
Term deposits other		2,867,598	-	-
	<u>779,358</u>	<u>3,374,231</u>	<u>-</u>	<u>1,712,719</u>
				<u>5,866,308</u>
Weighted average Interest rate	0.8%	6.24%		
Financial Liabilities				
Payables	-	-	-	793,327
				<u>793,327</u>
Net financial assets	<u>779,358</u>	<u>3,374,231</u>	<u>-</u>	<u>919,392</u>
				<u>5,072,981</u>

Sensitivity Analysis

2008	Carrying Amount	+1%	-0.25%	-1.5%
	\$	Profit \$	Loss \$	Loss \$
Cash at Bank	945,084	9,451	2,363	-
Term deposits employee leave fund	541,122	5,411	-	8,117
Term deposits other	3,076,523	30,765	-	46,148

2007	Carrying Amount	+1%	-0.25%
	\$	Profit \$	Loss \$
Cash at Bank	779,358	7,794	1,949
Term deposits employee leave fund	506,633	5,066	1,267
Term deposits other	2,867,598	28,676	7,169

LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION

NATIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008 (cont'd)

18. FINANCIAL RISK MANAGEMENT (cont'd)

(f) *Other Price Risks*

The union does not invest in shares or derivatives therefore it does not expose itself to the fluctuations in price that are inherent in such a market.

(g) *Foreign Exchange Risk*

The union is not exposed to foreign exchange rate risk.

19. SUBSEQUENT EVENTS

ACT Branch ceasing to be a Reporting Unit

At the National Executive meeting on the 8 March, 2008 a resolution was passed that a rule change for the ACT branch to restructure finance, membership and grievance handling by the Branch be registered.

On 19 March 2008, a combined meeting of the ACT Branch Executive (Committee of Management) and Branch Council agreed that a Deed of Arrangement between the ACT Branch and National Council be signed and that rules of the ACT Branch be amended by the insertion of a new sub-rule 75A6.

On 22 May 2008 the Industrial Registrar certified the alterations to the rules and further certified that the Union is to be divided into reporting units on an alternative basis as to that existing prior to the rule alteration.

The agreement between the National Council and the ACT Branch whereby the ACT Branch ceases to be a reporting unit will remain in force for three years. It may be terminated by either party giving the other three month's written notice (such notice to expire no earlier than 1 July 2011). If the agreement is not terminated by notice, it will continue to operate unless and until it is replaced by a subsequent agreement.

The effect of the agreement and rule alteration is that from 1 July 2008 the income, expenditure, assets, liabilities and accumulated funds of the ACT Branch will, in future years be disclosed in the National Council's Financial Report.

Capital Commitment

Subsequent to year end National Council entered into a contract for the purchase of freehold land and buildings to be used as accommodation for the National Office. The amount contracted for was \$3,300,000 (incl GST). Settlement took place on 22 October 2008.

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

We have audited the general purpose financial report of Liquor, Hospitality and Miscellaneous Union, National Council, which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in accumulated funds and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes and the National Executive's statement for the year then ended.

National Executive and the National Secretary's Responsibility for the Financial Report

The National Executive and the National Secretary are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Workplace Relations Act 1996. This responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the National Executive and National Secretary, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies and the Workplace Relations Act 1996.

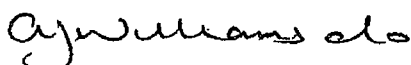
LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION

NATIONAL COUNCIL

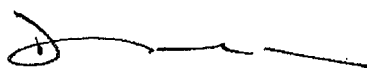
INDEPENDENT AUDIT REPORT (cont'd)

Auditor's Opinion

In our opinion the general purpose financial report of Liquor, Hospitality and Miscellaneous Union, National Council is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the RAO Schedule of the Workplace Relations Act 1996.



A J Williams & Co



David McLean

Member of Institute of Chartered Accountants
And Holder of Current Public Practice Certificate
Registered Company Auditor
SYDNEY NSW 2000

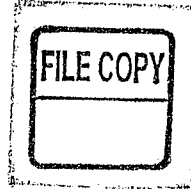
29 October 2008



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

Ms Louise Tarrant
National Secretary,
Liquor, Hospitality and Miscellaneous Union
Locked Bag 9
HAYMARKET NSW 1240



Dear Ms Tarrant

**Re: Lodgement of Financial Statements and Accounts – Liquor, Hospitality and
Miscellaneous Union, National Office – for year ending 30 June 2008 (FR2008/527)**

I refer to the abovementioned financial statements and accounts which were lodged in the Registry on 17 December 2008.

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

Yours sincerely,

A handwritten signature in black ink, appearing to be 'S Kellett'.

Stephen Kellett
Statutory Services Branch

2 January 2009