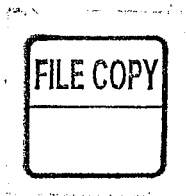




Fair Work
Australia



28 January 2010

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

Dear Ms Tarrant

**Lodgment of Financial Statements and Accounts – Liquor, Hospitality and
Miscellaneous Union, National Office - for year ended 30 June 2009 (FR2009/251)**

Thank you for lodging the abovementioned financial statements and accounts which were received by Fair Work Australia on 22 December 2009.

The documents have been filed.

Yours sincerely,

Stephen Kellett
Statutory Services Branch
Fair Work Australia

National Office
303 Cleveland Street
Redfern NSW 2016

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

ABN: 5272 8088 684

Louise Tarrant National Secretary
Brian Daley National President

Sue Lines
Troy Burton
Assistant National Secretaries



Organising for the future

18 December 2009

Mr Barry Jenkins
Delegate of General Manager
Fair Work Australia
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 2009. 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 3 November 2009. 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 Committee of Management on 8 December 2009 and was adopted. Also enclosed is a copy of the National Secretary's certificate dated 18 December 2009.

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 LHMU 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**

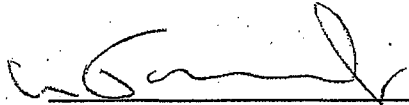
FINANCIAL REPORTS FOR THE YEAR ENDED 30 JUNE 2009

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 2009 and
- That the full report was presented to a meeting of the committee of management of the reporting unit on 15 December, 2009 in accordance with section 266 of the RAO Schedule.

Signed



Date:

6/12/2009

**LIQUOR, HOSPITALITY AND
MISCELLANEOUS UNION**

NATIONAL COUNCIL

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2009**

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 2009, 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 modernization process.
- Participation in ACTU consultations on legislation to replace Workchoices.
- Management of information technology and strategic membership systems designed 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 child care skill shortages issues & fair procurement arrangements.

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.

LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION

NATIONAL COUNCIL

OPERATING REPORT (cont'd)

2. The National Council's Financial Affairs

The level of sustentation income to National Council increased by 4% this financial year and other income increased by 86%. This led to a 14% net increase in total income.

In the same period the total level of expenditure increased by 14% leading to a surplus of \$22,349.

During the 2008-09 financial year, the National Office provided operational support to the Tasmanian and Northern Territory Branches and absorbed the cost of running the ACT Branch.

National Office also allocated funds to the ACTU campaign against WorkChoices in the first half of the financial year.

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 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.

4. Superannuation Trustees

Tim Ferrari was an officer of the National Office and was a Trustee and Member of the Board of Directors of the HOSTPLUS Superannuation Fund until the 19 June, 2009.

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.

5. Membership of the Union

There were 119,794 members of the union as at 30 June 2009.

6. Employees of the National Council

As at 30 June 2009 the National Council employed 37 full time employees and 6 part time employees with a total number of 41.1 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, 2009 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.

LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION

NATIONAL COUNCIL

OPERATING REPORT (cont'd)

7. National Executive

The following persons were members of the National Executive, during the year ending 30 June 2009:

<i>Name</i>	<i>Period of appointment</i>	
Louise Tarrant	1.7.08 to 30.6.09	
Tim Ferrari	1.7.08 to 19.6.09	Resigned
Sue Lines	1.7.08 to 30.6.09	
Brian Daley	1.7.08 to 30.6.09	
Mark Boyd	1.7.08 to 30.6.09	
David O'Byrne	1.7.08 to 30.6.09	
Dave Kelly	1.7.08 to 30.6.09	
Shirley Mellor	1.7.08 to 30.6.09	
Jess Walsh	1.7.08 to 30.6.09	
Troy Burton	1.7.08 to 30.6.09	
David Di Troia	1.7.08 to 30.6.09	
Gary Bullock	1.7.08 to 30.6.09	
Carolyn Smith	1.7.08 to 30.6.09	
Lyndal Ryan	1.7.08 to 30.6.09	
Matthew Gardiner	1.7.08 to 30.6.09	
Robyn Buckler	27.11.08 to 30.6.09	
Melanie Gatfield	27.11.08 to 30.6.09	

For the National Executive


.....
LOUISE TARRANT

3 November, 2009.

LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION

NATIONAL COUNCIL

NATIONAL EXECUTIVE'S STATEMENT

On 3 November 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 2009.

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 2009;
- (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 2009 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 2009 the National Council did not participate in any recovery of wages activity.

For the National Executive:



.....
LOUISE TARRANT

3 November, 2009.

LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION

NATIONAL COUNCIL

**INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009**

	Note	2009 \$	2008 \$
INCOME			
Sustentation Fees		5,550,332	5,319,693
Amortisation of discount on Non Interest Bearing Loan	10	-	5,529
Interest Received		87,266	260,552
Contribution Income ACT		633,353	-
Merchandising Income		23,268	11,690
Property Income		17,319	4,048
Sundry Income		705,173	406,686
Reimbursement from ACT Branch		-	100,177
TOTAL INCOME		<u>7,016,711</u>	<u>6,108,375</u>

EXPENDITURE

Depreciation		<u>183,789</u>	<u>116,659</u>
Employee Expenses			
Salaries - Officers		388,418	229,656
Salaries - Other		2,065,482	1,528,247
Accrued Annual Leave		377,041	317,372
Long Service Leave		41,508	(25,350)
Motor Vehicle Allowance		377,991	264,140
Superannuation		479,018	365,898
Payroll Tax		155,723	120,528
Fringe Benefits Tax		14,102	23,898
		<u>3,899,283</u>	<u>2,824,389</u>

LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION

NATIONAL COUNCIL

**INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009(Continued)**

	Note	2009 \$	2008 \$
Other Expenses			
Affiliation Fees		482,431	434,227
Assistance to Branches		360,000	500,000
Bad Debts		-	4,011
Bank Charges		5,754	8,678
Campaign Expenses			
- National Organising Fund		-	-
- Other	12	165,765	314,811
Commission on PRDs		7,104	-
Donations		48,950	38,700
Electricity		12,266	7,616
General Expenses		29,312	41,681
Insurance		77,309	44,884
IT Project - Leasing		-	(1,674)
- Maintenance and Support		596,969	425,545
- Internet and Website		168,294	207,668
Market Research		107,267	195,344
Media Costs		50,109	43,680
Meeting and Conference			
Accommodation and Travel		238,891	192,169
Air Fares		271,974	322,968
Other		60,899	91,657
Motor Vehicle Expenses		13,371	8,200
Union News National		213,037	345,987
Publications		17,788	16,603
Postage and Freight		18,545	20,589
Printing and Stationery		88,589	88,429
Professional Services	13	82,669	90,014
Promotions - Merchandising		36,744	49,982
Property Expenses		45,085	143
Removal Expenses		21,220	30,294
Repairs and Maintenance		3,848	7,528
Staff Training		68,862	31,935
Subscriptions and Journals		49,968	44,947
Telephone		62,632	39,114
Video Conferencing		9,951	3,096
		<u>3,415,603</u>	<u>3,648,826</u>
TOTAL EXPENDITURE		7,498,675	6,589,874
OPERATING DEFICIT FOR YEAR		(481,964)	(481,499)
Surplus -Thomas Street Property Account		502,497	466,559
Surplus on Disposal of Assets		<u>1,816</u>	<u>127,809</u>
NET SURPLUS FOR THE YEAR		<u>22,349</u>	<u>112,869</u>

(The attached Notes form part of these Accounts)

LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION

NATIONAL COUNCIL

BALANCE SHEET AS AT 30 JUNE 2009

	Note	2009 \$	2008 \$
CURRENT ASSETS			
Cash and Cash Equivalents	4	264,324	945,834
Receivables	5	2,128,288	2,096,987
Stock on Hand - Badges and Other Merchandise		22,313	38,121
Investments			
Term Deposits - Employee Leave Fund	7	693,099	541,122
Term Deposits - Other	6	-	3,076,523
		<u>693,099</u>	<u>3,617,645</u>
TOTAL CURRENT ASSETS		<u>3,108,025</u>	<u>6,698,587</u>
NON CURRENT ASSETS			
Receivables			
Loans to Branches	10	-	-
Shares		556	556
Thomas Street Property Account	14	13,732,247	14,696,310
Property, Plant and Equipment	8	<u>5,401,865</u>	<u>245,713</u>
TOTAL NON CURRENT ASSETS		<u>19,134,668</u>	<u>14,942,579</u>
TOTAL ASSETS		<u>22,242,693</u>	<u>21,641,166</u>
LESS CURRENT LIABILITIES			
Payables			
Sundry Creditors		<u>1,175,016</u>	<u>817,035</u>
Provisions			
Provision for Annual Leave		413,578	430,662
Provision for Long Service Leave		<u>257,953</u>	<u>289,364</u>
		<u>671,531</u>	<u>720,026</u>
TOTAL CURRENT LIABILITIES		<u>1,846,547</u>	<u>1,537,061</u>
NET ASSETS		<u>20,396,146</u>	<u>20,104,105</u>
ACCUMULATED FUNDS		<u>20,396,146</u>	<u>20,104,105</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 2009**

	Accumulated Funds
	\$
Balance at 1 July 2007	19,991,236
Net Surplus for Year ended 30 June 2008	112,869
Balance at 30 June 2008	<u>20,104,105</u>
Addition of ACT Branch Accumulated Funds 1 July 2008	269,692
Net Surplus for Year ended 30 June 2009	<u>22,349</u>
Balance at 30 June 2009	<u>20,396,146</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 2009**

	Note	2009 \$	2008 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Sustentation Fees		5,463,549	5,314,409
Payments to Suppliers and Employees		(7,293,445)	(6,418,903)
Contribution Income ACT		633,353	-
Interest Received		88,221	250,882
Other Income		<u>745,760</u>	<u>422,425</u>
NET CASH USED IN OPERATING ACTIVITIES	17	<u>(362,562)</u>	<u>(431,187)</u>
CASH FROM INVESTING ACTIVITIES			
Proceeds from Sale of Property, Plant and Equipment		8,800	564,774
Payments for Property, Plant and Equipment		(4,835,043)	(88,317)
Proceeds from (Payments for) Investments		2,924,546	(243,414)
Distribution from Thomas Street Property Account		1,466,560	344,670
Loans to Branches Repaid		<u>33,899</u>	<u>19,200</u>
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES		<u>(401,238)</u>	<u>596,913</u>
NET INCREASE (DECREASE) IN CASH HELD		<u>(763,800)</u>	<u>165,726</u>
Cash at Beginning of Year		945,834	780,108
Transfer from ACT Branch on 1 July 2008		<u>82,290</u>	-
CASH AT END OF YEAR	16	<u>264,324</u>	<u>945,834</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 2009

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. Sustentation Fees and Interest are accounted for on an accruals basis. However Contribution income ACT is recorded on a cash 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 2009 (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 and receivables 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 or receivable 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 2009 (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.

LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION

NATIONAL COUNCIL

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009 (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).

LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION

NATIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009 (cont'd)

	Note	2009 \$	2008 \$
4. CASH AND CASH EQUIVALENTS			
Cash at Bank		262,574	945,084
Cash on Hand		1,750	750
		<u>264,324</u>	<u>945,834</u>
5. RECEIVABLES			
Loans to Branches	10(a)	-	33,899
Amounts due from Branches	11	1,752,551	1,924,872
Prepayments		92,446	86,670
Accrued Interest		40,221	41,176
Other Receivables		243,070	10,370
		<u>2,128,288</u>	<u>2,096,987</u>
6. INVESTMENTS			
Money Market Short Term Deposits		-	2,138,192
Short Term Bank Deposits		-	938,331
		<u>-</u>	<u>3,076,523</u>
7. EMPLOYEE LEAVE FUND			
INVESTMENTS			
Short Term Bank Deposits		693,099	541,122
8. PROPERTY, PLANT AND EQUIPMENT			
(a) FURNITURE AND FITTINGS			
At Cost		332,509	193,241
Less Accumulated Depreciation		(211,190)	(108,317)
		<u>121,319</u>	<u>84,924</u>
(b) IT SYSTEMS			
At Cost		773,127	578,552
Less Accumulated Depreciation		(610,394)	(443,275)
		<u>162,733</u>	<u>135,277</u>
(c) PROPERTIES			
Land at Cost		1,158,000	-
Buildings at Cost		4,199,142	-
		<u>5,357,142</u>	<u>-</u>
Less Accumulated Depreciation on Buildings		(281,299)	-
		<u>5,075,843</u>	<u>-</u>

LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION

NATIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009 (cont'd)

	2009 \$	2008 \$
8. PROPERTY, PLANT AND EQUIPMENT (CONT'D)		
(d) MOTOR VEHICLES		
At Cost	62,392	47,990
Less Accumulated Depreciation	<u>(20,422)</u>	<u>(22,478)</u>
	<u>41,970</u>	<u>25,512</u>
Total Property, Plant and Equipment	<u>5,401,865</u>	<u>245,713</u>

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

	Properties	Furniture and Fittings	Motor Vehicles	IT Systems	TOTAL
	\$	\$	\$	\$	\$
Balance at 1 July 2008	-	84,924	25,512	135,277	245,713
Additions	4,679,442	66,975	-	88,626	4,835,043
Transfer from ACT Branch	469,000	5,853	37,029	-	511,882
Disposals	-	-	(6,984)	-	(6,984)
Depreciation	<u>(72,599)</u>	<u>(36,433)</u>	<u>(13,587)</u>	<u>(61,170)</u>	<u>(183,789)</u>
Balance at 30 June 2009	<u>5,075,843</u>	<u>121,319</u>	<u>41,970</u>	<u>162,733</u>	<u>5,401,865</u>

	Note	2009 \$	2008 \$
10. LOANS TO BRANCHES			
Current			
ACT Branch - Payroll Tax	10(a)	<u>-</u>	<u>33,899</u>
		<u>-</u>	<u>33,899</u>

LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION

NATIONAL COUNCIL

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009 (cont'd)**

	Note	2009 \$	2008 \$
10. LOANS TO BRANCHES (cont'd)			
(a) NON INTEREST BEARING LOAN			
ACT Branch – Payroll Tax			
Face Value of Loan		-	28,370
Amortisation of discount on Non Interest Bearing Loan		-	5,529
Carrying Amount of Loan		-	33,899
The amounts recognised in the balance sheet are as follows:			
Current Asset		-	33,899
The face value adjustment has been calculated using a discount rate of 8% P.A.			
11. AMOUNTS DUE FROM BRANCHES			
NSW	Sustentation	354,938	350,960
	Other	5,115	2,484
Victoria	Sustentation	235,867	226,065
	Other	27,472	13,978
Queensland	Sustentation	377,556	329,034
	Other	44,523	41,105
South Australia	Sustentation	229,673	214,867
	Other	4,345	2,204
Western Australia	Sustentation	272,328	246,870
	Other	10,595	23,798
Tasmania	Sustentation	43,571	39,761
	Other	45,615	59,249
ACT	Sustentation	-	21,866
	Other	-	12,138
	Transitional Costs	-	287,991
Northern Territory	Sustentation	35,855	33,582
	Other	65,098	18,920
Provision for Doubtful Debts		-	-
		1,752,551	1,924,872

LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION

NATIONAL COUNCIL

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009 (cont'd)**

	2009 \$	2008 \$
12. CAMPAIGN EXPENSES - OTHER		
ACTU TV Advertising Campaign for Industrial Rights	310,983	621,965
Less: Amount recouped from Branches in respect of the full year	<u>(155,491)</u>	<u>(310,983)</u>
	155,492	310,982
Other Expenses	<u>10,273</u>	<u>3,829</u>
	<u>165,765</u>	<u>314,811</u>
13. PROFESSIONAL SERVICES		
Audit Fees	35,000	30,000
Audit Fee - prior year	16,780	-
ACT		
Accounting Services	3,600	-
Legal Fees	<u>27,289</u>	<u>60,014</u>
	<u>82,669</u>	<u>90,014</u>
14. THOMAS STREET PROPERTY ACCOUNT		
Net assets relating to the joint venture with the NSW Branch in respect of building situated at Thomas Street Sydney.		
ASSETS		
Land	7,449,457	3,664,500
Building less Accumulated Depreciation	<u>3,535,820</u>	<u>8,019,006</u>
	10,985,277	11,683,506
Deposit	29,536	30,612
Accrued Interest	130,786	24,539
Prepayments	57,996	40,318
Cash at Bank	215,453	527,673
Investments	2,151,672	2,354,773
Sundry Debtors	<u>241,180</u>	<u>118,551</u>
TOTAL ASSETS	13,811,900	14,779,972
LIABILITIES		
Rent in advance	5,503	3,322
Sundry Creditors	<u>74,150</u>	<u>80,340</u>
TOTAL LIABILITIES	<u>79,653</u>	<u>83,662</u>
NET ASSETS	<u>13,732,247</u>	<u>14,696,310</u>

LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION

NATIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009 (cont'd)

15. RELATED PARTIES

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

National President	Brian Daley	1.7.08 to 30.6.09
National Vice Presidents	Jess Walsh	1.7.08 to 30.6.09
	David O'Byrne	1.7.08 to 30.6.09
National Secretary	Louise Tarrant	1.7.08 to 30.6.09
Assistant National Secretaries	Tim Ferrari	1.7.08 to 19.6.09
	Sue Lines	1.7.08 to 30.6.09
	Troy Burton	1.7.08 to 30.6.09
Executive Members	Mark Boyd	1.7.08 to 30.6.09
	Shirley Mellor	1.7.08 to 30.6.09
	Dave Kelly	1.7.08 to 30.6.09
	Lyndal Ryan	1.7.08 to 30.6.09
	Matthew Gardiner	1.7.08 to 30.6.09
	Gary Bullock	1.7.08 to 30.6.09
	David Di Troia	1.7.08 to 30.6.09
	Carolyn Smith	1.7.08 to 30.6.09
	Robyn Buckler	27.11.08 to 30.6.09
	Melanie Gatfield	27.11.08 to 30.6.09

- (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 to a superannuation plan in respect of the retirement of officers was \$81,662 (\$80,833 in 2008).
- (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) Sustainment fees charged to Branches are disclosed as income in the Income Statement.
- (ii) Assistance by the National Council to the Tasmanian and Northern Territory Branches is disclosed as an expense in the Income Statement.
- (iii) Amounts receivable from 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 2009 (cont'd)**

15. RELATED PARTIES (cont'd)

- (iv) Reimbursements of \$100,177 were 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 for the year ended 30 June 2008 in National Council's Income Statement.
- (v) 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 and at 30 June 2009 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

	2009	2008
	\$	\$
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	262,574	945,084
Cash on Hand	<u>1,750</u>	<u>750</u>
	<u>264,324</u>	<u>945,834</u>
17. RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH NET SURPLUS		
Net Surplus	22,349	112,869
Non Cash Flows in Net Surplus		
Amortisation of discount on non interest bearing loan	-	(5,529)
Depreciation	183,789	116,659
Surplus on Disposal of Assets	(1,816)	(127,809)
Thomas Street Surplus	(502,497)	(466,559)
Changes in Assets and Liabilities		
Transfers from ACT Branch on 1 July 2008	(324,482)	-
(Increase)/Decrease in Other Receivables	(232,700)	73,370
Decrease in Stock on Hand	15,808	29,457
(Increase)/Decrease in Prepayments	(5,775)	34,713
Increase/(Decrease) in Sundry Creditors	357,981	(68,139)
(Increase)/Decrease in Amounts Due From Branches	172,321	(375,720)
Increase/(Decrease) in Employees Provisions	(48,495)	255,171
(Increase)/Decrease in Accrued Interest	<u>955</u>	<u>(9,670)</u>
CASH FLOWS FROM OPERATIONS	<u>(362,562)</u>	<u>(431,187)</u>

LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION

NATIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009 (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:

	2009	2008
	\$	\$
Loans to Branches	-	33,899
Debtors – Branches	1,752,551	1,924,872
Other receivables	283,291	51,546
Total loans and receivables	<u>2,035,842</u>	<u>2,010,317</u>

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

	2009	2008
	\$	\$
Cash	264,324	945,834
Term deposits employee leave fund	693,099	541,122
Term deposits other	-	3,076,523
Total cash and cash equivalents	<u>957,423</u>	<u>4,563,479</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 2009 (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 2009 the Union had \$264,324 (\$945,834 – 2008) of cash and had term deposits of Nil (\$3,076,523 – 2008) to meet these commitments as they fall due. Financial liabilities at 30 June 2009 totalled \$941,427 (\$718,692 – 2008). 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 2009	Floating interest rate	Fixed Interest Rate		Non interest Bearing	Total
		1 year or less	Over 1 to 5 years		
Financial Assets	\$	\$	\$	\$	\$
Cash	262,574	-	-	1,750	264,324
Loans and Receivables	-	-	-	2,035,842	2,035,842
Term deposits employee leave fund	-	693,099	-	-	693,099
Term deposits other	-	-	-	-	-
	<u>262,574</u>	<u>693,099</u>	<u>-</u>	<u>2,037,592</u>	<u>2,993,265</u>
Weighted average Interest rate	0.8 %	4.3%			
Financial Liabilities					
Payables	-	-	-	941,427	941,427
Net financial assets	<u>262,574</u>	<u>693,099</u>	<u>-</u>	<u>1,096,165</u>	<u>2,051,838</u>

LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION

NATIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009 (cont'd)

18. FINANCIAL RISK MANAGEMENT (cont'd)

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	-	-	-	718,692	718,692
Net financial assets	<u>945,084</u>	<u>3,617,645</u>	<u>-</u>	<u>1,292,375</u>	<u>5,855,104</u>

Sensitivity Analysis

2009	Carrying Amount	+1%	-0.25%	
	\$	Profit \$	Loss \$	
Cash at Bank	262,574	2,626	656	
Term deposits employee leave fund	693,099	6,931	1,733	
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

LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION

NATIONAL COUNCIL

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009 (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. 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.

20. REGISTERED OFFICE

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

303 Cleveland Street
REDFERN NSW 2016

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 2009, 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.

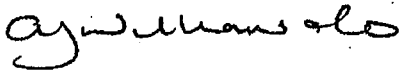
LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION

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

Partner

Member of Institute of Chartered Accountants

And Holder of Current Public Practice Certificate

Registered Company Auditor

SYDNEY NSW 2000

3 November 2009