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ABN: 5272 8088 684

**Helen Creed**  
National President

**Jeff Lawrence**  
National Secretary

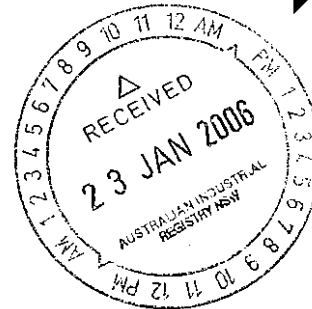
**Tim Ferrari**  
**Louise Tarrant**  
Assistant National Secretaries

**Liquor, Hospitality  
and Miscellaneous Union**



12 January, 2006

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



Dear Mr Jenkins

**re: ACT BRANCH FINANCIAL REPORTS**

I am writing to lodge the financial reports for the LHMU ACT Branch for the year ended 30 June 2005. Enclosed is the Branch Full Financial Report including:

- The Committee of Management Statement signed by the Branch Secretary.
- The Operating Report signed by the two members of the Branch Executive.
- The Independent Audit Report signed by the Branch Auditors.
- The accounts including the notes to and forming part of the accounts.

The financial reports were presented to the Branch Executive meeting on 21<sup>st</sup> September 2005. The Executive resolved:

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

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

A full report was provided to the meeting of the ACT Branch Executive on 21st December and was adopted by that meeting. Also enclosed is a copy of the Branch Secretary's certificate dated 21st December 2005.

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

If you have any questions please contact me.

Yours faithfully

**JEFF LAWRENCE**  
**NATIONAL SECRETARY**

**LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION  
ACT BRANCH**

**FINANCIAL REPORTS FOR THE YEAR ENDED 30 JUNE 2005**

**CERTIFICATE BY SECRETARY OR PRESCRIBED OFFICER**

I, Gil Anderson, being the Branch Secretary of the Liquor, Hospitality and Miscellaneous Union, ACT Branch certify:

- That the documents lodged herewith are copies of the full report, referred to in s268 of the RAO Schedule; and
- That the full report was provided to members on 30 November 2005 and
- That the full report was presented to a meeting of the committee of management of the reporting unit on 21<sup>st</sup> December 2005 in accordance with section 266 of the RAO Schedule.

Signed



Date:

21/12/05

**LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION**

**AUSTRALIAN CAPITAL TERRITORY BRANCH**

**FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2005**

**LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION  
AUSTRALIAN CAPITAL TERRITORY BRANCH**

**FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2005**

**OPERATING REPORT**

The Committee of Management presents its operating report of the Liquor, Hospitality and Miscellaneous Union, Australian Capital Territory Branch for the financial year ended 30 June 2005.

1. The branch continued to service the industrial needs of our members throughout the year. This included single and group grievances and the negotiation of enterprise agreements.

A major initiative was undertaken in the childcare industry and with the assistance of the National Office, whereby the branch pursued significant wage increases and improvements in the classification structure of the Child Care Industry (ACT) Award. A full bench of the Australian Industrial Relations Commission has handed down its decision.

In the cleaning industry the branch continued to pursue improvements in the working lives of our members through the Code of Best Employment Practice. Activities included signing up more employers to the Code, promoting code employers to purchasers of cleaning services and site visits particularly in schools. The branch conducted a 'blitz' of non-members in the cleaning industry, visiting their homes over a weekend in May and signing up 64 new members.

Branch membership increased by 3.6% over the year.

2. With the exceptions as reported in this paragraph there were no significant changes to the branch's financial affairs during the financial year.
  - (i) During the year ended 30 June 2004 payroll tax was assessed by the Commissioner for ACT Revenue for the period 1 July 1998 to 29 February 2004 amounting to \$148,348 inclusive of primary tax, penalty tax and interest as detailed at note 10 to the general purpose financial report. On 1 February 2005 the Commissioner for ACT Revenue waived the penalty tax and the interest. As a result the Branch was only required to pay the primary tax of \$96,299.
  - (ii) In March 2005 as a consequence of the payroll tax payable above, the National Council advanced to the Branch a non interest-bearing loan amounting to \$96,299. The loan is repayable in equal monthly instalments over 5 years.
  - (iii) The Branch contributed to a special levy amounting to \$45,670 for the repair and capacity upgrade of the air conditioning unit at its premises at 40 Brisbane Street, Barton.
  - (iv) Due to the excess of current liabilities over current assets at 30 June 2005, the National Council of the Union has agreed to provide financial support, as necessary, to enable the Branch to pay its debts as and when they fall due.
3. All members have a right to resign from the LHMU in accordance with Rule 10 and Section 174 of Schedule 1B of the Workplace Relations Act 1996.
4. No ACT Branch Official is a Trustee or Member of the Board of a Superannuation Fund.
5. There were 2,416 members of the Branch as at 30 June 2005.
6. The number of staff employed by the Branch on a full time equivalent basis at 30 June 2005 was 6.5.

**LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION  
AUSTRALIAN CAPITAL TERRITORY BRANCH**

**OPERATING REPORT [Cont'd]**

7. The names of each person who were members of the Committee of Management, at any time, during the financial year are as follows;-

Ian Gair	Branch President	1 July 2004 – 30 June 2005
Christine Wagland	Branch Vice President	1 July 2004 – 30 June 2005
Gilbert Anderson	Branch Secretary	1 July 2004 – 30 June 2005
Lyndal Ryan	Branch Assistant Secretary	1 July 2004 – 30 June 2005
Johann Christoffelz	Branch Executive Member	1 July 2004 – 30 June 2005
Walter Kuhn	Branch Executive Member	1 July 2004 – 18 May 2005
John Mukevski	Branch Executive Member	1 July 2004 – 30 June 2005
Kathy Onstenk	Branch Executive Member	1 July 2004 – 30 June 2005
Sally Scanlain	Branch Executive Member	1 July 2004 – 30 June 2005

Signed in accordance with a resolution of the Committee of Management



.....  
**IAN GAIR**



.....  
**CHRISTINE WAGLAND**

21 September 2005

**LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION  
AUSTRALIAN CAPITAL TERRITORY BRANCH**

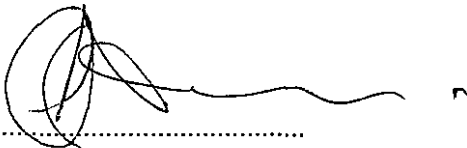
**COMMITTEE OF MANAGEMENT'S STATEMENT**

On the 10<sup>th</sup> of November 2005 the Committee of Management of the Liquor, Hospitality and Miscellaneous Union, Australian Capital Territory Branch, passed the following resolution in relation to the general purpose financial report (GPFR) of the Branch for the year ended 30 June 2005.

The Committee of Management 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 branch for the financial year ended 30 June 2005;
- (d) there are reasonable grounds to believe that the branch will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year ended 30 June 2005 and since the end of the financial year:
  - (i) meetings of the Committee of Management were held in accordance with the rules of the organisation and the rules of the branch; and
  - (ii) the financial affairs of the branch have been managed in accordance with the rules of the organisation and the rules of the branch; and
  - (iii) the financial records of the branch have been kept and maintained in accordance with Schedule 1B to the Workplace Relations Act 1996 and the Workplace Relations (Registration and Accountability of Organisations) Regulations 2003; and
  - (iv) the financial records of the branch have been kept, as far as practicable, in a consistent manner to each of the other branches and national council of the organisation; and
  - (v) no information has been sought in any request of a member of the branch or a Registrar under section 272 of Schedule 1B to the Workplace Relations Act 1996; and
  - (vi) no orders have been made by the Commission under section 273 of Schedule 1B to the Workplace Relations Act 1996

For the Committee of Management



.....  
**GILBERT ANDERSON**

21 September 2005

**LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION  
AUSTRALIAN CAPITAL TERRITORY BRANCH**

**STATEMENT OF FINANCIAL PERFORMANCE FOR  
THE  
YEAR ENDED 30 JUNE 2005**

	Note	2005 \$	2004 \$
<b>INCOME</b>			
Contributions		592,635	462,470
Director's Sitting Fees		2,568	1,080
Interest		4,172	4,609
Rent Received – Room Hire		1,310	380
Rent Received – MEAA		6,000	6,000
Rent Received – CHF (Car Spaces)		850	1,558
Sponsorship and Advertising – Branch Journal		0	3,591
Sponsorship Delegates Convention		5,657	0
<b>TOTAL INCOME</b>		<u>613,192</u>	<u>479,688</u>
 <b>EXPENDITURE</b>			
<b>Depreciation</b>			
Building		13,500	13,500
Furniture, Fittings and Office Machines		3,466	2,321
Motor Vehicles		8,875	8,874
Partitions		1,200	1,200
		<u>27,041</u>	<u>25,895</u>
 <b>Employee Expenses</b>			
Salaries - Officials		124,924	119,324
- Other Employees		145,632	118,423
Annual Leave - Decrease in Provision (Increase 2004)		(1,405)	5,706
Long Service Leave - Increase in Provision		12,743	18,307
Payroll Tax	10	22,065	7,990
Superannuation		36,881	33,172
Fringe Benefits Tax		4,868	4,914
		<u>345,708</u>	<u>307,836</u>

**LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION  
AUSTRALIAN CAPITAL TERRITORY BRANCH**

**STATEMENT OF FINANCIAL PERFORMANCE FOR THE  
YEAR ENDED 30 JUNE 2005**

	Note	2005 \$	2004 \$
<b>Other Expenses</b>			
Advertising		870	51
Affiliation Fees - A.C.T. Trades and Labour Council		7,678	7,425
- A.L.P. - Canberra Branch		6,251	6,397
- Other		278	1,323
Attendance Fees and Allowances		791	760
Bank Charges		1,098	909
Commission (Employer Payroll Deductions)		21,033	28,670
Computer Expenses		7,421	3,150
Donations		0	150
General Expenses		4,279	3,584
Insurance		18,707	14,720
Library Subscriptions		61	3,757
Meeting and Conference Expenses		8,172	1,846
Motor Vehicle Expenses		7,716	11,894
National Council Sustentation Fees		88,198	79,358
Postage		4,208	2,314
Printing and Stationery		5,662	5,198
Printing and Distribution of Branch Publications		(2,332)	4,377
Professional Services	7	12,155	9,546
Property Expenses		30,280	30,109
Telephone		14,618	10,168
		<u>237,144</u>	<u>225,706</u>
<b>TOTAL EXPENDITURE</b>		<u>609,893</u>	<u>559,437</u>
<b>OPERATING SURPLUS (DEFICIT) FOR YEAR</b>		3,299	(79,749)
<b>SIGNIFICANT ITEMS</b>			
Payroll Tax (written back)	10	(52,049)	148,348
Special Levy – Air Conditioning Repair and Capacity Upgrade		45,670	0
		<u>45,670</u>	<u>0</u>
<b>NET SURPLUS (DEFICIT) FOR YEAR</b>		9,678	(228,097)
Accumulated Funds at Beginning of Year		<u>320,227</u>	<u>548,324</u>
<b>ACCUMULATED FUNDS AT END OF YEAR</b>		<u>329,905</u>	<u>320,227</u>

[The attached Notes 1 to 15 form part of these Accounts]



**LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION  
AUSTRALIAN CAPITAL TERRITORY BRANCH**

**STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2005**

	Note	2005 \$	2004 \$
<b>ACCUMULATED FUNDS</b>		<u>329,905</u>	<u>320,227</u>
Represented by Net Assets as follows:			
<b>CURRENT ASSETS</b>			
<b>Cash Assets</b>			
Cash at Bank		39,967	19,122
Petty Cash and Change Floats		<u>170</u>	<u>170</u>
		<u>40,137</u>	<u>19,292</u>
<b>Receivables</b>			
Prepayments		3,093	3,158
Debtors		<u>6,658</u>	<u>4,077</u>
		<u>9,751</u>	<u>7,235</u>
<b>Investments</b>		<u>69,896</u>	<u>69,896</u>
<b>Long Service Leave Fund</b>			
Cash at Bank		<u>71,914</u>	<u>66,914</u>
<b>TOTAL CURRENT ASSETS</b>		<u>191,698</u>	<u>163,337</u>
<b>NON CURRENT ASSETS</b>			
<b>Fixed Assets</b>			
Property - 40 Brisbane Avenue	3	509,500	523,000
Furniture, Fittings and Office Machines	4	9,363	3,799
Motor Vehicles	5	28,600	37,475
Partitions	6	<u>901</u>	<u>2,101</u>
		<u>548,364</u>	<u>566,375</u>
<b>TOTAL ASSETS</b>		<u>740,062</u>	<u>729,712</u>

**LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION  
AUSTRALIAN CAPITAL TERRITORY BRANCH**

**STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2005 (Cont'd)**

	Note	2005 \$	2004 \$
<b>CURRENT LIABILITIES</b>			
<b>Payables</b>			
National Council Organising Fund	8	23,559	6,609
National Council Non Interest Bearing Loan	9	19,200	0
Sundry Creditors - National Council Sustentation Fees		24,270	21,663
- Sundry Accounts		<u>70,812</u>	<u>192,534</u>
		<u>137,841</u>	<u>220,806</u>
<b>Provisions</b>			
Provision for Annual Leave		96,921	98,326
Provision for Long Service Leave		<u>103,096</u>	<u>90,353</u>
		<u>200,017</u>	<u>188,679</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u>337,858</u>	<u>409,485</u>
<b>NON CURRENT LIABILITIES</b>			
National Council Non Interest Bearing Loan	9	<u>72,299</u>	<u>0</u>
<b>TOTAL NON CURRENT LIABILITIES</b>		<u>72,299</u>	<u>0</u>
<b>TOTAL LIABILITIES</b>		<u>410,157</u>	<u>409,485</u>
<b>NET ASSETS</b>		<u>329,905</u>	<u>320,227</u>

(The attached Notes 1 to 15 form part of these Accounts)

**LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION  
AUSTRALIAN CAPITAL TERRITORY BRANCH**

**STATEMENT OF CASH FLOWS FOR THE  
YEAR ENDED 30 JUNE 2005**

	Note	2005 \$	2004 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Contributions		592,635	462,470
Rent of Offices		8,160	7,938
Interest Received		4,172	4,609
Sundry Income		8,225	4,671
Received for National Council Organising Fund		78,000	76,900
Payments from National Council Organising Fund		(61,050)	(84,218)
Payments to National Council for Sustentation Fees		(85,828)	(78,186)
Payments to Suppliers and employees		<u>(600,938)</u>	<u>(422,923)</u>
<b>NET CASH USED IN OPERATING ACTIVITES</b>	11b	<u>(56,624)</u>	<u>(28,739)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from Investments		0	30,000
Payments for Property, Plant and Equipment		(9,030)	0
<b>NET CASH PROVIDED BY (USED IN ) INVESTING ACTIVITIES</b>		<u>(9,030)</u>	<u>30,000</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Loan from National Council		96,299	0
Repayment of Loan National Council		<u>(4,800)</u>	<u>0</u>
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>		<u>91,499</u>	<u>0</u>
<b>NET INCREASE IN CASH HELD</b>		25,845	1,261
Cash at Beginning of Year		<u>86,206</u>	<u>84,945</u>
<b>CASH AT END OF YEAR</b>	11a	<u>112,051</u>	<u>86,206</u>

[The attached Notes 1 to 15 form part of these Accounts]

**LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION  
AUSTRALIAN CAPITAL TERRITORY BRANCH**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2005**

**1. ACCOUNTING POLICIES**

The financial report is a general purpose financial report that has been prepared and presented in accordance with applicable Accounting Standards, other mandatory professional reporting requirements and the Workplace Relations Act, 1996. The financial report has also been prepared on the basis of historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. The accounting policies have been consistently applied, unless otherwise stated.

The financial report has been prepared on a going concern basis, which contemplates continuity of normal operating activities and the realisation of assets and settlement of liabilities in the normal course of the branch's operations.

The continuing operations of the branch and the ability to pay its debts in the normal course is dependent upon the financial support of Liquor, Hospitality and Miscellaneous Union, National Council, as necessary, and upon the success of future operations.

If the branch is unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in normal course of business and at amounts different from those stated in the financial report.

The following is a summary of the significant accounting policies adopted by the Australian Capital Territory Branch in the preparation of the financial report.

- a] Depreciation of fixed assets is calculated on the straight line basis in order to write the assets off over their useful lives to the Branch.
- b] Provision for employee benefits in the form of Long Service Leave and Annual Leave has been made for the estimated accrued entitlements of all employees on the basis of their terms of employment.

The provisions have been measured at the amounts expected to be paid when the liability is settled, plus related on costs. In the case of Long Service Leave this results in an amount not materially different to that achieved by discounting future cash flows.

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

- c] Contributions are accounted for on a cash receipts basis.
- d] 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.

**LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION  
AUSTRALIAN CAPITAL TERRITORY BRANCH**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2005 (Cont'd)**

**2. 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 a reporting unit, 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).

	2005 \$	2004 \$
<b>3. PROPERTY - 40 Brisbane Avenue, Barton</b>		
Land and Buildings - at cost	677,700	677,700
Less Accumulated Depreciation	<u>168,200</u>	<u>154,700</u>
	<u>509,500</u>	<u>523,000</u>
<b>4. FURNITURE, FITTINGS AND OFFICE MACHINES</b>		
At Cost	55,647	65,788
Less Accumulated Depreciation	<u>46,284</u>	<u>61,989</u>
	<u>9,363</u>	<u>3,799</u>
<b>5. MOTOR VEHICLES</b>		
At Cost	59,163	59,163
Less Accumulated Depreciation	<u>30,563</u>	<u>21,688</u>
	<u>28,600</u>	<u>37,475</u>
<b>6. PARTITIONS</b>		
At Cost	29,330	29,330
Less Accumulated Depreciation	<u>28,429</u>	<u>27,229</u>
	<u>901</u>	<u>2,101</u>

**LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION  
AUSTRALIAN CAPITAL TERRITORY BRANCH**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2005 (Cont'd)**

	2005 \$	2004 \$
<b>7. PROFESSIONAL SERVICES</b>		
Auditors Remuneration		
Audit Fees	12,400	9,300
Legal Expenses	<u>(245)</u>	<u>246</u>
	<u>12,155</u>	<u>9,546</u>
<b>8. NATIONAL COUNCIL ORGANISING FUND</b>		
<b>Balance as at 1 July 2004</b>	6,609	13,927
Add Receipts	<u>78,000</u>	<u>76,900</u>
	84,609	90,827
Less Expenses		
Salaries - Other Employees	35,026	55,898
Other Expenses	<u>26,024</u>	<u>28,320</u>
	23,559	6,609
<b>Balance as at 30 June 2005</b>	<u>23,559</u>	<u>6,609</u>
<b>9. NATIONAL COUNCIL NON INTEREST BEARING LOAN</b>		
Current Liability	19,200	0
Non Current Liability	<u>72,299</u>	<u>0</u>
	<u>91,499</u>	<u>0</u>
<b>10. SIGNIFICANT ITEM – PAYROLL TAX</b>		
During the year ended 30 June 2004 the Commissioner for ACT Revenue issued an assessment to the Branch in respect of unpaid Payroll Tax for the period 1 July 1998 to 29 February 2005 amounting to \$148,348. This amount comprised primary tax of \$96,299, penalty tax of \$23,604 and interest of \$28,445.	0	148,348
On 1 February 2005 the Commissioner for ACT Revenue waived the penalty tax of \$23,604 and the interest of \$28,445, in total amounting to \$52,049. As a result the Branch was only required to pay the primary tax of \$96,299. Consequently \$52,049 of the amount expensed in 2004 year was written back.	(52,049)	0
The amount of \$7,990 disclosed as Payroll Tax in 2004 under the heading 'Employee Expenses', was for the period 1 March 2004 to 30 June 2004.		

**LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION  
AUSTRALIAN CAPITAL TERRITORY BRANCH**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2005 (Cont'd)**

	2005	2004
	\$	\$
<b>11. CASH FLOW INFORMATION</b>		
<b>a) RECONCILIATION OF CASH</b>		
For the purpose of the Statement of Cash Flows, cash at the end of the financial period is reconciled to the following items in the Statement of Financial Position:		
Cash at Bank	39,967	19,122
Cash on Hand	170	170
Cash at Bank - LSL Fund	71,914	66,914
	<u>112,051</u>	<u>86,206</u>
<b>b) RECONCILIATION OF CASH FLOWS FROM OPERATIONS WITH NET SURPLUS (DEFICIT)</b>		
Net Surplus (Deficit)	9,678	(228,097)
<b>Non-Cash Flows in Net Surplus Deficit</b>		
Depreciation	27,041	25,895
Increase in Provisions for Employee Entitlements	11,338	24,013
<b>Changes in Assets and Liabilities</b>		
Decrease in Creditors (Increase 2004)	(119,115)	156,394
Increase in National Council Organising Fund (Decrease 2004)	16,950	(7,318)
Increase in Debtors and Prepayments	<u>(2,516)</u>	<u>374</u>
<b>Cash Flow Used in Operations</b>	<u>(56,624)</u>	<u>(28,739)</u>

**LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION  
AUSTRALIAN CAPITAL TERRITORY BRANCH**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2005 (Cont'd)**

**12. FINANCIAL INSTRUMENTS**

**Interest Rate Risk**

The Branch'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:

<b>30 June 2005</b>	<b>Floating interest rate</b>	<b>Fixed interest rate</b>	<b>Non- interest bearing</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Financial Assets</b>				
Cash at Bank	111,881		170	112,051
Receivables			6,658	6,658
Investments (within 1 year)		69,896		69,896
<b>Total financial assets</b>	<b>111,881</b>	<b>69,896</b>	<b>6,828</b>	<b>188,605</b>
Weighted average Interest rate	1.0%	4.5%		
<b>Financial Liabilities</b>				
Payables			118,641	118,641
Non Interest Bearing Loan			91,499	91,499
<b>Total financial liabilities</b>			<b>210,140</b>	<b>210,140</b>
<b>Net financial assets/(liabilities)</b>	<b>111,881</b>	<b>69,896</b>	<b>(203,312)</b>	<b>(21,535)</b>
<b>30 June 2004</b>				
<b>Financial Assets</b>				
Cash at Bank	86,036		170	86,206
Receivables			4,142	4,142
Investments (within 1 year)		69,896		69,896
<b>Total financial assets</b>	<b>86,036</b>	<b>69,896</b>	<b>4,312</b>	<b>160,244</b>
Weighted average Interest rate	1.2%	4.3%		
<b>Financial Liabilities</b>				
Payables			220,806	220,806
<b>Total financial liabilities</b>			<b>220,806</b>	<b>220,806</b>
<b>Net financial assets/(liabilities)</b>	<b>86,036</b>	<b>69,896</b>	<b>(216,494)</b>	<b>(60,562)</b>



**LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION  
AUSTRALIAN CAPITAL TERRITORY BRANCH**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2005 (Cont'd)**

**12. FINANCIAL INSTRUMENTS (Cont'd)**

**Credit Risk Exposure**

Credit risk is the risk that counter parties to a financial asset will fail to discharge their obligations, causing the Branch to incur a financial loss.

The credit risk exposure of the Branch to financial assets which have been recognised in the Statement of Financial Position is generally the carrying amounts, net of any provisions for doubtful debts.

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

**13. RELATED PARTY TRANSACTIONS**

Transactions with related parties are on normal terms and conditions no more favorable than those available to other parties, unless otherwise stated.

- (a) The aggregate amount of remuneration paid to officials during the financial year is disclosed in the Financial Report
- (b) The aggregate amount paid during the financial year to a superannuation plan in respect of elected full time officials is \$17,659 (2004 \$17,648).
- (c) There have been no other transactions between the officials 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.

The ultimate controlling entity of the Branch is the Liquor, Hospitality and Miscellaneous Union - National Council.

**Transactions with Ultimate Controlling Entity**

- (a) National Council Sustentation Fees are disclosed as an expense in the Statement of Financial Performance and as a payment in the Statement of Cash Flows.
- (b) National Council Organising Fund receipts are disclosed in the Statement of Cash Flows.
- (c) National Council Sustentation Fees payable are disclosed in the Statement of Financial Position.
- (d) A National Council Non Interest Bearing Loan is disclosed in the Statement of Financial Position.

	2005	2004
	\$	\$
(e) Amount owing for goods and services purchased from National Council. (Included in Sundry Creditors – Sundry Accounts)	7,071	9,593

**LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION  
AUSTRALIAN CAPITAL TERRITORY BRANCH**

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2005 (Cont'd)**

**14. IMPACT OF ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS**

The Committee of Management is preparing and managing transition to Australian equivalents to International Financial Reporting Standards (AIFRSs) effective for financial reporting periods commencing from 1 January 2005. The adoption of AIFRSs will be reflected in the branch's financial statements for the year ending 30 June 2006. On first time adoption of AIFRSs, comparatives for the financial year ended 30 June 2005 are required to be restated. The majority of the AIFRSs transitional adjustments will be made retrospective against retained earnings at 1 July 2004.

The Committee of Management is of the opinion that there are no material differences in the branch's accounting policies on conversion to AIFRSs. Users of the financial statements should, however, note that the amounts disclosed could change if there are any amendments to current AIFRSs by standard-setters, or interpretation of the AIFRSs requirements changes due to the continuing transition work of the Committee of Management.

**15. REGISTERED OFFICE**

The registered office and principal place of business of the Branch is:  
Unit 5, Level 2  
40 Brisbane Avenue  
Barton ACT 2600

**LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION  
AUSTRALIAN CAPITAL TERRITORY BRANCH**

**INDEPENDENT AUDIT REPORT**

To the members of the Liquor, Hospitality and Miscellaneous Union - Australian Capital Territory Branch

**Scope**

*The Financial Report and the Responsibility of the Committee of Management and Branch Secretary*

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements and the committee of management's statement for the Liquor, Hospitality and Miscellaneous Union - Australian Capital Territory Branch, for the year ended 30 June 2005.

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

*Audit Approach*

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

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

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

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

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

**Independence**

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

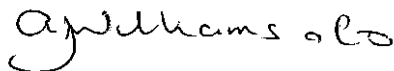
**LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION  
AUSTRALIAN CAPITAL TERRITORY BRANCH**

**INDEPENDENT AUDIT REPORT (Cont'd)**

**Audit Opinion**

In our opinion the financial report of Liquor, Hospitality and Miscellaneous Union - Australian Capital Territory Branch is in accordance with:

- (a) the Workplace Relations Act 1996, including:
  - (i) giving a true and fair view of the branch's financial position as at 30 June 2005 and its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards; and
  - (iii) complying with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of Schedule 1B of the Act; and
- (b) other mandatory professional reporting requirements in Australia.



**A J Williams & Co.**  
Chartered Accountants.



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

21 September 2005



**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

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

Dear Mr Lawrence

**Re Financial Return – ACT Branch – year ending 30 June 2005 (FR2005/498)**

Thank you for lodging the above financial documents which were received on 23 January 2006.

I draw your attention to what may be a typographical error on the Committee of Management Statement. The statement is dated 21 September 2005 but refers to a resolution passed on 10 November 2005.

As the documents appear to comply with the legislative requirements, they have been filed.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Stephen Kellett', with a horizontal line extending to the right.

Stephen Kellett  
Assistant Manager, Sydney Registry

10 February 2006