



Australian Government
Australian Industrial Registry

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

Ref: FR2006/511-[108V-ACT]

Mr Gil Anderson
Branch Secretary
LHMU - Australian Capital Territory Branch
40 Brisbane Avenue
BARTON ACT 2600

Dear Mr Anderson

Financial Return - year ending 30 June, 2006

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

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

Information on AIRC Website

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

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

Reporting Unit

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

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

Industrial Registrar's Guidelines

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

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

Timeline Planner and Checklist

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

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

Three Reports

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

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

(a) Financial Statements containing:

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

(b) Notes to the Financial Statements containing:

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

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

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

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

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

First Meeting (Committee of Management)

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

The Auditor

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

Informing Your Members

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

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

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

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

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

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

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

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

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

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

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

Lodge full report within 14 days of meeting

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

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

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

Complying with time limits

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

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

Extensions of Time

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

Contact the Registry

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

Yours sincerely



For Deputy Industrial Registrar...
1 August, 2006

National Office
Level 9
187 Thomas Street
Haymarket NSW 2000

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

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

Tim Ferrari
Louise Tarrant
Assistant National Secretaries



LHMU

Organising for the future

ABN: 5272 8088 684

Please address all correspondence to the National Secretary

20 December, 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 2006. 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 18th October 2006. 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.

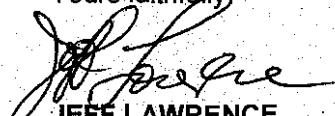
Subsequently the financial reports including the General Purpose Financial Report, the Auditors' statements and the operating report were supplied to members through publication on the LHMU website. Members also received a copy of Union News which contained an advertisement advising members how to view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

A full report was provided to the meeting of the ACT Branch Executive on 20th December and was adopted by that meeting. Also enclosed is a copy of the Branch Secretary's certificate dated 20th December 2006.

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



www.lhmu.org.au

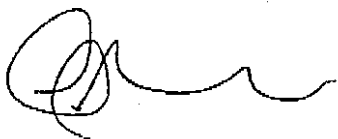
Certificate

**LIQUOR HOSPITALITY AND MISCELLANEOUS UNION
ACT BRANCH****FINANCIAL REPORTS FOR THE YEAR ENDED 30 JUNE 2006****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 11th December 2006 and
- That the full report was presented to a meeting of the committee of management of the reporting unit on 20th December 2006 in accordance with the section 266 of the RAO Schedule.

Signed:



Date:

20/12/2006

RECEIVED

24 OCT 2006

LHMU - NAT Office

LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION

AUSTRALIAN CAPITAL TERRITORY BRANCH

FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2006

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

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 2006.

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, including major agreements with Anglicare and the Tradies Club.

The branch has participated in major national campaigns – ABC Child Care and Clean Start.

The ABC campaign has been successful with the objectives of a national agreement covering all ABC employees and an increase in membership density being achieved. In addition to successfully organising ABC centres in the Australian Capital Territory, the branch provided organisers for sign up “blitzes” in North Queensland and in Victoria. We also assisted with organising in regional areas of New South Wales close to the Australian Capital Territory.

In the cleaning industry the branch continued to promote the Code of Best Employment Practice at the same time participating in the Clean Start campaign. There was increased activity on the ground with a successful launch of the campaign in April and well attended rallies and other activities since then. Cleaning members have embraced the campaign and a number of new activists have emerged as a result of these activities.

2. With the exception as reported in this paragraph there were no significant changes to the branch's financial affairs during the financial year.

Due to the excess of current liabilities over current assets at 30 June 2006, 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. In accordance with Section 174(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. No ACT Branch Official is a Trustee or Member of the Board of a Superannuation Fund.

5. There were 2,203 members of the Branch as at 30 June 2006.

6. The number of staff employed by the Branch on a full time equivalent basis at 30 June 2006 was 8.8.

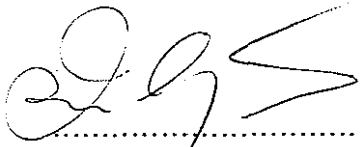
**LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION
AUSTRALIAN CAPITAL TERRITORY BRANCH**

OPERATING REPORT (cont'd)

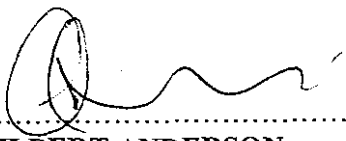
7. The names of each person who were members of the Committee of Management, at any time, during the financial year are as follows:-

Ian Gair	Branch President	1 July 2005 – 30 June 2006
Christine Wagland	Branch Vice President	1 July 2005 – 30 June 2006
Gilbert Anderson	Branch Secretary	1 July 2005 – 30 June 2006
Lyndal Ryan	Branch Assistant Secretary	1 July 2005 – 30 June 2006
Johann Christoffelz	Branch Executive Member	1 July 2005 – 30 June 2006
John Mukevski	Branch Executive Member	1 July 2005 – 30 June 2006
Kathy Onstenk	Branch Executive Member	1 July 2005 – 30 June 2006
Sally Scanlain	Branch Executive Member	1 July 2005 – 30 June 2006
Shane Reid	Branch Executive Member	30 August 2005 - 30 June 2006

Signed in accordance with a resolution of the Committee of Management



.....
IAN GAIR



.....
GILBERT ANDERSON

18 October 2006

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

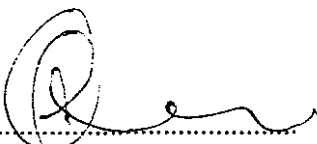
COMMITTEE OF MANAGEMENT'S STATEMENT

On 18 October 2006 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 2006.

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 2006;
- (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 2006 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



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GILBERT ANDERSON

18 October 2006

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

**INCOME STATEMENT FOR THE
YEAR ENDED 30 JUNE 2006**

	2006	2005
	\$	\$
INCOME		
Contributions	683,933	592,635
Director's Sitting Fees	3,508	2,568
Interest	4,456	4,172
Rent Received – Room Hire	640	1,310
Rent Received – MEAA	6,000	6,000
Rent Received – CHF (Car Spaces)	-	850
Sponsorship Delegates Convention	5,555	5,657
Sundry Income	200	-
TOTAL INCOME	<u>704,292</u>	<u>613,192</u>

EXPENDITURE

Depreciation

Building	13,500	13,500
Furniture, Fittings and Office Machines	2,246	3,466
Motor Vehicles	8,650	8,875
Partitions	901	1,200
	<u>25,297</u>	<u>27,041</u>

Employee Expenses

Salaries - Officials	125,644	124,924
- Other Employees	202,372	145,632
Annual Leave - Increase in Provision (Decrease 2005)	19,633	(1,405)
Long Service Leave - Increase in Provision	11,052	12,743
Superannuation	55,383	36,881
Fringe Benefits Tax	5,458	4,868
	<u>419,542</u>	<u>323,643</u>

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

**INCOME STATEMENT FOR THE
YEAR ENDED 30 JUNE 2006**

	Note	2006 \$	2005 \$
Other Expenses			
Advertising		518	870
Affiliation Fees - Unions ACT		6,561	7,678
- A.L.P. - ACT Branch		6,324	6,251
- Other		68	278
Bank Charges		724	1,098
Commission (Employer Payroll Deductions)		15,535	21,033
Computer Expenses		9,025	7,421
Deficit on Sale of Assets		841	-
Donations		810	-
General Expenses		5,359	4,340
Amortisation of discount on Non Interest Bearing Loan	12	5,470	-
Insurance		14,571	18,707
IR Campaign		5,283	-
Meeting and Conference Expenses		6,006	8,963
Motor Vehicle Expenses		10,023	7,716
National Council Sustentation Fees		91,229	88,198
Payroll Tax		28,069	22,065
Postage		4,947	4,208
Printing and Stationery		4,463	5,662
Printing and Distribution of Branch Publications		6,930	(2,332)
Professional Services	10	15,304	12,155
Property Expenses		33,472	30,280
Telephone		15,035	14,618
		<u>286,567</u>	<u>259,209</u>
TOTAL EXPENDITURE		<u>731,406</u>	<u>609,893</u>
OPERATING SURPLUS (DEFICIT) FOR YEAR		<u>(27,114)</u>	<u>3,299</u>
SIGNIFICANT ITEMS			
Payroll Tax (written back)		-	(52,049)
Special Levy - Air Conditioning Repair and Capacity Upgrade		-	<u>45,670</u>
NET SURPLUS (DEFICIT) FOR YEAR		<u>(27,114)</u>	<u>9,678</u>

[The attached notes form part of these financial statements]

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

BALANCE SHEET AS AT 30 JUNE 2006

	Note	2006 \$	2005 \$
ACCUMULATED FUNDS		<u>318,120</u>	<u>329,905</u>
Represented by Net Assets as follows:			
CURRENT ASSETS			
Cash and cash equivalents	6	132,300	112,051
Receivables	7	10,005	9,751
Investments	8	<u>69,896</u>	<u>69,896</u>
TOTAL CURRENT ASSETS		<u>212,201</u>	<u>191,698</u>
NON CURRENT ASSETS			
Property, Plant and Equipment	5	<u>517,485</u>	<u>548,364</u>
TOTAL ASSETS		<u>729,686</u>	<u>740,062</u>
CURRENT LIABILITIES			
Payables	9	137,624	137,841
Provision for Annual Leave		116,554	96,921
Provision for Long Service Leave		<u>114,148</u>	<u>103,096</u>
TOTAL CURRENT LIABILITIES		<u>368,326</u>	<u>337,858</u>
NON CURRENT LIABILITIES			
Payables	9	<u>43,240</u>	<u>72,299</u>
TOTAL LIABILITIES		<u>411,566</u>	<u>410,157</u>
NET ASSETS		<u>318,120</u>	<u>329,905</u>

(The attached notes form part of these financial statements)

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

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

	Accumulated Surplus \$
Balance at 1 July 2004	320,227
Net Surplus for the Year	<u>9,678</u>
Balance at 30 June 2005	329,905
Adjustment on adoption of AASB 132 and AASB 139 at 1 July 2005	15,329
Net Deficit for the Year	<u>(27,114)</u>
Balance at 30 June 2006	<u>318,120</u>

(The attached notes form part of these financial statements)

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

**CASH FLOW STATEMENT FOR THE
YEAR ENDED 30 JUNE 2006**

	Note	2006 \$	2005 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Contributions		683,933	592,635
Rent of Offices		6,640	8,160
Interest Received		4,456	4,172
Sundry Income		9,263	8,225
Received for National Council Organising Fund		75,000	78,000
Payments from National Council Organising Fund		(88,884)	(61,050)
Payments to National Council for Sustentation Fees		(88,071)	(85,828)
Payments to Suppliers and Employees		(567,629)	(600,938)
NET CASH PROVIDED BY (USED IN)			
OPERATING ACTIVITES	14b	<u>34,708</u>	<u>(56,624)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds on disposal of Property, Plant and Equipment		5,545	-
Payments for Property, Plant and Equipment		(804)	(9,030)
NET CASH PROVIDED BY (USED IN)			
INVESTING ACTIVITIES		<u>4,741</u>	<u>(9,030)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Loan from National Council		-	96,299
Repayment of Loan National Council		(19,200)	(4,800)
NET CASH PROVIDED BY (USED IN)			
FINANCING ACTIVITIES		<u>(19,200)</u>	<u>91,499</u>
NET INCREASE IN CASH HELD		20,249	25,845
Cash at Beginning of Year		<u>112,051</u>	<u>86,206</u>
CASH AT END OF YEAR	14a	<u>132,300</u>	<u>112,051</u>

[The attached notes form part of these financial statements]

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

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

1. STATEMENT OF ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Australian Workplace 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 Australian Capital Territory Branch of the Liquor, Hospitality and Miscellaneous Union, and in accordance with the Australian Workplace Relations Act, 1996 the Branch is a reporting unit. The Liquor, Hospitality and Miscellaneous Union is an organisation registered under the Australian Workplace Relations Act, 1996. The Australian Capital Territory Branch is a branch of the registered organisation. 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 Australian Capital Territory Branch are not subject to the Corporations Act 2001.

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

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

Reconciliation of the impact of the adoption of AIFRS on the Branch's Accumulated Funds, Net Surplus (Deficit), Assets and Liabilities are detailed in Note 4.

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

(a) Revenue

Contributions and entrance fees are accounted for on a cash receipts basis. Otherwise, the concept of accruals accounting has been adopted in the preparation of the Accounts.

Interest is accounted for on an accrual basis.

Rentals are accounted for on an accrual basis.

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(b) Income tax

No provision for Income Tax is necessary as Industrial Trade Unions are 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 all fixed assets is depreciated on a straight line basis over their useful lives to the union commencing from the time the asset is ready for use.

The depreciation rates used for each class of asset are:

Buildings	2%
Office Furniture and Equipment	5% - 20%
Motor Vehicles	15%

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

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

(d) Impairment

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

(e) Employee Entitlements

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

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

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

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(f) 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.

(g) Accounting Standards Issued But Not Yet Effective

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

2. ACCOUNTING ESTIMATES AND JUDGEMENTS

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

(a) Critical accounting estimates and assumptions

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

(b) Critical judgments in applying the Branch's accounting principles

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

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 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).

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

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

4. IMPACT OF ADOPTION OF AIFRS

The impact of adopting AIFRS on the accumulated funds, net surplus (deficit), assets and liabilities reported under previous Australian Generally Accepted Accounting Principles ("AGAAP") is set out below.

	\$
(a) Total Accumulated Funds under previous AGAAP at 1 July 2005	329,905
Adjustment in respect of fair valuing of Non Interest Bearing Loan	<u>15,329</u>
Total Accumulated Funds under AIFRS at 1 July 2005	<u>345,234</u>
(c) Carrying value of Non Interest Bearing Loan under previous AGAAP at 1 July 2005	72,299
Fair value adjustment	<u>15,329</u>
Carrying value of Non Interest Bearing Loan under AIFRS at 1 July 2005	<u>56,970</u>
(c) The Union has elected to take the exemption available under AASB 1 to apply AASB 132 and AASB 139 from 1 July 2005. There are no other adjustments required to assets, liabilities or accumulated funds as a result of the introduction of AIFRS.	
(d) There are no material differences between the Cash Flow Statement presented under AIFRS and the Cash Flow Statement presented under AGAAP.	
(e) There was no impact on the previously reported 2005 surplus.	

5. PROPERTY, PLANT AND EQUIPMENT

Land and Buildings

40 Brisbane Street, Barton - At cost	677,700	677,700
Less Accumulated Depreciation	<u>181,700</u>	<u>168,200</u>

Total Land and Buildings	<u>496,000</u>	<u>509,500</u>
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Furniture, Fittings and Office Machines

At Cost	56,101	55,647
Less Accumulated Depreciation	<u>48,180</u>	<u>46,284</u>

Total Furniture, Fittings and Office Machines	<u>7,921</u>	<u>9,363</u>
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Motor Vehicles

At Cost	41,233	59,163
Less Accumulated Depreciation	<u>27,669</u>	<u>30,563</u>

Total Motor Vehicles	<u>13,564</u>	<u>28,600</u>
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Partitions

At Cost	29,330	29,330
Less Accumulated Depreciation	<u>29,330</u>	<u>28,429</u>

Total Partitions	<u>-</u>	<u>901</u>
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TOTAL PROPERTY, PLANT AND EQUIPMENT	<u>517,485</u>	<u>548,364</u>
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**LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION
AUSTRALIAN CAPITAL TERRITORY BRANCH**

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

5. PROPERTY, PLANT AND EQUIPMENT [Cont'd]

MOVEMENTS IN CARRYING AMOUNTS

	Land and Buildings	Furniture, Fittings and Office Machines	Motor Vehicles	Partitions	TOTAL
	\$	\$	\$	\$	\$
Balance at 1 July 2005	509,500	9,363	28,600	901	548,364
Additions	-	804	-	-	804
Disposals	-	-	(6,386)	-	(6,386)
Depreciation	(13,500)	(2,246)	(8,650)	(901)	(25,297)
Balance at 30 June 2006	496,000	7,921	13,564	-	517,485

Note **2006** **2005**
 \$ **\$**

6. CASH AND CASH EQUIVALENTS

Cash at Bank	55,216	39,967
Petty Cash and Change Floats	170	170
Cash at Bank – Long Service Leave Fund	76,914	71,914
	<u>132,300</u>	<u>112,051</u>

7. RECEIVABLES

Prepayments	3,232	3,093
Debtors	6,773	6,658
	<u>10,005</u>	<u>9,751</u>

8. INVESTMENTS

Available-For-Sale Financial Assets

MLC Masterkey Unit Trust	<u>69,896</u>	<u>69,896</u>
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9. PAYABLES

Current

National Council Organising Fund	11	9,675	23,559
National Council Non Interest Bearing Loan	12	19,200	19,200
Sundry Creditors - National Council Sustentation Fees		27,428	24,270
- Sundry Accounts		81,321	70,812
		<u>137,624</u>	<u>137,841</u>

Non Current

National Council Non Interest Bearing Loan	12	<u>43,240</u>	<u>72,299</u>
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**LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION
AUSTRALIAN CAPITAL TERRITORY BRANCH**

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

	2006 \$	2005 \$
10. PROFESSIONAL SERVICES		
Auditors Remuneration		
Audit Fees	12,600	12,400
Legal Expenses	2,704	(245)
	<u>15,304</u>	<u>12,155</u>
11. NATIONAL COUNCIL ORGANISING FUND		
Balance as at 1 July 2005	23,559	6,609
Add Receipts	75,000	78,000
	<u>98,559</u>	<u>84,609</u>
Less Expenses		
Salaries - Other Employees	64,429	35,026
Other Expenses	24,455	26,024
	<u>88,884</u>	<u>61,050</u>
Balance as at 30 June 2006	<u>9,675</u>	<u>23,559</u>
12. NATIONAL COUNCIL NON INTEREST BEARING LOAN		
Face Value of Loan	72,299	91,499
Face Value adjustment on transition to AIFRS at 1 July 2005	(15,329)	-
Amortisation of discount on Non Interest Bearing Loan	5,470	-
	<u>62,440</u>	<u>91,499</u>
Carrying Amount of Loan		
	<u>62,440</u>	<u>91,499</u>
The amounts recognised in the balance sheet are as follows:		
Current Liability	19,200	19,200
Non Current Liability	43,240	72,299
	<u>62,440</u>	<u>91,499</u>

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

13. 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**

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

	2006	2005
	\$	\$
14. CASH FLOW INFORMATION		
a) Reconciliation of cash		
For the purpose of the Cash Flow Statement, cash at the end of the financial period is reconciled to the following items in the Balance Sheet:		
Cash at Bank	55,216	39,967
Cash on Hand	170	170
Cash at Bank - LSL Fund	76,914	71,914
	<u>132,300</u>	<u>112,051</u>
b) Reconciliation of cash flows from operations with net surplus (deficit)		
Net Surplus (Deficit)	(27,114)	9,678
Non-Cash Flows in Net Surplus (Deficit)		
Amortisation of discount on non interest bearing loan	5,470	-
Depreciation	25,297	27,041
Deficit on Sale of assets	841	-
Changes in Assets and Liabilities		
Increase in Creditors (Decrease 2005)	13,667	(119,115)
Decrease in National Council Organising Fund (Increase 2005)	(13,884)	16,950
Increase in Provisions for Employee Entitlements	30,685	11,338
Increase in Debtors and Prepayments	(254)	(2,516)
Cash Flow from Operations	<u>34,708</u>	<u>(56,624)</u>

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

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

15. 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:

30 June 2006	Floating interest rate \$	Fixed interest rate \$	Non- interest bearing \$	Total \$
Financial Assets				
Cash at Bank	132,130		170	132,300
Receivables			6,773	6,773
Investments (within 1 year)		69,896		69,896
Total financial assets	132,130	69,896	6,943	208,969
Weighted average Interest rate	1.0%	4.67%		
Financial Liabilities				
Payables			118,424	118,424
Non Interest Bearing Loan			62,440	62,440
Total financial liabilities			180,864	180,864
Net financial assets/(liabilities)	132,130	69,896	(173,921)	28,105
30 June 2005				
Financial Assets				
Cash at Bank	111,881		170	112,051
Receivables			6,658	6,658
Investments (within 1 year)		69,896		69,896
Total financial assets	111,881	69,896	6,828	188,605
Weighted average Interest rate	1.0%	4.5%		
Financial Liabilities				
Payables			118,641	118,641
Non Interest Bearing Loan			91,499	91,499
Total financial liabilities			210,140	210,140
Net financial assets/(liabilities)	111,881	69,896	(203,312)	(21,535)

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

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

16. FINANCIAL INSTRUMENTS (Cont'd)

Credit Risk Exposure

Credit risk is the risk that counterparties 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 Balance Sheet is generally the carrying amounts, net of any provisions for doubtful debts.

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

17. 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 \$23,407 (2005 \$17,659).
- (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 Income Statement and as a payment in the Cash Flow Statement.
- (b) National Council Organising Fund receipts are disclosed in the Cash Flow Statement.
- (c) National Council Sustentation Fees payable are disclosed in the Balance Sheet.
- (d) A National Council Non Interest Bearing Loan is disclosed in the Balance Sheet.

	2006 \$	2005 \$
(e) Amount owing for goods and services purchased from National Council. (Included in Sundry Creditors – Sundry Accounts)	17,435	7,071

**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 income statement, balance sheet, statement of changes in accumulated funds, cash flow statement, 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 2006.

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.

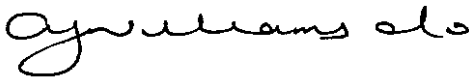
**LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION
AUSTRALIAN CAPITAL TERRITORY BRANCH**

INDEPENDENT AUDIT REPORT (Cont'd)

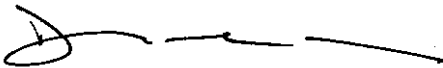
Audit Opinion

In our opinion the general purpose financial report of Liquor, Hospitality and Miscellaneous Union - Australian Capital Territory Branch is in accordance with the Workplace Relations Act 1996, including:

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



A J Williams & Co.
Chartered Accountants.



D S McLean
Registered Company Auditor.
SYDNEY NSW 2000

18 October 2006



Australian Government
Australian Industrial Registry

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

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

Dear Mr Lawrence

**Re: Lodgement of Financial Statements and Accounts – Liquor, Hospitality and
Miscellaneous Union, Australian Capital Territory Branch – for year ending 30 June
2006 (FR2006/511)**

I refer to the abovementioned financial statements and accounts which were lodged in the Registry on 3 January 2007.

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

12 March 2007