



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: FR2008/490-[108V-ACT]

Ms Lyndal Ryan
Branch Secretary
Liquor, Hospitality and Miscellaneous Union
- Australian Capital Territory Branch
Unit 5, 2nd Floor, ACTU House
40 Brisbane Avenue
Barton ACT 2600

Dear Ms Ryan

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

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

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

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

- RAO Fact sheets - These Fact Sheets explain the requirements of the RAO Schedule - many of them deal with financial reporting matters.
- Financial Reporting Sample Documents – Sample Committee of Management's Statement, Designated Officer's Certificate and checklists for illustrative purposes.
- Registrar's Reporting Guidelines - The GPFR must comply with these Guidelines. Please note that the Guidelines set out requirements that are *in addition* to those required by the Australian Accounting Standards.
- RAO Schedule and RAO Regulations

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

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

- Sending an email with the documents attached to: orgs@air.gov.au
- Sending the documents by fax to: (03) 9655 0410

We encourage you to contact the Registry on (02) 8374 6507 or by e-mail at steve.teece@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

Steve Teece
(02) 8374 6507
10 July, 2008

TIMELINE/ PLANNER

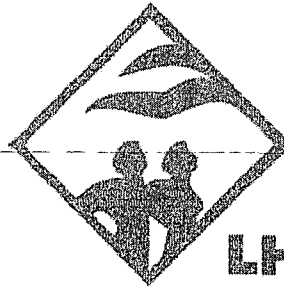
Financial reporting period ending:	/ /	
Prepare financial statements and Operating Report.		
(a) A Committee of Management Meeting must consider the financial statements, and if satisfied, pass a resolution declaring the various matters required to be included in the Committee of Management Statement. (b) The Designated Officer must sign and date the Committee of Management Statement which is then forwarded to the auditor for consideration as part of the General Purpose Financial Report (GPFR).	/ /	As soon as practicable after end of financial year
Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /	Within a reasonable time of having received the GPFR (NB: Auditor's report <u>must</u> be dated on or after date of Committee of Management Statement
Provide full report free of charge to members – s265 The full report includes: <ul style="list-style-type: none"> • the General Purpose Financial Report (which includes the Committee of Management Statement); • the Auditor's Report; and • the Operating Report. 	/ /	(a) if the report is to be presented to a General Meeting (which must be held within 6 months after the end of the financial year), the report must be provided to members 21 days before the General Meeting, or (b) in any other case including where the report is presented to a Committee of Management meeting*, the report must be provided to members within 5 months of end of financial year.
Present full report to: (a) General Meeting of Members - s266 (1),(2); or (b) where the rules of organisation or branch allow* - a Committee of Management meeting - s266 (3)	/ / / /	Within 6 months of end of financial year Within 6 months of end of financial year
Lodge full report in the Industrial Registry, together with the Designated Officer's certificate – s268 #	/ /	Within 14 days of meeting

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

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

National Office
Level 9
187 Thomas Street
Haymarket NSW 2000

Louise Tarrant *Brian Daley*
National Secretary National President



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

Tim Ferrari Sue Lines Troy Burton
Assistant National Secretaries

LHMU

Organising for the future

ABN: 5272 8088 684

15 December 2008

Please address all correspondence to the National Secretary

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 2008. Enclosed is the Full Financial Report including:

- The Branch Executive Statement signed by the Branch Secretary.
- The Operating Report signed by the Branch 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 Branch Executive on 10 October 2008. The Executive resolved:

- That the operating report be approved and signed.
- To endorse the Branch Executive Statement.
- That the National Secretary be authorised to sign the Branch 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 10 December and was adopted. Also enclosed is a copy of the Branch Secretary's certificate dated 11 December 2008.

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

LOUISE TARRANT
NATIONAL SECRETARY

LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION
ACT Branch

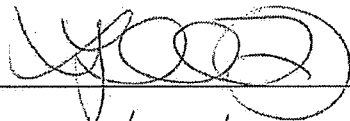
FINANCIAL REPORTS FOR THE YEAR ENDED 30 JUNE 2008

CERTIFICATE BY SECRETARY OR PRESCRIBED OFFICER

I, Lyndall Ryan, being the Branch Secretary of the Liquor, Hospitality and Miscellaneous Union, ACT Branch certify:

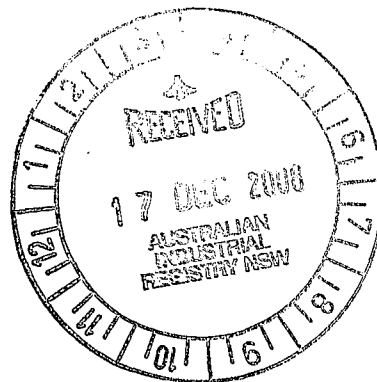
- That the documents lodged herewith are copies of the full report, referred to in s268 of the RAO Schedule; and
- That the full report was provided to members on 24 November 2008 and
- That the full report was presented to a meeting of the committee of management of the reporting unit on 10 December, 2008 in accordance with section 266 of the RAO Schedule.

Signed



Date:

11/12/08



LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION
AUSTRALIAN CAPITAL TERRITORY BRANCH
FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2008

2008-09 REPORT
14/08/2008
14/08/2008

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

LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION
AUSTRALIAN CAPITAL TERRITORY BRANCH

OPERATING REPORT

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 2008.

1. The Branch has undergone a number of structural and administrative changes during this financial year.

Early in 2008 the Branch entered into discussions with the National Executive aimed at allocating as much of the branch's resources as possible towards organising. As a result a number of functions which were performed at Branch level are now performed by National Office. Membership income collection and processing is now largely performed by National Office and membership representation has transferred to the NSW Branch Member Service Centre. Payroll administration transferred from the Branch in April 2008.

The position of Assistant Branch Secretary was abolished after the retirement of the Branch Secretary in August 2007.

The Branch ceased to be a Reporting Unit for the purposes of Section 242 of Schedule 1 of the Workplace Relations Act as of 1st July 2008. The Branch's assets and liabilities will be transferred to the National Office and the Branch will operate against a Budget approved by the National Executive.

The details of these arrangements are set out in a Memorandum of Understanding between the Branch and National Office.

We continue to participate in national organising campaigns in the cleaning and child care industries. We are also running local campaigns in the security industry and in selected clubs.

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 2007, 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 1,675 members of the Branch as at 30 June 2008.

6. The number of staff employed by the Branch on a full time equivalent basis at 30 June 2008 was Nil.

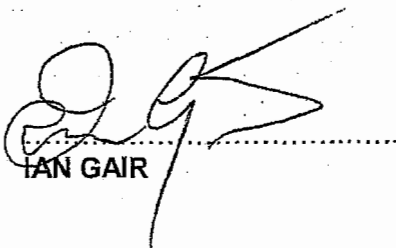
**LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION
AUSTRALIAN CAPITAL TERRITORY BRANCH**

OPERATING REPORT (cont'd)

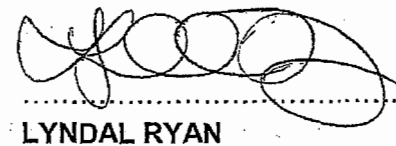
7. The names of each person who were members of the Committee of Management, at any time, during the financial year are as follows:-

Ian Gair	Branch President	1 July 2007 – 30 June 2008
Christine Wagland	Branch Vice President	1 July 2007 – 30 June 2008
Gilbert Anderson	Branch Secretary	1 July 2007 – 23 August 2007
Lyndal Ryan	Branch Secretary	6 Sept 2007 – 30 June 2008
Lyndal Ryan	Branch Assistant Secretary	1 July 2007 – 6 Sept 2007
Johann Christoffelz	Branch Executive Member	1 July 2007 – 30 June 2008
Gradimir Djordjevic	Branch Executive Member	1 July 2007 – 21 April 2008
Kathy Onstenk	Branch Executive Member	1 July 2007 – 30 June 2008
Sally Scanlain	Branch Executive Member	1 July 2007 – 30 June 2008
Shane Reid	Branch Executive Member	1 July 2007- 30 June 2008

Signed in accordance with a resolution of the Committee of Management



IAN GAIR



LYNDAL RYAN

10 October 2008

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

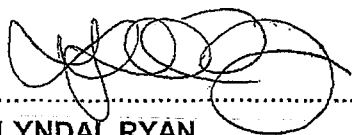
COMMITTEE OF MANAGEMENT'S STATEMENT

On 10 October 2008 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 2008.

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 2008;
- (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 2008 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 the RAO Schedule and the RAO Regulations; 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 the RAO Schedule; and
 - (vi) no orders have been made by the Commission under section 273 of the RAO Schedule.
- (f) during the financial year ended 30 June 2008 the branch did not participate in any recovery of wages activity.

For the Committee of Management


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LYNDAL RYAN

10 October 2008

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

**INCOME STATEMENT FOR THE
YEAR ENDED 30 JUNE 2008**

	Note	2008 \$	2007 \$
INCOME			
Contributions		667,980	707,845
Director's Sitting Fees		1,915	4,484
Interest	10	4,772	4,701
Rent Received – Room Hire		395	799
Rent Received – MEAA		6,000	6,000
Surplus on Sale of Assets		1,851	3,037
Small Branch Subsidy from National Council		140,000	140,000
Sponsorships		12,818	7,323
Sundry Income		-	271
Transfer from National Council Organising Fund		-	9,675
TOTAL INCOME		<u>835,731</u>	<u>884,135</u>

EXPENDITURE

Depreciation

Building	13,500	13,500
Furniture, Fittings and Office Machines	2,121	2,090
Motor Vehicles	5,888	5,905
	<u>21,509</u>	<u>21,495</u>

Employee Expenses

Salaries - Officials	68,366	141,320
- Other Employees	341,540	336,035
Annual Leave - Decrease in Provision (Increase 2007)	(6,619)	34,629
Long Service Leave - Decrease in Provision	(35,516)	(381)
Superannuation	94,968	73,117
Fringe Benefits Tax	2,699	3,405
	<u>465,438</u>	<u>588,125</u>

LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION
 AUSTRALIAN CAPITAL TERRITORY BRANCH

INCOME STATEMENT FOR THE
 YEAR ENDED 30 JUNE 2008 [Cont'd]

	Note	2008 \$	2007 \$
Other Expenses			
Advertising		444	2,126
Affiliation Fees - Unions ACT		7,151	7,764
- A.L.P. - ACT Branch		6,198	5,931
- Other		68	-
Amortisation of discount on Non Interest Bearing Loan	12	5,529	4,330
Bank Charges		4,251	1,025
Campaigns		8,320	13,423
Commission (Employer Payroll Deductions)		9,361	17,135
Computer Expenses		4,056	5,675
General Expenses		6,928	3,561
Insurance		13,925	15,387
Meeting and Conference Expenses		13,204	10,054
Motor Vehicle Expenses		4,969	5,738
National Council Sustentation Fees		77,659	82,140
Payroll Tax		36,848	32,795
Postage		5,317	3,460
Printing and Stationery		5,416	5,526
Printing and Distribution of Branch Publications		2,986	5,349
Professional Services	11	14,205	16,288
Property Expenses		34,819	34,854
Reimbursement to National Council		100,177	-
Telephone		17,187	20,148
		<u>379,018</u>	<u>292,709</u>
TOTAL EXPENDITURE		<u>865,965</u>	<u>902,329</u>
OPERATING DEFICIT FOR YEAR		<u>(30,234)</u>	<u>(18,194)</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 2008

	Note	2008 \$	2007 \$
CURRENT ASSETS			
Cash and cash equivalents	5	82,290	111,312
Receivables	6	7,537	8,060
Investments	7	69,896	69,896
TOTAL CURRENT ASSETS		<u>159,723</u>	<u>189,268</u>
NON CURRENT ASSETS			
Property, Plant and Equipment	4	511,882	514,374
TOTAL ASSETS		<u>671,605</u>	<u>703,642</u>
CURRENT LIABILITIES			
Payables	8	401,913	110,397
Provision for Annual Leave	9a	-	151,182
Provision for Long Service Leave	9b	-	113,767
TOTAL CURRENT LIABILITIES		<u>401,913</u>	<u>375,346</u>
NON CURRENT LIABILITIES			
Payables	8	-	28,370
TOTAL LIABILITIES		<u>401,913</u>	<u>403,716</u>
NET ASSETS		<u>269,692</u>	<u>299,926</u>
ACCUMULATED FUNDS		<u>269,692</u>	<u>299,926</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 2008**

	Accumulated Funds
	\$
Balance at 1 July 2006	318,120
Net Deficit for the Year	(18,194)
	<hr/>
Balance at 30 June 2007	299,926
Net Deficit for the Year	(30,234)
	<hr/>
Balance at 30 June 2008	269,692
	<hr/>

(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 2008**

	Note	2008 \$	2007 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Contributions		667,980	707,845
Rent of Offices		6,395	6,799
Interest Received		4,772	4,701
Small Branch Subsidy from National Council		105,000	140,000
Sundry Income		14,733	12,078
Payments to National Council for Sustentation Fees		(79,761)	(85,600)
Payments to Suppliers and Employees		<u>(711,775)</u>	<u>(772,263)</u>
NET CASH PROVIDED BY OPERATING ACTIVITES	13b	<u>7,344</u>	<u>13,560</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds on disposal of Property, Plant and Equipment		4,545	8,636
Payments for Property, Plant and Equipment		<u>(21,711)</u>	<u>(23,984)</u>
NET CASH USED IN INVESTING ACTIVITIES		<u>(17,166)</u>	<u>(15,348)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of Loan National Council		<u>(19,200)</u>	<u>(19,200)</u>
NET CASH USED IN FINANCING ACTIVITIES		<u>(19,200)</u>	<u>(19,200)</u>
NET DECREASE IN CASH HELD		(29,022)	(20,988)
Cash at Beginning of Year		<u>111,312</u>	<u>132,300</u>
CASH AT END OF YEAR	13a	<u>82,290</u>	<u>111,312</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 2008**

1. STATEMENT OF ACCOUNTING POLICIES

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

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 and Rentals are accounted for on an accrual basis.

(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.

LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION
AUSTRALIAN CAPITAL TERRITORY BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008 [Cont'd]

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(c) Property, Plant and Equipment

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) Cash and Cash Equivalents

For the purposes of the Cash Flow Statement, cash and cash equivalents includes cash on hand and at bank, deposits held at call with financial institutions, other short term, highly liquid investments with maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008 [Cont'd]**

(f) 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.

(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.

(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 have a financial impact on the financial report in future periods and which are not yet effective.

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008 [Cont'd]**

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 amounts of assets 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 amounts 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 2008 [Cont'd]

	2008 \$	2007 \$
4. PROPERTY, PLANT AND EQUIPMENT		
Land and Buildings		
40 Brisbane Street, Barton - At cost	677,700	677,700
Less Accumulated Depreciation	<u>208,700</u>	<u>195,200</u>
Total Land and Buildings	<u>469,000</u>	<u>482,500</u>
Furniture, Fittings and Office Machines		
At Cost	58,198	58,098
Less Accumulated Depreciation	<u>52,345</u>	<u>50,270</u>
Total Furniture, Fittings and Office Machines	<u>5,853</u>	<u>7,828</u>
Motor Vehicles		
At Cost	43,316	39,081
Less Accumulated Depreciation	<u>6,287</u>	<u>15,035</u>
Total Motor Vehicles	<u>37,029</u>	<u>24,046</u>
TOTAL PROPERTY, PLANT AND EQUIPMENT	<u>511,882</u>	<u>514,374</u>

MOVEMENTS IN CARRYING AMOUNTS

	Land and Buildings	Furniture, Fittings and Office Machines	Motor Vehicles	TOTAL
	\$	\$	\$	\$
Balance at 1 July 2007	482,500	7,828	24,046	514,374
Additions	-	382	21,329	21,711
Disposals	-	(236)	(2,458)	(2,694)
Depreciation	<u>(13,500)</u>	<u>(2,121)</u>	<u>(5,888)</u>	<u>(21,509)</u>
Balance at 30 June 2008	<u>469,000</u>	<u>5,853</u>	<u>37,029</u>	<u>511,882</u>

	2008 \$	2007 \$
5. CASH AND CASH EQUIVALENTS		
Cash at Bank	72,255	38,712
Petty Cash and Change Floats	170	170
Cash at Bank – Long Service Leave Fund	<u>9,865</u>	<u>72,430</u>
	<u>82,290</u>	<u>111,312</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 2008 [Cont'd]

	Note	2008 \$	2007 \$
6. RECEIVABLES			
Prepayments		2,898	3,300
Debtor – GST Accrual		4,639	4,760
		<u>7,537</u>	<u>8,060</u>
7. INVESTMENTS			
Available-For-Sale Financial Assets			
MLC Masterkey Unit Trust		<u>69,896</u>	<u>69,896</u>
8. PAYABLES			
Current			
National Council Non Interest Bearing Loan	12	33,899	19,200
Sundry Creditors - National Council Sustentation Fees		21,866	23,968
Sundry Creditors - National Council Transitional Costs		287,991	-
- Sundry Accounts		58,157	67,229
		<u>401,913</u>	<u>110,397</u>
Non Current			
National Council Non Interest Bearing Loan	12	<u>-</u>	<u>28,370</u>
Sundry Creditors - National Council Transitional Costs			
The amount of \$287,991 (2007 \$Nil) owing by the Branch to the National Council has been determined as follows:			
Reimbursement of Expenses owing to National Council		100,177	-
Provision for Annual Leave	9	144,563	-
Provision for Long Service Leave	9	78,251	-
		<u>322,991</u>	<u>-</u>
Less Small Branch Subsidy		35,000	-
		<u>287,991</u>	<u>-</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 2008 [Cont'd]

	Note	2008 \$	2007 \$
9. PROVISION FOR EMPLOYEE ENTITLEMENTS			
a] Provision for Annual Leave			
Balance as at 1 July 2007		151,182	116,553
Decrease in Provision (Increase 2007)		(6,619)	34,629
		<u>144,563</u>	<u>151,182</u>
Less provision transferred to National Council	8	<u>144,563</u>	-
Balance as at 30 June 2008		<u>-</u>	<u>151,182</u>
b] Provision for Long Service Leave			
Balance as at 1 July 2007		113,767	114,148
Decrease in Provision		(35,516)	(381)
		<u>78,251</u>	<u>113,767</u>
Less provision transferred to National Council	8	<u>78,251</u>	-
Balance as at 30 June 2008		<u>-</u>	<u>113,767</u>
10. INTEREST			
Bank Accounts		613	1,085
Available-For-Sale Financial Assets		4,159	3,616
		<u>4,772</u>	<u>4,701</u>
11. PROFESSIONAL SERVICES			
Auditors Remuneration			
Audit Fees		12,750	12,950
Legal Expenses		1,455	3,338
		<u>14,205</u>	<u>16,288</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 2008 [Cont'd]

	Note	2008 \$	2007 \$
12. NATIONAL COUNCIL NON INTEREST BEARING LOAN			
Carrying amount of Loan at 1 July 2007		47,570	62,440
Less repayments year ended 30 June 2008		(19,200)	(19,200)
Amortisation of discount on Non Interest Bearing Loan		5,529	4,330
Carrying Amount of Loan		<u>33,899</u>	<u>47,570</u>

The amounts recognised in the balance sheet are as follows:

Current Liability	33,899	19,200
Non Current Liability	-	28,370
	<u>33,899</u>	<u>47,570</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 2008 [Cont'd]

	2008	2007
	\$	\$
13. 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	72,255	38,712
Cash on Hand	170	170
Cash at Bank - LSL Fund	9,865	72,430
	<u>82,290</u>	<u>111,312</u>
b] Reconciliation of cash flows from operations with net deficit		
Net Deficit	(30,234)	(18,194)
Non-Cash Flows in Net Deficit		
Amortisation of discount on non interest bearing loan	5,529	4,330
Depreciation	21,509	21,495
(Surplus)/Deficit on Sale of assets	(1,851)	(3,037)
Changes in Assets and Liabilities		
Increase in Creditors (Decrease 2007)	276,817	(17,551)
Decrease in National Council Organising Fund	-	(9,675)
Decrease in Provisions for Employee Entitlements (Increase 2007)	(264,949)	34,247
Decrease in Debtors and Prepayments	523	1,945
Cash Flow from Operations	<u>7,344</u>	<u>13,560</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 2008 [Cont'd]

14. FINANCIAL RISK MANAGEMENT

Financial Instruments

	2008 \$	2007 \$
Financial Assets		
Cash and cash equivalents	82,290	111,312
Available-For-Sale Financial Assets	<u>69,896</u>	<u>69,896</u>
	<u>152,186</u>	<u>181,208</u>
Financial Liabilities		
National Council Non Interest Bearing Loan	33,899	47,570
National Council	309,857	23,968
Sundry Accounts	<u>58,157</u>	<u>67,229</u>
Total Financial Liabilities Measured at Amortised Cost	<u>401,913</u>	<u>138,767</u>

The fair value of the financial instruments approximates the carrying value as disclosed above.

(a) *General objectives, policies and processes*

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

There have been no substantive changes in the Branch'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 Branch's financial instruments consist mainly of deposits with banks and other financial institutions and payables. The main risks the Branch is exposed to through its financial instruments are liquidity risk and credit risk, and market risk.

The Committee of Management have overall responsibility for the determination of the Branch's risk management objectives and policies and whilst retaining ultimate responsibility for them, the Committee of Management 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 Branch incurring a financial loss. This usually occurs when debtors fail to settle their obligations owing to the Branch.

The Branch has no debtors and thus is not exposed to this risk.

To mitigate the credit risk associated with cash at bank and available-for-sale financial assets, deposits are only lodged at reputable financial institutions

The maximum exposure of the Branch to the credit risk of cash at bank and available-for-sale financial assets is disclosed in the above table.

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008 [Cont'd]**

14. FINANCIAL RISK MANAGEMENT (cont'd)

(c) Liquidity Risk

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

It is the policy of the Committee of Management that the Branch maintains adequate cash reserves and has access to financial support so as to meet the liquidity demands when its debts are due and payable.

The Branch manages liquidity risk by monitoring cash flows.

Maturity Analysis

2008	Contractual Cash flows \$	< 6 months \$	6 - 12 months \$	1 - 2 Years \$	2 - 3 Years \$
Payables	368,014	368,014	-	-	-
Non Interest Bearing Loan	33,899	33,899	-	-	-
TOTAL	401,913	401,913	-	-	-
2007	\$	\$	\$	\$	\$
Payables	91,197	91,197	-	-	-
Non Interest Bearing Loan	47,570	9,600	9,600	19,200	9,170
TOTAL	138,767	100,797	9,600	19,200	9,170

The Branch is not significantly exposed to liquidity risk as Liquor, Hospitality and Miscellaneous Union – National Council has agreed to provide financial support to enable the branch pay its debts as and when they fall due.

There has been no history of default by the National Council and all creditors are likely to be repaid within the expected terms.

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).

(i) Interest Rate Risk

The Branch's exposure to interest rate risk is the risk that a financial instrument's value fluctuates as a result of changes in market interest rates. The Branch monitors and manages its interest rate risk by reviewing market trends to achieve a better return from the financial instruments. The effective weighted average interest rates on those financial assets and liabilities are summarised below.

LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION
AUSTRALIAN CAPITAL TERRITORY BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008 [Cont'd]

14. FINANCIAL RISK MANAGEMENT (cont'd)

(i) Interest Rate Risk [Cont'd]

	Floating interest rate	Non- interest bearing	Total
30 June 2008			
Financial Assets	\$	\$	\$
Cash and cash equivalents	82,120	170	82,290
Investments (within 1 year)	69,896	-	69,896
Total financial assets	152,016	170	152,186
Weighted average Interest rate	2.38%		
Financial Liabilities			
Payables	-	368,014	368,014
Non Interest Bearing Loan	-	33,899	33,899
Total financial liabilities	-	401,913	401,913
Net financial assets/(liabilities)	152,016	(401,743)	(249,727)
30 June 2007			
Financial Assets			
Cash and cash equivalents	111,142	170	111,312
Investments (within 1 year)	69,896	-	69,896
Total financial assets	181,038	170	181,208
Weighted average Interest rate	2.12%		
Financial Liabilities			
Payables	-	91,197	91,197
Non Interest Bearing Loan	-	47,570	47,570
Total financial liabilities	-	138,767	138,767
Net financial assets/(liabilities)	181,038	(138,597)	42,441

LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION
AUSTRALIAN CAPITAL TERRITORY BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008 [Cont'd]

14. FINANCIAL RISK MANAGEMENT (cont'd)

(i) Interest Rate Risk [Cont'd]

Sensitivity Analysis

2008	Carrying Amount	+1% Profit	-0.25% Loss
	\$	\$	\$
Cash at Bank	82,120	821	(205)
Investment - MLC Masterkey Unit Trust	69,896	699	(175)
		<u>1,520</u>	<u>(380)</u>
2007			
Cash at Bank	111,142	1,111	(278)
Investments - MLC Masterkey Unit Trust	69,896	699	(175)
		<u>1,810</u>	<u>(453)</u>

(ii) Other Price Risks

The Branch 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.

(iii) Foreign Exchange Risk

The Branch is not exposed to foreign exchange rate risk.

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008 [Cont'd]**

15. 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 \$14,890 (2007 \$27,499).
- (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 Small Branch Subsidy is disclosed as income in the Income Statement and as a receipt in the Cash Flow Statement.
- (b) National Council Sustentation Fees are disclosed as an expense in the Income Statement and as a payment in the Cash Flow Statement.
- (c) National Council Small Branch Subsidy receivable is disclosed in the Balance Sheet.
- (d) National Council Sustentation Fees payable are disclosed in the Balance Sheet.
- (e) A National Council Non Interest Bearing Loan is disclosed in the Balance Sheet.

	2008	2007
	\$	\$
(f) Amount owing for reimbursement of Branch expenses paid by National Council from 1 April 2008. (Included in Sundry Creditors – Transitional Costs)	100,177	-
(g) Amount owing to National Council for employee entitlements (including on costs) of Branch employees as at 30 June 2008. (Included in Sundry Creditors – Transitional Costs)	222,814	-
(h) Amount owing for goods and services purchased from National Council. (Included in Sundry Creditors – Sundry Accounts)	12,139	5,363

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008 [Cont'd]**

16. SUBSEQUENT EVENT

Branch ceasing to be a Reporting Unit

On 19 March 2008, a combined meeting of the Branch Executive (Committee of Management) and Branch Council resolved that a Deed of Arrangement between the Branch and National Council be signed and that rules of the Branch be amended by the insertion of a new sub-rule 75A6 to read as follows:

That as from 1st July 2008:

1. The Branch will cease to be a reporting unit for the purposes of Section 242 of Schedule 1 of the Workplace Relations Act and the reports required to be made from time to time in respect of the financial affairs of the Branch will form part of and be integrated into the National Council report prepared and filed pursuant to that section.
2. National Council will take full administrative responsibility for financial tasks for the Branch. This includes.
 - (a) The Branch will no longer maintain a Branch Balance Sheet. Branch Balance Sheet items including Cash at Bank and Property will be transferred to the LHMU National Council Balance Sheet;
 - (b) National Council will take responsibility for the Branch financial transactions and will include the incomes and expenditures of the Branch on the National Council Income and Expenditure Statement as a cost centre;
 - (c) The Branch will not operate a separate bank account;
 - (d) National Council will assume responsibility for the lodgement of BAS and PAYG payroll tax statements and payments for the Branch;
 - (e) In all transactions, the Branch will use the National Council Australian Business Number (ABN);
 - (f) National Council will meet all Branch payroll obligations, including the issuing of payment summaries, pay slips, and the payment of superannuation contributions;
 - (g) Each month, National Council will provide the Branch Executive with a Statement of Income and Expenditure for the Branch;
 - (h) Each month, National Council will advise the Branch of staff leave entitlements.

LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION
AUSTRALIAN CAPITAL TERRITORY BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008 [Cont'd]

16. SUBSEQUENT EVENT (cont'd)

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 Branch whereby the 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 Branch will, in future years be disclosed in the National Council's Financial Report.

17. 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

Report on the Financial Report

We have audited the accompanying financial report of the Liquor, Hospitality and Miscellaneous Union - Australian Capital Territory Branch, which comprises the balance sheet as at 30 June 2008, income statement, statement of changes in accumulated funds and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the committee of management's statement.

Committee of Management's and Branch Secretary's Responsibility for the Financial Report

The committee of management and branch secretary of the Liquor, Hospitality and Miscellaneous Union - Australian Capital Territory Branch are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Workplace Relations Act 1996. This responsibility 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 committee of management and branch 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 Workplace Relations Act 1996.

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

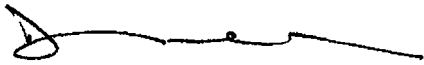
INDEPENDENT AUDIT REPORT

Auditor's Opinion

In our opinion the general purpose financial report of the Liquor, Hospitality and Miscellaneous Union - Australian Capital Territory Branch 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.

BDO Kendalls

BDO Kendalls Audit and Assurance (NSW-VIC) Pty Ltd



David McLean

Director

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

10 October 2008



Australian Government
Australian Industrial Registry

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

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



Dear Ms Tarrant

**Re: Lodgement of Financial Statements and Accounts –
Liquor, Hospitality and Miscellaneous Union, Australian Capital Territory Branch –
for year ending 30 June 2008 (FR2008/490)**

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

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

Yours sincerely,

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

Stephen Kellett
Statutory Services Branch

2 January 2009