



Fair Work
Australia

28 January 2010

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



Dear Ms Tarrant

**Lodgment of Financial Statements and Accounts – Liquor, Hospitality and
Miscellaneous Union, New South Wales Branch - for year ended 30 June 2009
(FR2009/252)**

Thank you for lodging the abovementioned financial statements and accounts which were received by Fair Work Australia on 21 December 2009.

The documents have been filed.

Yours sincerely,

Stephen Kellett
Statutory Services Branch
Fair Work Australia

National Office
303 Cleveland Street
Redfern NSW 2016

Louise Tarrant
National Secretary

Brian Daley
National President

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Haymarket NSW 1240
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Sue Lines
Troy Burton
Assistant National Secretaries



Organising for the future

ABN: 5272 8088 684

18 December 2009

Mr Barry Jenkins
Delegate of General Manager
Fair Work Australia
80 William Street
EAST SYDNEY NSW 2010



Dear Mr Jenkins

Re: NEW SOUTH WALES BRANCH FINANCIAL REPORTS

I am writing to lodge the financial reports for the LHMU NSW Branch for the year ended 30 June 2009. 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 13 October 2009. The Executive resolved:

- That the operating report be approved and signed.
- To endorse the Branch Executive Statement.
- That the Branch 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 4 December 2009 and was adopted. Also enclosed is a copy of the Branch Secretary's certificate dated 4 December 2009.

On the basis of the above and the enclosed documentation it would seem that the LHMU NSW 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
New South Wales Branch**

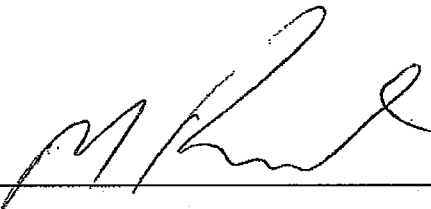
FINANCIAL REPORTS FOR THE YEAR ENDED 30 JUNE 2009

CERTIFICATE BY SECRETARY OR PRESCRIBED OFFICER

I, Mark Boyd, being the Branch Secretary of the Liquor, Hospitality and Miscellaneous Union, NSW 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 2009 and
- That the full report was presented to a meeting of the committee of management of the reporting unit on ~~4~~ December, 2009 in accordance with section 266 of the RAO Schedule.

Signed



Date:

4/12/09

**LIQUOR, HOSPITALITY AND
MISCELLANEOUS UNION**

NEW SOUTH WALES BRANCH

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

**LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION
NEW SOUTH WALES BRANCH**

**OPERATING REPORT
YEAR ENDING 30 JUNE 2009**

Committee of Management Report in accordance with section s268 of the Workplace Relations Act 1996.

Principal Activities

The principal activity of the NSW Branch of LHMU was that of a registered Trade Union.

There have been no significant changes to the way the Union has carried out these activities during the last financial year.

Operating Result

The operating surplus for LHMU NSW Branch for the year ending 30th June 2009 was \$680,860.

Significant Changes

There have been no significant changes to the operating costs of the Branch in the last financial year.

Rights of Members

Members have the right to resign their membership of the union by giving written notice of resignation to the Branch Secretary. This written notification is accepted subject to the rules of LHMU and in accordance with section 174 of the Workplace Relations Act.

Superannuation Office Holders

LHMU NSW Branch has the following officials and/or members acting as members representatives on the board of Club Plus and Australian Super.

John Hawker
John Morris
Peter James
Tara Moriarty
Janet Southcott
Mark Boyd

Information required under Regulation 159 of the Workplace Relations Regulations.

Membership Numbers

- (1) Under section 230 of the RAO Schedule the number of persons recorded in the register of members and who under section 244 of the RAO Schedule are taken to be members of the NSW Branch of the Union as at the 30th June 2009 was 27,662
- (2) The number of persons, both full-time and part time employees measured on a full-time basis employed by the NSW Branch of the Union as at 30th June 2009 was 94
- (3) The names of persons who have at any time during the financial year ending 30th June 2009 been members of the LHMU NSW Branch Committee of Management and periods they served on the committee are as follows:

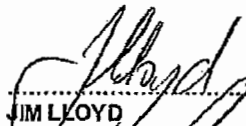
**LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION
NEW SOUTH WALES BRANCH**

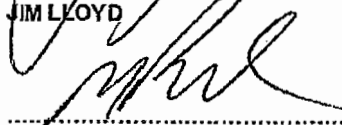
OPERATING REPORT (Continued)

Name	Period of Service
Shirley Bennett	01/07/2008 TO 30/06/2009
Mark Boyd	01/07/2008 TO 30/06/2009
Ken Caines	01/07/2008 TO 30/06/2009
Tim Casey	16/06/2009 TO 30/06/2009
Robert Crawford	05/12/2008 TO 30/06/2009
Sharon Eurlings	05/12/2008 TO 30/06/2009
George Fong	01/07/2008 TO 30/06/2009
Melanie Gatfield	01/07/2008 TO 30/06/2009
Kathleen Hadden	01/07/2008 TO 30/06/2009
John Hawker	01/07/2008 TO 30/06/2009
Peter James	01/07/2008 TO 30/06/2008
Sharyn Kabelka	01/07/2008 TO 18/11/2008
Jim Lloyd	01/07/2008 TO 30/06/2009
Sue McSullea	01/07/2008 TO 30/06/2009
Tara Moriarty	01/07/2008 TO 30/06/2009
Catrina Moroney	01/07/2008 TO 30/06/2009
John Morris	01/07/2008 TO 30/06/2009
Megan Person	01/07/2008 TO 30/06/2009
Ken Phillips	01/07/2008 TO 10/02/2009
Gayle Ross	01/07/2008 TO 10/02/2009
Rebecca Reilly	01/07/2008 TO 30/06/2009
Margaret Scott	01/07/2008 TO 30/06/2009
Janet Southcott	01/07/2008 TO 30/06/2009
Ros Taylor	01/07/2008 TO 16/09/2008
Patricia Woods	05/12/2008 TO 30/06/2009

Signed this 13th day of October 2009.

For and on behalf of the Committee of Management.


.....
JIM LLOYD


.....
MARK BOYD

**LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION
NEW SOUTH WALES BRANCH**

COMMITTEE OF MANAGEMENT'S STATEMENT

On 13 October 2009 the Committee of Management of the Liquor, Hospitality and Miscellaneous Union – New South Wales Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the Branch for the year ended 30 June 2009.

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 2009;
- (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 2009 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 office 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.
 - (vi) no order for inspection of the financial records has been made by the Commission under section 273 of the RAO Schedule.
- (f) during the financial year ended 30 June 2009 the branch did not participate in any recovery of wages activity.

For the Committee of Management:


.....
MARK BOYD

13 October 2009

**LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION
NEW SOUTH WALES BRANCH**

COMMITTEE OF MANAGEMENT'S CERTIFICATE

We, **JIM LLOYD** and **MARK BOYD**, being two members of the Committee of Management of the Liquor, Hospitality and Miscellaneous Union, New South Wales Branch, do state on behalf of the Committee, and in accordance with a resolution passed by the Committee that:

- (i) In the opinion of the Committee of Management, the attached accounts show a true and fair view of the financial affairs of the Union as at 30 June 2009.
- (ii) In the opinion of the Committee of Management, meetings of the Committee were held in the year ended 30 June 2009, in accordance with the rules of the Union.
- (iii) To the knowledge of any member of the Committee, there have been no instances where records of the Union or other documents (not being documents containing information made available to a member of the Union under Sub-Section 512 (2) of the Industrial Relations Act, 1991 as applied by Sub-Section 282(3) of the Industrial Relations Act, 1996) or copies of these records or documents, or copies of the rules of the Union, have not been furnished, or made available to members in accordance with the requirements of the Industrial Relations Act, 1996, the Regulations thereto, or the rules of the Union.
- (iv) The Union has complied with Sub-Section 517(1) and (5) of the Industrial Relations Act, 1991 in relation to the financial accounts in respect of the period ended 30 June 2008 and the Auditors' Report thereon.


.....
JIM LLOYD


.....
MARK BOYD

13 October 2009

**LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION
NEW SOUTH WALES BRANCH**

ACCOUNTING OFFICER'S CERTIFICATE

I, **MARK BOYD**, being the Officer responsible for keeping the accounting records of the Liquor, Hospitality and Miscellaneous Union, New South Wales Branch, certify that as at 30 June 2009, the number of members of the Union was 27,662.

In my opinion:

- (i) The attached accounts show a true and fair view of the financial affairs of the Union as at 30 June 2009.
- (ii) A record has been kept of all moneys paid by, or collected from members and all moneys so paid or collected have been credited to the bank account to which those moneys are to be credited, in accordance with the rules of the Union.
- (iii) Before any expenditure was incurred by the Union, approval of the incurring of the expenditure was obtained in accordance with the rules of the Union.
- (iv) With regard to funds of the Union raised by compulsory levies or voluntary contributions from members, or funds other than the General Fund operated in accordance with the rules, no payments were made out of any such fund for purposes other than those for which the fund was operated.
- (v) No loans or other financial benefits, other than remuneration in respect of their full time employment with the Union, were made to persons holding office in the Union.
- (vi) The register of members of the Union was maintained in accordance with the New South Wales Industrial Relations Act, 1996.


.....
MARK BOYD

13 October 2009

LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION
NEW SOUTH WALES BRANCH

INCOME STATEMENT FOR THE
YEAR ENDED 30 JUNE 2009

	2009	2008
	\$	\$
INCOME		
Contributions	9,859,401	9,761,260
Hardship & Support	67,561	54,616
Interest	478,026	514,289
Salaries Recovered - Other	120,588	76,912
Sundry Income	<u>71,133</u>	<u>52,021</u>
TOTAL INCOME	<u>10,596,709</u>	<u>10,459,098</u>
 EXPENDITURE		
Depreciation		
Furniture, Fittings and Office Machines	92,695	80,185
Motor Vehicles	198,303	177,556
Property	<u>51,777</u>	<u>51,725</u>
	<u>342,775</u>	<u>309,466</u>
 Employee Benefits Expense		
Salaries and Allowances		
- Officers	421,457	413,004
- Other Employees	4,380,114	3,824,070
Annual Leave	607,193	539,000
Long Service Leave	139,694	113,074
Fringe Benefits Tax	80,161	86,004
Payroll Tax	334,808	305,588
Superannuation	<u>812,302</u>	<u>696,339</u>
	<u>6,775,729</u>	<u>5,977,079</u>

**LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION
NEW SOUTH WALES BRANCH**

**INCOME STATEMENT FOR THE
YEAR ENDED 30 JUNE 2009 [Cont'd]**

	NOTE	2009 \$	2008 \$
EXPENDITURE (cont'd)			
Other Expenses			
Advertising		3,030	4,819
Affiliation Fees		246,307	228,549
Air Fares		35,138	34,342
Attendance Fees and Allowances		7,253	8,701
Bank Charges		49,668	46,514
Campaigns		37,559	85,946
Commission		168,191	191,646
Computer Expenses		31,606	27,005
Donations		11,055	30,374
Education and Training		27,646	12,856
Electricity		30,956	27,102
Funeral Expenses		6,000	9,000
General Expenses		72,792	52,552
Insurance		110,003	96,911
Meeting and Conference Expenses		156,892	190,532
Motor Vehicle Expenses		318,420	255,914
National Office Sustentation Fees		1,290,201	1,302,044
Postage		44,659	29,125
Printing and Stationery		90,197	56,605
Printing and Distribution - Union News		126,273	29,947
Professional Services	10	82,230	201,502
Rates		16,226	16,288
Rent - Room		13,524	7,215
Rent - Regional Offices		19,018	15,291
Rent - Other		12,462	21,195
Repairs and Maintenance		47,821	75,517
Support AGTU		3,393	1,250
Telephone		188,562	157,620
Temporary Staff		295	29,401
		<u>3,247,377</u>	<u>3,245,763</u>
TOTAL EXPENDITURE		<u>10,365,881</u>	<u>9,532,308</u>
OPERATING SURPLUS FOR YEAR		230,828	926,790
Surplus Thomas Street Property Account		502,497	466,559
Loss on disposal of assets		<u>(52,465)</u>	<u>(35,643)</u>
NET SURPLUS FOR YEAR		<u>680,860</u>	<u>1,357,706</u>

(The attached Notes form part of these Accounts)

**LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION
NEW SOUTH WALES BRANCH**

BALANCE SHEET AS AT 30 JUNE 2009

	NOTE	2009 \$	2008 \$
CURRENT ASSETS			
Cash and Cash Equivalents	4	1,563,184	3,157,015
Receivables	5	170,818	174,829
Investments	6	7,038,086	5,056,916
Long Service Leave Fund			
Cash at Bank		2,665	2,661
Investments	7	<u>1,321,995</u>	<u>1,258,866</u>
		<u>1,324,660</u>	<u>1,261,527</u>
TOTAL CURRENT ASSETS		<u>10,096,748</u>	<u>9,650,287</u>
NON CURRENT ASSETS			
Other Financial Assets			
Shares	8	<u>11,325</u>	<u>11,269</u>
		<u>11,325</u>	<u>11,269</u>
Property, Plant and Equipment	9	3,435,865	3,186,290
Thomas St Property Account	14	<u>14,732,246</u>	<u>14,696,310</u>
TOTAL NON CURRENT ASSETS		<u>18,179,436</u>	<u>17,893,869</u>
TOTAL ASSETS		<u>28,276,184</u>	<u>27,544,156</u>
LESS LIABILITIES			
CURRENT LIABILITIES			
Payables			
National Office Sustainment Fees		322,673	350,960
Sundry Accounts Payable		<u>541,994</u>	<u>714,580</u>
		<u>864,667</u>	<u>1,065,540</u>
Provisions			
Provision for Accrued Annual Leave		1,077,157	956,368
Provision for Long Service Leave		<u>806,600</u>	<u>675,348</u>
		<u>1,883,757</u>	<u>1,631,716</u>
TOTAL CURRENT LIABILITIES		<u>2,748,424</u>	<u>2,697,256</u>
NET ASSETS		<u>25,527,760</u>	<u>24,846,900</u>
ACCUMULATED FUNDS		<u>25,527,760</u>	<u>24,846,900</u>

(The attached Notes form part of these Accounts)

**LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION
NEW SOUTH WALES BRANCH**

**STATEMENT OF CHANGES IN ACCUMULATED FUNDS
FOR THE YEAR ENDED 30 JUNE 2009**

	Accumulated Funds 2009 \$
Balance at 1 July 2007	23,489,194
Net Surplus for Year	<u>1,357,706</u>
Balance at 30 June 2008	24,846,900
Net Surplus for Year	<u>680,860</u>
Balance at 30 June 2009	<u>25,527,760</u>

(The attached Notes form part of these Accounts)

**LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION
NEW SOUTH WALES BRANCH**

**CASH FLOW STATEMENT FOR THE
YEAR ENDED 30 JUNE 2009**

	NOTE	2009 \$	2008 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from Members		9,859,401	9,761,280
Payments to National Council for Sustentation Fees		(1,318,490)	(1,287,695)
Payments to Suppliers and Employees		(8,648,848)	(7,689,503)
Interest Received		477,439	490,284
Other Receipts		<u>259,282</u>	<u>183,549</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	13	<u>628,784</u>	<u>1,457,895</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Thomas Street Property Account		466,559	344,670
Proceeds from Sale of Assets		207,114	127,809
Payment for Fixed Assets		(851,929)	(352,237)
Purchase of Investments		<u>(2,044,355)</u>	<u>(388,738)</u>
NET CASH USED IN INVESTING ACTIVITIES		<u>(2,222,611)</u>	<u>(268,496)</u>
NET (DECREASE) INCREASE IN CASH HELD		<u>(1,593,827)</u>	<u>1,189,399</u>
Cash at Beginning of Year		<u>3,159,676</u>	<u>1,970,277</u>
CASH AT END OF YEAR	12	<u>1,565,849</u>	<u>3,159,676</u>

(The attached Notes form part of these Accounts)

**LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION
NEW SOUTH WALES BRANCH**

**NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE
YEAR ENDED 30 JUNE 2009**

1. STATEMENT OF ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Work Place Relations Act, 1996.

Compliance with Australian equivalents to International Financial Reporting Standards ensures that the financial report comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS) except for:

- Segment reporting because AASB 114 "Segment Reporting" does not apply to not-for-profit organisations.
- Impairment of assets under AASB 136 "Impairment of assets"

BASIS OF PREPARATION

The financial report is for the entity Liquor Hospitality and Miscellaneous Union New South Wales Branch, as an individual entity. The Liquor Hospitality and Miscellaneous Union is an organisation registered under the Workplace Relations Act, 1996. The Liquor Hospitality and Miscellaneous Union New South Wales Branch is a Branch of the registered organisation and is also a registered organisation in accordance with the Industrial Relations Act, 1996. In accordance with the Act the Union is a body corporate and has perpetual succession. By virtue of this method of incorporation, the Union and the Branch are not subject to the Corporations Act 2001.

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

The following is a summary of the significant accounting policies adopted by the economic entity in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

(a) Revenue

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 financial statements. Interest is accounted for on an accruals basis.

(b) Income Tax

No provision for Income Tax is necessary as the Union is exempt from Income Tax under Section 50 - 15 of the Income Tax Assessment Act 1997.

**LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION
NEW SOUTH WALES BRANCH**

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

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(c) Property, Plant and Equipment

Each class of plant and equipment is carried at cost, less where applicable, any accumulated depreciation and any impairment in value.

Depreciation

The depreciable amount of plant and equipment is depreciated on a diminishing value method 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:

Property	2%
Office Furniture and Equipment	10% - 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) Receivables

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

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

(f) Employee Benefits

Provision is made for the 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.

**LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION
NEW SOUTH WALES BRANCH**

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

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(f) Employee Benefits (cont'd)

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.

(h) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables on the balance sheet are shown inclusive of GST.

(i) Accounting Standards Issued But Not Yet Effective

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

2. ACCOUNTING ESTIMATES AND JUDGEMENTS

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

(a) Critical accounting estimates and assumptions

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

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

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

**LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION
NEW SOUTH WALES BRANCH**

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

3. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of the Workplace Relations Act, 1996 the attention of members is drawn to the provisions of Sub-Sections (1), (2) and (3) of Section 272 of Schedule 1B which read as follows:

- (1) A member of an organisation, or a Registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).

In accordance with the requirements of the Industrial Relations Act, 1991 the attention of members is drawn to the provisions of Sub-Sections (1) and (2) of Section 512 which read as follows:

- (1) A member of an organisation, or the Industrial Registrar, may apply to the organisation for specified information prescribed by the regulations in relation to the organisation.
- (2) An organisation must, on the making of such an application, make the specified information available to the member or the Industrial Registrar in the manner, and within the time, prescribed by the regulations.

	2009	2008
	\$	\$
4. CASH AND CASH EQUIVALENTS		
Cash at Bank	1,551,775	3,145,606
Cash on Hand	11,409	11,409
	<u>1,563,184</u>	<u>3,157,015</u>
5. RECEIVABLES		
Prepayments	71,213	55,944
Accrued Interest	59,845	59,258
Sundry Debtors	32,943	52,810
Deposits	6,817	6,817
	<u>170,818</u>	<u>174,829</u>

**LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION
NEW SOUTH WALES BRANCH**

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

	2009	2008
	\$	\$
6. INVESTMENTS		
Money market short term deposits	-	2,027,532
Short Term Bank Deposits	5,996,006	1,507,590
Short Term Bank Bills	1,027,791	1,508,354
Other	14,289	13,440
	<u>7,038,086</u>	<u>5,056,916</u>
7. LONG SERVICE LEAVE FUND		
INVESTMENTS		
Short Term Bank Deposits	587,100	558,866
Short Term Bank Bills	734,895	700,000
	<u>1,321,995</u>	<u>1,258,866</u>
8. OTHER FINANCIAL ASSETS		
SHARES		
Newcastle Rehabilitation Centre	5,000	5,000
IAG	4,125	4,069
Transnational	200	200
Trade Union Medical Centre	2,000	2,000
	<u>11,325</u>	<u>11,269</u>
9. PROPERTY, PLANT AND EQUIPMENT		
(A) LIBRARY		
Cost	218,504	218,504
Less Accumulated Depreciation	<u>(218,504)</u>	<u>(218,504)</u>
	-	-
(B) MOTOR VEHICLES		
Cost	1,076,672	995,534
Less Accumulated Depreciation	<u>(204,682)</u>	<u>(363,732)</u>
	<u>871,990</u>	<u>631,802</u>
(C) FURNITURE AND EQUIPMENT		
Cost	1,778,368	1,883,130
Less Accumulated Depreciation	<u>(1,432,901)</u>	<u>(1,564,019)</u>
	<u>345,467</u>	<u>319,111</u>
(D) COMPUTER EQUIPMENT		
Cost	72,841	32,727
Less Accumulated Depreciation	<u>(38,033)</u>	<u>(32,727)</u>
	<u>34,808</u>	-
(E) PROPERTY		
Land and Buildings – at Cost	434,545	434,545
– at deemed cost	<u>2,320,000</u>	<u>2,320,000</u>
	2,754,545	2,754,545
Less Accumulated Depreciation on Buildings	<u>(570,945)</u>	<u>(519,168)</u>
	<u>2,183,600</u>	<u>2,235,377</u>
Total Property, Plant and Equipment	<u>3,435,865</u>	<u>3,186,290</u>

**LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION
NEW SOUTH WALES BRANCH**

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

9. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

MOVEMENTS IN CARRYING AMOUNTS

2009	Properties	Furniture and Equipment	Motor Vehicles	Library	TOTAL
	\$	\$	\$	\$	\$
Balance at 1 July 2008	2,235,377	319,111	631,802	-	3,186,290
Additions	-	153,859	698,070	-	851,929
Disposals	-	-	(259,579)	-	(259,579)
Depreciation	(51,777)	(92,695)	(198,303)	-	(342,775)
Balance at 30 June 2009	2,183,600	380,275	871,990	-	3,435,865

	2009	2008
	\$	\$
10. PROFESSIONAL SERVICES		
Audit Fees	54,350	54,500
Accounting Fees	8,090	32,800
Legal Expenses	16,393	101,273
Professional Services - Other	3,397	12,929
	<u>82,230</u>	<u>201,502</u>

11. RELATED PARTIES

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

Branch President	Jim Lloyd	1/07/08 - 30/06/09
Branch Executive	John Morris	1/07/08 - 30/06/09
Vice President	Rebecca Reilly	1/07/08 - 30/6/09
Branch Secretary	Mark Boyd	1/07/08 - 30/06/09
Secretary	Melanie Gaifield	1/07/08 - 30/06/09
	John Hawker	1/07/08 - 30/06/09
	Tara Moriaty	1/07/08 - 30/06/09

**LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION
NEW SOUTH WALES BRANCH**

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

11. RELATED PARTIES (cont'd)

Branch Executive Members	Shirley Bennett	1/07/08 - 30/06/09
	Ken Caines	1/07/08 - 30/06/09
	Tim Casey	16/06/09 - 30/06/09
	Robert Crawford	5/12/08 - 30/06/09
	Sharon Eurlings	5/12/08 - 30/06/09
	Megan Person	1/07/08 - 30/06/09
	Peter James	1/07/08 - 30/06/09
	George Fong	1/07/08 - 30/06/09
	Kathleen Hadden	1/07/08 - 30/06/09
	Sharyn Kabelka	1/07/08 - 18/11/08
	Sue McSullea	1/07/08 - 30/06/09
	Gayle Ross	1/07/08 - 10/02/09
	Margaret Scott	1/07/08 - 30/06/09
	Janet Southcott	1/07/08 - 30/06/09
	Ken Phillips	1/07/08 - 10/02/09
	Ros Taylor	1/07/08 - 16/09/08
Catrina Moroney	1/07/08 - 30/06/09	
Patricia Woods	05/12/08 - 30/06/09	

- (b) The aggregate amount of remuneration paid to officers during the financial year is disclosed in the Income Statement under Salaries and Allowances – Officers.
- (c) The aggregate amount paid during the financial year to a superannuation plan in respect of officers was \$63,890 (2008 : \$70,229).
- (d) There have been no other transactions between the officers and the Union other than those relating to their membership of the Union and the reimbursement by the Union in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which it is reasonable to expect would have been adopted by parties at arm's length.

2009	2008
\$	\$

12. RECONCILIATION OF CASH

For the purpose of the cash flow statement, cash includes Cash on Hand and in at call deposits with banks or financial institutions net of bank overdrafts

Cash at Bank		
General Fund	1,551,775	3,145,606
Long Service Leave Fund	2,665	2,661
Cash on Hand	<u>11,409</u>	<u>11,409</u>
	<u>1,565,849</u>	<u>3,159,676</u>

LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION
NEW SOUTH WALES BRANCH

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

	2009 \$	2008 \$
13. RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH NET SURPLUS		
Net Surplus for the Year	680,860	1,357,706
Non-Cash Flows in Net Surplus		
Thomas Street Property - (Surplus)	(502,497)	(466,559)
Depreciation	342,775	309,467
Loss on Disposal of Assets	52,465	35,643
Other	-	2,013
Changes in Assets and Liabilities		
Decrease in deposits	-	250
(Decrease) Increase in Sundry Creditors	(172,584)	130,207
Increase/(Decrease) in National Council Creditor	(28,287)	14,349
(Increase) Decrease in Sundry Debtors	19,867	22,412
(Increase) Decrease in Prepayments	(15,269)	(27,460)
(Increase) in Accrued Interest	(587)	(24,005)
Increase in Employee Provisions	252,041	103,872
CASH FLOWS FROM OPERATIONS	<u>628,784</u>	<u>1,457,895</u>
14. THOMAS STREET PROPERTY ACCOUNT		
Net asset relating to the Joint Venture with the National Office in respect of building situated at Thomas Street Sydney		
ASSETS		
Land	3,793,241	3,664,500
Building less accumulated depreciation	<u>7,991,944</u>	<u>8,019,006</u>
	11,785,185	11,683,506
Deposits	31,687	30,612
Accrued Interest	140,309	24,539
Prepayments	62,219	40,318
Cash at Bank	231,143	527,673
Investments	2,308,360	2,354,773
Sundry Debtors	<u>258,743</u>	<u>118,551</u>
TOTAL ASSETS	<u>14,817,646</u>	<u>14,779,972</u>
LIABILITIES		
Rent in Advance	5,904	3,322
Sundry Creditors	<u>79,496</u>	<u>80,340</u>
TOTAL LIABILITIES	<u>85,400</u>	<u>83,662</u>
NET ASSETS	<u>14,732,246</u>	<u>14,696,310</u>

**LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION
NEW SOUTH WALES BRANCH**

**NOTES TO AND FORMING PART OF THE ACCOUNTS FOR THE
YEAR ENDED 30 JUNE 2009 [Cont'd]**

15. FINANCIAL RISK MANAGEMENT

(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 cash, short term deposits, bank bills, trade receivables and payables. The main risks the branch is exposed to through its financial instruments are interest rate risk (see section (e) below), liquidity risk and credit risk.

The branch committee of management has overall responsibility for the determination of the branch's risk management objectives and policies and whilst retaining ultimate responsibility for them, the branch 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.

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

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

	2009	2008
	\$	\$
Sundry Debtors	32,943	52,810
Total receivables	<u>32,943</u>	<u>52,810</u>

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

	2009	2008
	\$	\$
Cash	1,565,849	3,159,676
Bank bills and short term deposits	8,360,081	6,315,782
	<u>9,925,930</u>	<u>9,475,458</u>

Cash, bank bills and short term deposits are held within Australian financial institutions with good credit history.

**LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION
NEW SOUTH WALES BRANCH**

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

15. 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 liabilities.

As at 30 June 2009 the Branch had \$1,565,849 (2008- \$3,159,676) of cash and cash equivalents to meet these commitments as they fall due. Financial liabilities at 30 June 2009 totalled \$539,751 (2008- \$803,013). The Branch manages liquidity risk by monitoring cash flows and maintains an investment fund to cover the leave liability.

(d) Market Risk

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

(e) Interest Rate Risk

The Branch's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and liabilities are summarised below.

30 June 2009	Floating interest rate	Fixed interest rate		Non interest bearing	Total
		1 year or less	Over 1 to 5 years		
Financial Assets	\$	\$	\$	\$	\$
Cash	1,554,440	-	-	11,409	1,565,849
Receivables	-	-	-	99,605	99,605
Bank bills and short term deposits	-	8,360,081	-	-	8,360,081
	<u>1,554,440</u>	<u>8,360,081</u>		<u>111,014</u>	<u>10,025,535</u>
Weighted average Interest rate	0.50%	3.54%			
Financial Liabilities					
Payables	-	-	-	539,751	539,751
Net financial assets/(liabilities)	<u>1,554,440</u>	<u>8,360,081</u>	<u>-</u>	<u>(428,737)</u>	<u>9,485,784</u>

LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION
NEW SOUTH WALES BRANCH

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

15. FINANCIAL RISK MANAGEMENT (cont'd)

30 June 2008	Floating interest rate	Fixed interest rate		Non interest bearing	Total
		1 year or less	Over 1 to 5 years		
Financial Assets	\$	\$	\$	\$	\$
Cash	3,148,267	-	-	11,409	3,159,676
Receivables	-	-	-	118,926	118,926
Bank bills and short term deposits		6,315,782	-	-	6,315,782
	<u>3,148,267</u>	<u>6,315,782</u>	<u>-</u>	<u>130,335</u>	<u>9,594,384</u>
Weighted average Interest rate	0.38%	7.1%			
Financial Liabilities					
Payables	-	-	-	803,013	803,013
Net financial assets/(liabilities)	<u>3,148,267</u>	<u>6,315,782</u>	<u>-</u>	<u>(672,678)</u>	<u>8,791,371</u>

(e) Interest Rate Risk (cont'd)

Sensitivity Analysis

2009	Carrying Amount	+1%	-0.25%	
		Profit \$	Loss \$	
Cash at Bank	1,554,440	15,544	(3,886)	
Bank Bills and short term deposits	8,360,081	83,601	(20,900)	
2008	Carrying Amount	+1%	-0.25%	-1.5%
	\$	Profit \$	Loss \$	Loss \$
Cash at Bank	3,148,267	31,483	(7,871)	
Bank Bills and short term deposits	6,315,782	63,157		(94,737)

(f) 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.

(g) Foreign Exchange Risk

The branch is not directly exposed to foreign exchange rate risk.

**LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION
NEW SOUTH WALES BRANCH**

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

16. REGISTERED OFFICE

The registered office and principal place of business of the Branch is;

Level 7
187 Thomas Street
Haymarket NSW 2000



BDO Kendalls

BDO Kendalls Audit & Assurance (NSW-VIC) Pty Ltd
Level 19, 2 Market St
Sydney NSW 2000
GPO Box 2551 Sydney NSW 2001
Phone 61 2 9286 5555
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ABN 17 114 673 540

INDEPENDENT AUDIT REPORT

To the members of the Liquor, Hospitality and Miscellaneous Union, New South Wales Branch

We have audited the general purpose financial report of Liquor, Hospitality and Miscellaneous Union, New South Wales Branch, which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in accumulated funds and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes and the committee of management's statement, committee of management certificate and the accounting officer's certificate, for the year then ended.

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

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the 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 Australian professional accounting bodies, the Workplace Relations Act 1996 and the Industrial Relations Act 1996.

INDEPENDENT AUDIT REPORT (cont'd)*Auditor's Opinion*

- (a) In our opinion the general purpose financial report of Liquor, Hospitality and Miscellaneous Union, New South Wales 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.
- (b) We have received all the information and explanations required for the purposes of our audit.
- (i) There were kept by the Union in respect of the year under review, satisfactory records detailing the sources and nature of income of the Union (including income from members) and the nature and purposes of expenditure, and
- (ii) The attached financial report, including the certificates of the committee of management and the accounting officer, is prepared in accordance with Section 510 of the Industrial Relations Act, 1991, as applied by section 282(3) of the Industrial Relations Act 1996.

**BDO Kendalls Audit & 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

13 October 2009