



FAIR WORK
AUSTRALIA

24 January 2011

Ms Louise Tarrant
National Secretary
LHMU
Locked Bag 9
HAYMARKET NSW 1240



Dear Ms Tarrant

**Lodgment of Financial Accounts and Statements - Liquor, Hospitality and Miscellaneous
Union, New South Wales Branch (FR2010/2548)**

Thank you for lodging the abovementioned financial accounts and statements which were received by Fair Work Australia on 17 December 2010.

The documents have been filed.

Yours sincerely,

Stephen Kellett
Statutory Services Branch
Fair Work Australia

National Office
303 Cleveland Street
Radfern NSW 2010

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Louise Tarrant
National Secretary

Brian Daley
National President

Sue Lines
Troy Burton
Assistant National Secretaries



LHMU

Organising for the future

20 December, 2010

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 2010.
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 12 October. 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 November edition of Union News.

Subsequently the financial report 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 3 December, 2010 and was adopted. Also enclosed is a copy of the Branch Secretary's certificate dated 13 December, 2010.

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 Fair Work Australia Act 2009.

Yours faithfully

LOUISE TARRANT
NATIONAL SECRETARY

**LIQUOR, HOSPITALITY AND
MISCELLANEOUS UNION**

NEW SOUTH WALES BRANCH

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2010**

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

**OPERATING REPORT
YEAR ENDING 30 JUNE 2010**

Committee of Management Report in accordance with section 254 of the Fair Work (Registered Organisations) Act 2009 for the year ended 30 June 2010.

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 deficit for LHMU NSW Branch for the year ending 30th June 2010 was \$735,072.

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(1) of the Fair Work (Registered Organisations) Act 2009. In accordance with section 174(1) of the Fair Work (Registered Organisations) Act 2009 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 branch of the organisation. There was no change to this rule during the year.

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

Membership Numbers

- (1) Under section 230 of the Fair Work (Registered Organisations) Act 2009 the number of persons recorded in the register of members and who under section 244 of the Fair Work (Registered Organisations) Act 2009 are taken to be members of the Branch of the Union as at 30 June 2010 was 27,736
- (2) The number of persons, both full-time and part time employees measured on a full-time equivalent basis, employed by the Branch as at 30 June 2010 was 95.5
- (3) The names of persons who have at any time during the financial year ending 30 June 2010 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	01/07/2009 to 04/12/2009
Mark Boyd	01/07/2009 to 30/06/2010
Ken Caines	01/07/2009 to 04/12/2009
Peter Campise	09/03/2010 to 30/06/2010
Tim Casey	01/07/2009 to 30/06/2010
Robert Crawford	01/07/2009 to 30/06/2010
Sharon Eurlings	01/07/2009 to 30/06/2010
George Fong	01/07/2009 to 30/06/2010
Melanie Gatfield	01/07/2009 to 30/06/2010
Kathleen Hadden	01/07/2009 to 30/06/2010
John Hawker	01/07/2009 to 30/06/2010
Peter James	01/07/2009 to 30/06/2010
Sharyn Kabelka	01/07/2009 to 30/06/2010
Jim Lloyd	01/07/2009 to 22/01/2010
Sue McSullea	01/07/2009 to 30/06/2010
Tara Moriarty	01/07/2009 to 30/06/2010
Catrina Moroney	01/07/2009 to 30/06/2010
John Morris	01/07/2009 to 30/06/2010
Megan Pearson	01/07/2009 to 30/06/2010
Ken Phillips	01/07/2009 to 30/06/2010
Rebecca Reilly	01/07/2009 to 30/06/2010
Gayle Ross	01/07/2009 to 30/06/2010
Margaret Scott	01/07/2009 to 30/06/2010
Janet Southcott	01/07/2009 to 30/06/2010
Ros Taylor	01/07/2009 to 30/06/2010
Patricia Woods	01/07/2009 to 09/02/2010

Signed this 12th day of October 2010.

For and on behalf of the Committee of Management.


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MARK BOYD


.....
REBECCA REILLY

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

COMMITTEE OF MANAGEMENT'S STATEMENT

On 12 October 2010 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 2010.

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 General Manager of Fair Work Australia.
- (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 2010;
- (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 2010 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 Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009; 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 the General Manager of Fair Work Australia under section 272 of the Fair Work (Registered Organisations) Act 2009;
 - (vi) no order for inspection of the financial records has been made by Fair Work Australia under section 273 of the Fair Work (Registered Organisations) Act 2009.
- (f) during the financial year ended 30 June 2010 the branch did not participate in any recovery of wages activity.

For the Committee of Management:


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MARK BOYD

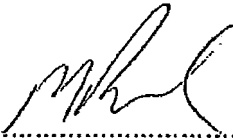
12 October 2010

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

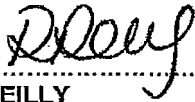
COMMITTEE OF MANAGEMENT'S CERTIFICATE

We, **REBECCA REILLY** 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 2010.
- (ii) In the opinion of the Committee of Management, meetings of the Committee were held in the year ended 30 June 2010, 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 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 the 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 2009 and the Auditors' Report thereon.



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MARK BOYD



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REBECCA REILLY

12 October 2010

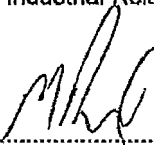
**LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION
NEW SOUTH WALES BRANCH**

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 2010, the number of members of the Union was 27,736.

In my opinion:

- (i) The attached accounts show a true and fair view of the financial affairs of the Union as at 30 June 2010.
- (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.



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MARK BOYD

12 October 2010

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2010**

	2010	2009
	\$	\$
INCOME		
Contributions	10,088,094 ✓	9,859,401
Hardship & Support	50,301	67,561
Interest	457,203	478,026
Salaries Recovered - Other	66,309	120,588
Sundry Income	69,785	71,133
TOTAL INCOME	<u>10,731,692</u>	<u>10,596,709</u>
 EXPENDITURE		
Depreciation		
Furniture, Fittings and Office Machines	102,019	92,695
Motor Vehicles	244,133	198,303
Property	27,223	51,777
	<u>373,375</u>	<u>342,775</u>
 Employee Benefits Expense		
Salaries and Allowances		
- Officers	442,827 ✓	421,457
- Other Employees	5,164,940 ✓	4,380,114
Annual Leave	674,816 ✓	607,193
Long Service Leave	109,287 ✓	139,694
Fringe Benefits Tax	83,037 ✓	80,161
Payroll Tax	377,173 ✓	334,808
Superannuation	819,072	812,302
	<u>7,671,152</u>	<u>6,775,729</u>

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2010 (Cont'd)**

	NOTE	2010 \$	2009 \$
EXPENDITURE (cont'd)			
Other Expenses			
Advertising		1,756	3,030
Affiliation Fees		237,871	246,307
Air Fares		39,258	35,138
Attendance Fees and Allowances		8,205	7,253
Bank Charges		59,344	49,668
Campaigns		64,032	37,559
Commission		150,295	168,191
Computer Expenses		48,433	31,606
Donations		21,567	11,055
Education and Training		10,225	27,646
Electricity		36,183	30,956
Funeral Expenses		12,000	6,000
General Expenses		89,422	72,792
Insurance		179,522	110,003
Meeting and Conference Expenses		192,741	156,892
Motor Vehicle Expenses		345,631	318,420
National Office Sustentation Fees		1,375,098	1,290,201
Postage		70,541	44,659
Printing and Stationery		129,965	90,197
Printing and Distribution - Union News		153,623	126,273
Professional Services	10	153,741	82,230
Rates		17,102	16,226
Rent - Room		28,404	13,524
Rent - Regional Offices		22,277	19,018
Rent - Other		14,930	12,462
Repairs and Maintenance		86,590	47,821
Support ACTU		2,500	3,393
Telephone		205,420	188,562
Temporary Staff		-	295
		<u>3,756,676</u>	<u>3,247,377</u>
TOTAL EXPENDITURE		<u>11,801,203</u>	<u>10,365,881</u>
OPERATING (DEFICIT) SURPLUS FOR YEAR		(1,069,511)	230,828
Surplus Thomas Street Property Account		337,987	502,497
Loss on disposal of assets		(3,548)	(52,465)
NET (DEFICIT) SURPLUS FOR YEAR		<u>(735,072)</u>	<u>680,860</u>

(The attached Notes form part of these Accounts)

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

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2010

	NOTE	2010 \$	2009 \$
CURRENT ASSETS			
Cash and Cash Equivalents	4	980,813	1,563,184
Receivables	5	163,292	170,818
Investments	6	8,462,607	7,038,086
Long Service Leave Fund			
Cash at Bank		2,665	2,665
Investments	7	<u>1,329,055</u>	<u>1,321,995</u>
		<u>1,331,720</u>	<u>1,324,660</u>
TOTAL CURRENT ASSETS		<u>10,938,432</u>	<u>10,096,748</u>
NON CURRENT ASSETS			
Other Financial Assets			
Shares	8	<u>11,385</u>	<u>11,325</u>
		<u>11,385</u>	<u>11,325</u>
Property, Plant and Equipment	9	3,378,640	3,435,865
Thomas St Property Account	14	<u>13,567,737</u>	<u>14,732,246</u>
TOTAL NON CURRENT ASSETS		<u>16,957,762</u>	<u>18,179,436</u>
TOTAL ASSETS		<u>27,896,194</u>	<u>28,276,184</u>
LESS LIABILITIES			
CURRENT LIABILITIES			
Payables			
National Office Sustentation Fees		322,671	322,673
Sundry Accounts Payable		<u>669,900</u>	<u>541,994</u>
		<u>992,571</u>	<u>864,667</u>
Provisions			
Provision for Accrued Annual Leave		1,263,369	1,077,157
Provision for Long Service Leave		<u>847,566</u>	<u>806,600</u>
		<u>2,110,935</u>	<u>1,883,757</u>
TOTAL CURRENT LIABILITIES		<u>3,103,506</u>	<u>2,748,424</u>
NET ASSETS		<u>24,792,688</u>	<u>25,527,760</u>
ACCUMULATED FUNDS		<u>24,792,688</u>	<u>25,527,760</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 2010**

	Accumulated Funds 2010 \$
Balance at 1 July 2008	24,846,900
Net Surplus for Year	<u>680,860</u>
Balance at 30 June 2009	25,527,760
Net Deficit for Year	<u>(735,072)</u>
Balance at 30 June 2010	<u>24,792,688</u>

(The accompanying notes form part of these financial statements.)

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

**STATEMENT OF CASH FLOWS FOR THE
YEAR ENDED 30 JUNE 2010**

	NOTE	2010 \$	2009 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from Members		10,088,094	9,859,401
Payments to National Council for Sustentation Fees		(1,375,098)	(1,318,490)
Payments to Suppliers and Employees		(9,664,045)	(8,648,848)
Interest Received		431,126	477,439
Other Receipts		<u>186,395</u>	<u>259,282</u>
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	13	<u>(333,528)</u>	<u>628,784</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Thomas Street Property Account		1,502,497	466,559
Proceeds from Sale of Assets		118,355	207,114
Payment for Fixed Assets		(438,051)	(851,929)
Purchase of Investments		(1,431,585)	(2,044,355)
Payment for Shares		<u>(60)</u>	<u>-</u>
NET CASH USED IN INVESTING ACTIVITIES		<u>(248,843)</u>	<u>(2,222,611)</u>
NET DECREASE IN CASH HELD		<u>(582,371)</u>	<u>(1,593,827)</u>
Cash at Beginning of Year		<u>1,565,849</u>	<u>3,159,676</u>
CASH AT END OF YEAR	12	<u>983,478</u>	<u>1,565,849</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 FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

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 Fair Work (Registered Organisations) Act 2009.

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 Fair Work (Registered Organisations) Act 2009. 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 2010 (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% - 25%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance 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 statement of comprehensive income 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 statement of comprehensive income 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 the statement of comprehensive income 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 2010 (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 statement of financial position 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 2010 (cont'd)**

3. INFORMATION TO BE PROVIDED TO MEMBERS, INDUSTRIAL REGISTRAR OR GENERAL MANAGER OF FAIR WORK AUSTRALIA

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of Sub-Sections (1), (2) and (3) of Section 272 of the Fair Work (Registered Organisations) Act 2009 which read as follows:

- (1) A member of an organisation, or the General Manager of Fair Work Australia, 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.

	2010 \$	2009 \$
4. CASH AND CASH EQUIVALENTS		
Cash at Bank	970,454	1,551,775
Cash on Hand	10,359	11,409
	<u>980,813</u>	<u>1,563,184</u>
5. RECEIVABLES		
Prepayments	70,553	71,213
Accrued Interest	85,922	59,845
Sundry Debtors	-	32,943
Deposits	6,817	6,817
	<u>163,292</u>	<u>170,818</u>
6. INVESTMENTS		
Short Term Bank Deposits	7,437,767	5,996,006
Short Term Bank Bills	1,009,644	1,027,791
Other	15,196	14,289
	<u>8,462,607</u>	<u>7,038,086</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 2010 (cont'd)**

	2010	2009
	\$	\$
7. LONG SERVICE LEAVE FUND		
INVESTMENTS		
Short Term Bank Deposits	607,055	587,100
Short Term Bank Bills	<u>722,000</u>	<u>734,895</u>
	<u>1,329,055</u>	<u>1,321,995</u>
8. OTHER FINANCIAL ASSETS		
SHARES		
Newcastle Rehabilitation Centre	5,000	5,000
IAG	4,185	4,125
Transnational	200	200
Trade Union Medical Centre	<u>2,000</u>	<u>2,000</u>
	<u>11,385</u>	<u>11,325</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	1,228,484	1,076,672
Less Accumulated Depreciation	<u>(372,480)</u>	<u>(204,682)</u>
	<u>856,004</u>	<u>871,990</u>
(C) FURNITURE AND EQUIPMENT		
Cost	1,855,018	1,778,368
Less Accumulated Depreciation	<u>(1,521,371)</u>	<u>(1,432,901)</u>
	<u>333,647</u>	<u>345,467</u>
(D) COMPUTER EQUIPMENT		
Cost	84,060	72,841
Less Accumulated Depreciation	<u>(51,448)</u>	<u>(38,033)</u>
	<u>32,612</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>(598,168)</u>	<u>(570,945)</u>
	<u>2,156,377</u>	<u>2,183,600</u>
Total Property, Plant and Equipment	<u>3,378,640</u>	<u>3,435,865</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 2010 (cont'd)**

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

MOVEMENTS IN CARRYING AMOUNTS

2010	Properties	Furniture and Equipment	Motor Vehicles	Library	TOTAL
	\$	\$	\$	\$	\$
Balance at 1 July 2009	2,183,600	380,275	871,990	-	3,435,865
Additions	-	89,309	348,742	-	438,051
Disposals	-	(1,306)	(120,596)	-	(121,901)
Depreciation	<u>(27,223)</u>	<u>(102,019)</u>	<u>(244,133)</u>	-	<u>(373,375)</u>
Balance at 30 June 2010	<u>2,156,377</u>	<u>366,259</u>	<u>856,004</u>	-	<u>3,378,640</u>

	2010	2009
	\$	\$
10. PROFESSIONAL SERVICES		
Audit Fees	55,750	54,350
Accounting Fees	4,000	8,090
Legal Expenses	68,137	16,393
Professional Services - Other	<u>25,854</u>	<u>3,397</u>
	<u>153,741</u>	<u>82,230</u>

11. RELATED PARTIES

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

Branch President	Jim Lloyd Peter Campise	01/07/2009 to 22/01/2010 09/03/2010 to 30/06/2010
Branch Secretary	Mark Boyd	01/07/2009 to 30/06/2010
Branch Executive Executive Vice President	John Morris Rebecca Reilly	01/07/2009 to 30/06/2010 01/07/2009 to 30/06/2010
Assistant Branch Secretary	Melanie Gatfield Tara Moriarty John Hawker	01/07/2009 to 30/06/2010 01/07/2009 to 30/06/2010 01/07/2009 to 30/06/2010

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010 (cont'd)**

11. RELATED PARTIES (cont'd)

Branch Executive	Shirley Bennett	01/07/2009 to 04/12/2009
	Ken Caines	01/07/2009 to 04/12/2009
	Tim Casey	01/07/2009 to 30/06/2010
	Robert Crawford	01/07/2009 to 30/06/2010
	Sharon Eurlings	01/07/2009 to 30/06/2010
	George Fong	01/07/2009 to 30/06/2010
	Kathleen Hadden	01/07/2009 to 30/06/2010
	Peter James	01/07/2009 to 30/06/2010
	Sharyn Kabelka	01/07/2009 to 30/06/2010
	Sue McSullea	01/07/2009 to 30/06/2010
	Catrina Moroney	01/07/2009 to 30/06/2010
	Megan Pearson	01/07/2009 to 30/06/2010
	Ken Phillips	01/07/2009 to 30/06/2010
	Gayle Ross	01/07/2009 to 30/06/2010
	Margaret Scott	01/07/2009 to 30/06/2010
	Janet Southcott	01/07/2009 to 30/06/2010
	Ros Taylor	01/07/2009 to 30/06/2010
	Patricia Woods	01/07/2009 to 09/02/2010

- (b) The aggregate amount of remuneration paid to officers during the financial year is disclosed in the statement of financial performance under Salaries and Allowances – Officers.
- (c) The aggregate amount paid during the financial year to a superannuation plan in respect of officers was \$62,018 (2009 : \$63,890).
- (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.

2010	2009
\$	\$

12. RECONCILIATION OF CASH

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

Cash at Bank		
General Fund	970,454	1,551,775
Long Service Leave Fund	2,665	2,665
Cash on Hand	<u>10,359</u>	<u>11,409</u>
	<u>983,478</u>	<u>1,565,849</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 2010 (cont'd)**

	2010 \$	2009 \$
13. RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH NET (DEFICIT) SURPLUS		
Net (Deficit) Surplus for the Year	(735,072)	680,860
Non-Cash Flows in Net (Deficit) Surplus		
Thomas Street Property Account - (Surplus)	(337,987)	(502,497)
Depreciation	373,375	342,775
Loss on Disposal of Assets	3,548	52,465
Changes in Assets and Liabilities		
Increase (Decrease) in Sundry Creditors	127,906	(172,584)
(Decrease) in National Council Creditor	(2)	(28,287)
Decrease in Sundry Debtors	32,943	19,867
Decrease (Increase) in Prepayments	660	(15,269)
(Increase) in Accrued Interest	(26,077)	(587)
Increase in Employee Provisions	227,178	252,041
CASH FLOWS FROM OPERATIONS	<u>(333,528)</u>	<u>628,784</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	3,664,500	3,793,241
Building less accumulated depreciation	<u>7,292,846</u>	<u>7,991,944</u>
	10,957,346	11,785,185
Deposits	30,612	31,687
Accrued Interest	9,781	140,309
Prepayments	129,326	62,219
Cash at Bank	549,740	231,143
Investments	1,907,311	2,308,360
Sundry Debtors	<u>127,510</u>	<u>258,743</u>
TOTAL ASSETS	<u>13,711,626</u>	<u>14,817,646</u>
LIABILITIES		
Rent in Advance	-	5,904
Sundry Creditors	<u>143,889</u>	<u>79,496</u>
TOTAL LIABILITIES	<u>143,889</u>	<u>85,400</u>
NET ASSETS	<u>13,567,737</u>	<u>14,732,246</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 2010 (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:

	2010	2009
	\$	\$
Sundry Debtors	-	32,943
Total receivables	-	32,943

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

	2010	2009
	\$	\$
Cash	983,478	1,565,849
Bank bills and short term deposits	9,791,662	8,360,081
	<u>10,775,140</u>	<u>9,925,930</u>

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

(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 2010 the Branch had \$983,478 (2009- \$1,565,849) of cash and cash equivalents to meet these commitments as they fall due. Financial liabilities at 30 June 2010 totalled \$676,341 (2009- \$539,751). The Branch manages liquidity risk by monitoring cash flows and maintains an investment fund to cover the leave liability.

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

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010 (cont'd)**

15. FINANCIAL RISK MANAGEMENT (cont'd)

(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 2010	Floating interest rate	Fixed interest rate		Non interest bearing	Total
		1 year or less	Over 1 to 5 years		
Financial Assets	\$	\$	\$	\$	\$
Cash	973,119	-	-	10,359	983,478
Receivables	-	-	-	92,739	92,739
Bank bills and short term deposits	-	9,791,662	-	-	9,791,662
	<u>973,119</u>	<u>9,791,662</u>	<u>-</u>	<u>103,098</u>	<u>10,867,879</u>
Weighted average Interest rate	0.52%	4.55%			
Financial Liabilities					
Payables	-	-	-	676,341	676,341
Net financial assets/(liabilities)	<u>973,119</u>	<u>9,791,662</u>	<u>-</u>	<u>(573,243)</u>	<u>10,191,538</u>
30 June 2009					
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>-</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 2010 (cont'd)**

15. FINANCIAL RISK MANAGEMENT (cont'd)

(e) Interest Rate Risk (cont'd)

Sensitivity Analysis

2010	Carrying Amount	+1%	-0.25%
	\$	Profit \$	Loss \$
Cash at Bank	973,119	9,731	(2,433)
Bank Bills and short term deposits	9,791,662	97,917	(24,479)
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)

(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.

16. REGISTERED OFFICE

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

Level 7
187 Thomas Street
Haymarket NSW 2000

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 statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in accumulated funds and statement of cash flows 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 Fair Work (Registered Organisations) Act 2009 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 Fair Work (Registered Organisations) Act 2009 and the Industrial Relations Act 1996.

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 Fair Work (Registered Organisations) Act 2009.
- (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 Audit (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

12 October 2010

**LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION
New South Wales Branch**

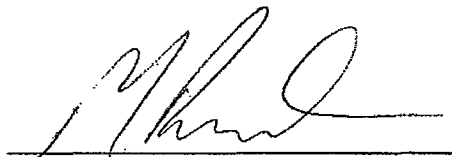
FINANCIAL REPORTS FOR THE YEAR ENDED 30 JUNE 2010

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 Fair Work (Registered Organisations) Act 2009; and
- That the full report was provided to members on 24 November 2010 and
- That the full report was presented to a meeting of the committee of management of the reporting unit on ³ December, 2010 in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.

Signed



Date:

13-12-10

27 July 2010



FAIR WORK
AUSTRALIA

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 – for year ending 30 June 2010 - National Office (FR2010/2547), Victorian Branch (FR2010/2545), Western Australian Branch (FR2010/2546), NSW Branch (FR2010/2548), Northern Territory Branch (FR2010/2549), Queensland Branch (FR2010/2556), South Australian Branch (FR2010/2557), Tasmanian Branch (FR2010/2558)

The financial year of the above reporting entities within the Liquor, Hospitality and Miscellaneous Union has recently ended. This is a courtesy letter to remind you of the obligation to prepare the reporting units' financial documents and to lodge audited financial accounts and statements with Fair Work Australia in accordance with the *Fair Work (Registered Organisations) Act 2009* ('the RO Act').

The documents you must lodge include:

(i) A *general purpose financial report* [see section 253(2)] including a separate Statement of Changes in Equity or its accepted equivalent; (ii) A *Committee of Management statement* (see the General Manager's Reporting Guidelines); (iii) An *operating report* [see section 254(2)]; (iv) An *auditor's report* [see sections 257(5) to 257(11)]; and (v) A *certificate* of the *secretary or other designated officer* signed after all the prescribed events have taken place [see section 268(c)].

I draw your particular attention to

- (a) s237 which requires you to prepare and lodge *a separate statement* providing the prescribed particulars of any loan, grant or donation made during the year which exceeds \$1,000;
- (b) s265(5) which requires you to publish or otherwise *provide your members with completed/signed copies* of the audited accounts, report and statements before final presentation and lodgment; and
- (c) s266 which requires you to *present the completed documents to an eligible meeting(s)* (either of the members or of the committee of management). Note that this meeting is distinct from any initial committee meeting convened to prepare, sign or otherwise approve pre-audited documents.

Relevant references may be found at <http://www.fwa.gov.au/index.cfm?pagename=regorgsfrguidelines> and <http://www.fwa.gov.au/index.cfm?pagename=legislationfwroact>. If you are in any doubt as to the requirements or anticipate any difficulty in complying with the requirements, do not hesitate to contact Fair Work Australia.

Yours sincerely,

Stephen Kellett

Statutory Services Branch

Terrace Towers
80 William Street
East Sydney NSW 2011

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Facsimile: (02) 9380 6990
Email: sydney@fwa.gov.au