



Australian Government
Australian Industrial Registry

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

Ref: FR2004/568-[108V-QLD]

Mr Ronald W Monaghan
Branch Secretary
Liquor, Hospitality and Miscellaneous Union
Queensland Branch
PO Box 331
SPRING HILL QLD 4004

Dear Mr Monaghan

Financial Return - year ending 30 June, 2004

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

New legislation

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

The legislation has changed since your last return. In May 2003 the Industrial Registrar wrote to all organisations forwarding a number of facts sheets outlining the major changes made by Schedule 1B of the Workplace Relations Act 1996 ('RAO' ¹). While the immediate changes affected the rules and elections in organisations, the changes affecting financial returns involve a longer lead time.

The key differences under the new legislation affecting financial returns are:

- a reduced financial reporting cycle (now maximum periods of 5 or 6 months depending on internal arrangements of organisation)
- a greater emphasis given to Australian Accounting Standards
- the introduction of a new report, known as an Operating Report (broadly similar in concept to a Director's Report under the corporations legislation)
- extensions of time are limited to one month
- restructured penalty provisions involving more extensive use of Civil Penalties
- the introduction of the Industrial Registrar's Reporting Guidelines
- organisations and their branches to report according to their financial structures, known as 'reporting units'.

We recommend you discuss the new requirements with your accountant or auditor.

¹ Registration and Accountability of Organisations Schedule (RAO) (Schedule 1B to the *Workplace Relations Act 1996*)

Reporting Unit

One of the new concepts of the RAO legislation is that reporting entities are known as “*reporting units*”. Where an organisation is **not** divided into branches the reporting unit is the whole of the organisation. Where an organisation **is** divided into branches each branch will be a reporting unit unless the Industrial Registrar has determined a division of the organisation into reporting units on an alternative basis. We can discuss this with you if you need more information.

For simplicity, we will refer to your organisation as a reporting unit in this letter.

Industrial Registrar’s Guidelines

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

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

Timeline Planner and Checklist

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

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

Three Reports

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

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

Financial Statements containing:

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

Notes to the Financial Statements containing:

- notes required by the Australian Accounting Standards; and
- information required by the Industrial Registrar's *Reporting Guidelines* under section 255); and

Committee of Management Statement as required by the Registrar's Reporting Guidelines (a sample certificate for illustrative purposes is at *Attachment C*)

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

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

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

First Meeting (Committee of Management)

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

The Auditor

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

Informing Your Members

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

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

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

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

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

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

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

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

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

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

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

Lodge full report within 14 days of meeting

You must lodge a copy of the full report and any concise report in the Industrial Registry within 14 days of the second meeting. For your convenience you are encouraged to lodge the material electronically (see eFiling Tab at www.airc.gov.au). When lodging the financial return please quote: **FR2004/568**.

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

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

Complying with time limits

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

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

Extensions of Time

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

Reduced Reporting Requirements

If your reporting unit meets certain conditions, some of these reporting requirements can be reduced. Such conditions might be where the annual income of the reporting unit (where the reporting unit is the whole of the organisation) is less than \$100,000, or where the reporting unit has no financial affairs in the financial year, or where the financial affairs of the reporting unit are encompassed by the financial affairs of its counterpart State industrial association.

Contact the Registry

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

Information on AIRC Website

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

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

Yours sincerely

Deputy Industrial Registrar

9 August 2004

Documents Checklist

You can use this checklist as soon as possible after the financial year ends to ensure you have all the necessary documents prepared and that those documents contain all information required by RAO.

You can also use this checklist to ensure all documents in your financial return are complete before lodging them in the Registry.

No	Document	✓
1	General Purpose Financial Report	
	Does the report contain a Profit and Loss Statement?	
	Does the report contain a Balance Sheet?	
	Does the report contain a Statement of Cash Flows?	
	Does the report contain notes to the financial statements as required by AAS and the reporting guidelines?	
	Does the report contain all other information required by the reporting guidelines?	
2	Committee of Management Statement	
	Is the statement signed by the officer responsible for undertaking functions necessary to enable the reporting unit to comply with RAO?	
	Is the statement dated?	
	Is the statement in accordance with a resolution of the committee?	
	Does the statement specify the date of the resolution?	
	Does the statement contain declarations required by the reporting guidelines?	
3	Auditor's Report	
	Is the Report dated and signed by the auditor?	
	Is the name of the auditor clear?	
	Are the qualifications of the auditor on the report?	
	Has the auditor expressed an opinion on all matters required?	
4	Operating Report	
	Is the report signed and dated?	
	Does the report provide the number of members?	
	Does the report provide the number of employees?	
	Does the report contain a review of principal activities?	
	Does the report give details of significant changes?	
	Does the report give details of right of members to resign?	
	Does the report give details of superannuation trustees?	
	Does the report give details of membership of the committee of management?	
5	Concise report*	
6	Certificate of Secretary or other Authorised Officer	
	Is the certificate signed and dated?	
	Is the signatory the secretary or another officer authorised to sign the certificate?	
	Is the date that the report was provided to members stated?	
	Is the date of the Second Meeting at which the report was presented stated?	
	Does the certificate state that the documents are copies of those provided to members?	
	Does the certificate state that the documents are copies of those presented to the Second Meeting?	

* This is an optional way of providing documents to members (see RAO s265(3) and RAO Reg. 161).

Committee Of Management Statement

On *[date of meeting]* the Committee of Management of *[name of reporting unit]* passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended *[date]*:

The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply* with the Australian Accounting Standards;
- (b) the financial statements and notes comply* with the reporting guidelines of the Industrial Registrar;
- (c) the financial statements and notes give a true and fair view* of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds* to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held* in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been* managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been* kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - #(iv) where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been* kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - #(v) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been* furnished to the member or Registrar; and
 - #(vi) there has been* compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

For Committee of Management: *[name of designated officer per section 243 of the RAO Schedule]*

Title of Office held:

Signature:

Date:

* *Where compliance or full compliance has not been attained - set out details of non compliance instead.*

Where not relevant these may be modified accordingly (e.g. in (vi) "No orders have been made by the Commission under section 273 of the RAO Schedule during the period."

Certificate of Secretary or other Authorised Officer¹

s268 of Schedule 1B *Workplace Relations Act 1996*

I *[name]* being the *[title of office]* of the *[name of the organisation]* certify:

- that the documents lodged herewith are copies of the full report, *[and the concise report]²*, referred to in s268 of the RAO Schedule; and
- that the *[full report **OR** concise report]³*, was provided to members on *[insert date]*; and
- that the full report was presented to *[a general meeting of members **OR** the last of a series of general meetings of members **OR** a meeting of the committee of management]³* of the reporting unit on *[insert date]*; in accordance with section 266 of the RAO Schedule.

Signature

Date:

¹*RAO regulation 162 prescribes the designated officer for the purpose of RAO schedule s268 as:*

(a) the secretary; or

(b) an officer of the organisation other than the secretary who is authorised by the organisation or by the rules of the organisation to sign the certificate mentioned in that paragraph.

²*Only applicable where a concise report is provided to members*

³*Insert whichever is applicable*



Australian Government
Australian Industrial Registry

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Mr Ronald W Monaghan
Branch Secretary
Liquor, Hospitality and Miscellaneous Union-Queensland Branch
74 Astor Terrace
SPRING HILL QLD 4004

Dear Mr Monaghan

Financial Return - year ending 30 June 2004 Ref: FR2004/568

This letter is intended to remind you of your obligations to provide members with copies of your reporting unit's financial reports for year ended 30 June 2004 and to lodge the reports in the Industrial Registry by no later than 14 January 2005.

Over the past 18 months you would have received from us information about the major changes made by Schedule 1B of the *Workplace Relations Act 1996* ('RAO'²⁹).

Financial Reports

Your reporting unit must prepare or have prepared the following three reports as soon as practicable after its financial year:

1. A General Purpose Financial Report (GPFR);
2. An Operating Report; and
3. An Auditor's Report.

Informing Your Members

Your reporting unit must provide free of charge to the general membership, copies of the abovementioned reports (the "full report"). Under certain circumstances, your reporting unit can provide a more limited concise report. The report must be provided within 5 or 6 months from the end of the financial year, depending on the internal arrangements of the reporting unit for the presentation of its financial reports.

A reporting unit may make application to a Registrar to extend the period within which copies of the full report or concise report are to be provided to members by no more than one month.

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

After providing the full report to members it must be presented to a general meeting of members (the *second meeting*). This meeting must be held within 6 months of the end of the financial year. You may make application to a Registrar to extend this time limit by no more than one month so that the time limit for providing to members copies of the full report or concise report may in turn be extended.

²⁹ Registration and Accountability of Organisations Schedule (RAO) (Schedule 1B to the *Workplace Relations Act 1996*)

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

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

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

If your rules contain a provision that allows up to 5% of members to demand a general meeting to be held to consider the full report (see s266(3)), it is permissible to present the full report directly to a Committee of Management meeting. This meeting must be held within 6 months of the end of the financial year.

There is no provision for extending the time limit for presenting the full report to a committee of management meeting.

Lodge full report within 14 days of meeting

You must lodge a copy of the full report and any concise report in the Industrial Registry within 14 days of the second meeting. Your reporting unit's financial reports should, therefore, be lodged by no later than 14 January 2005.

Contact the Registry

We encourage you to contact the Registry on (02) 8374 6666 or by e-mail at peter.mckerrow@air.gov.au as early as possible if you have any queries. If you have already taken steps to ensure that your reporting unit complies with the time scale requirements of RAO, please ignore this letter.

Information on AIRC Website

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

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

Yours sincerely



Peter McKerrow
for Deputy Industrial Registrar

23 November 2004

National Office
Level 9
187 Thomas Street
Haymarket NSW 2000

Locked Bag 9
Haymarket NSW 1240

Telephone: (02) 8204 7200
Facsimile: (02) 9281 4480
E-mail: lhmu@lhmu.org.au
Web address: www.lhmu.org.au

ABN: 5272 8088 684

Helen Creed
National President

Jeff Lawrence
National Secretary

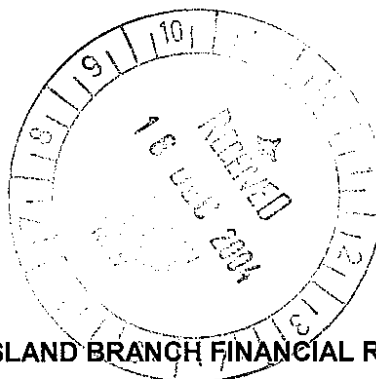
Tim Ferrari
Jo-anne Schofield
Louise Tarrant
Assistant National Secretaries

**Liquor, Hospitality
and Miscellaneous Union**



14 December, 2004

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



Dear Mr Jenkins

re: QUEENSLAND BRANCH FINANCIAL REPORTS

I am writing to lodge the financial reports for the LHMU Queensland Branch for the year ended 30 June 2004. Enclosed is the Branch Full Financial Report including:

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

The financial reports were presented to the Branch Executive meeting on 1 September 2004. The Executive resolved:

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

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

A full report was provided to the meeting of the Queensland Branch Executive on 3rd December and was adopted by that meeting. Also enclosed is a copy of the Branch Secretary's certificate dated 3rd December 2004.

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

If you have any questions please contact me.

Yours faithfully

JEFF LAWRENCE
NATIONAL SECRETARY

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

FINANCIAL REPORTS FOR THE YEAR ENDED 30 JUNE 2004

CERTIFICATE BY SECRETARY OR PRESCRIBED OFFICER

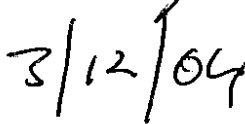
I Ron Monaghan being the Branch Secretary of the Queensland Branch certify:

- That the documents lodged herewith are copies of the full report, referred to in s268 of the RAO Schedule; and
- That the full report was provided to members on 30 November 2004 and
- That the full report was presented to a meeting of the committee of management of the reporting unit on 3rd December 2004; in accordance with section 266 of the RAO Schedule.

Signed



Date:



**AUSTRALIAN LIQUOR, HOSPITALITY AND
MISCELLANEOUS WORKERS UNION
(QUEENSLAND BRANCH)**

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2004**

**Australian Liquor, Hospitality and Miscellaneous Workers Union
(Queensland Branch)**

ABN 69 844 574 256

Contents

Operating report	1
Statement of financial performance	3
Statement of financial position	5
Statement of cash flows	6
Notes to and forming part of the financial statements	7
Committee of management's certificate	24
Independent audit report	25

AUSTRALIAN LIQUOR, HOSPITALITY AND MISCELLANEOUS WORKERS UNION (QUEENSLAND BRANCH)

ABN 69 844 574 256

Operating report

The Committee of Management presents its report together with the financial report of Australian Liquor, Hospitality and Miscellaneous Workers Union (Queensland Branch) for the year ended 30 June 2004 and the auditor's report thereon.

Principal activities

The principal activities of the union during the course of the financial year were to engage in the business of providing industrial representation and service for members.

There were no significant changes in the nature of the activities of the union during the year.

Review and result of operations

The profit from ordinary activities after income tax amounted to \$357,665 (2003: \$507,623).

Members right to resign from the Union

A member of the Union may resign from membership by written notice to the branch to which the member is attached. Resignation from membership of the Union takes effect:

- on the day on which the notice is received by the Union;
 - on the day specified in the notice;
 - at the end of the two (2) weeks after the notice is received by the Union,
- whichever is later.

Trustee of Superannuation Entity

Ronald Monaghan, Shirley Mellor and Irene Monro (officers of the Union) are directors of Host-Plus (Qld) Pty Ltd, Trustee of Intrust.

Shirley Mellor and Irene Monro (officers of the Union) are directors of Club Plus (Qld) Pty Ltd, Trustee of Club Super. Gary Bullock is an alternate director.

Shirley Mellor (officer of the Union) is a director of QIESS Pty Ltd, Trustee of QIEC Super. Gary Bullock is an alternate director.

Except for the above, the Committee are not aware of any officer or member of the Union who is;

- (i) a trustee of a superannuation entity or an exempt public sector superannuation scheme;
or
- (ii) a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme; and

where a criterion for the officer or member being the trustee or director is that the officer or member is an officer or member of a registered organisation.

State of affairs

There were no significant changes in the state of affairs of the Union during the financial year under review.

**AUSTRALIAN LIQUOR, HOSPITALITY AND MISCELLANEOUS
WORKERS UNION (QUEENSLAND BRANCH)**

ABN 69 844 574 256

Operating report (continued)

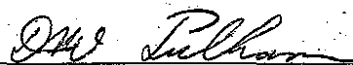
Number of members and employees

The number of members of the Union at 30 June 2004 was 25,563.

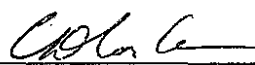
The number of full-time equivalent employees of the Union at 30 June 2004 was 54.

Dated at ~~Brisbane~~ this ~~.....~~ *First* day of ~~.....~~ *SEPTEMBER* 2004.

Signed in accordance with a resolution of the committee of management:



DOUG A.W. LURHAM



CAROL DIAN CORLESS

**AUSTRALIAN LIQUOR, HOSPITALITY AND
MISCELLANEOUS WORKERS UNION (QUEENSLAND BRANCH)**

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2004**

	2004	2003
	\$	\$
Revenue		
<i>Revenue from ordinary activities</i>		
Contributions from members	5,525,088	5,159,859
Dividends received	3,683	-
Interest – other persons	227,991	181,378
Grant income	30,216	-
Profit on disposal of non-current assets	21,165	36,022
Sundry income	<u>32,929</u>	<u>42,010</u>
Total revenue	<u>5,841,072</u>	<u>5,419,269</u>
Expenditure		
<i>Employee expenses</i>		
Annual leave	290,021	271,854
Fringe benefits tax	13,256	13,682
Long service leave	115,314	34,440
Payroll tax	125,231	101,345
Salaries and allowances		
Officials	157,565	188,329
Others	1,627,189	1,585,104
Superannuation	<u>308,821</u>	<u>279,304</u>
	<u>2,637,397</u>	<u>2,474,058</u>
<i>Depreciation expenses</i>		
Office furniture and equipment	36,365	33,237
Motor vehicles	126,333	119,590
Building improvements	7,370	7,371
Buildings	<u>56,424</u>	<u>56,424</u>
	<u>226,492</u>	<u>216,622</u>
<i>Other expenses from ordinary activities</i>		
Affiliation fees	201,746	208,985
Arbitration fees and awards	5,005	3,270
Attendance fees and tea money	9,113	9,345
Audit and accountancy fees	37,435	30,850
Commission – payroll deductions	157,944	154,763
Computer expenses	13,046	10,567
Donations	37,700	6,585
Education and training	29,338	(12,647)
Federal Council - sustentation fees	939,265	878,177
General administration expenses	43,787	37,733

The statement of financial performance is to be read in conjunction with the notes to the financial statements set out on pages 7 to 23.

**AUSTRALIAN LIQUOR, HOSPITALITY AND
MISCELLANEOUS WORKERS UNION (QUEENSLAND BRANCH)**

**STATEMENT OF FINANCIAL PERFORMANCE (continued)
FOR THE YEAR ENDED 30 JUNE 2004**

	2004	2003
	\$	\$
<i>Other expenses from ordinary activities (continued)</i>		
Legal assistance - members	280,168	84,276
Magazine expenses	69,840	77,850
Meeting and conference expenses	34,559	16,889
Motor vehicle expenses	106,433	106,492
Organising expenses and accommodation	55,835	88,513
Overhead expenses – telephone, electricity and insurance	201,947	231,808
Postage, printing and stationary	164,277	121,106
Property expenses	35,385	20,090
Rates	21,380	26,420
Rent	28,149	24,279
Repairs and maintenance	41,603	31,729
Subscriptions and publications	31,220	21,526
Travel expenses	<u>74,343</u>	<u>42,360</u>
	<u>2,619,518</u>	<u>2,220,966</u>
Total expenditure	<u>5,483,407</u>	<u>4,911,646</u>
Profit from ordinary activities before related income tax expense	357,665	507,623
Income tax expenses from ordinary activities (Note 1(d))	-	-
Net profit	<u>357,665</u>	<u>507,623</u>

The statement of financial performance is to be read in conjunction with the notes to the financial statements set out on pages 7 to 23.

**AUSTRALIAN LIQUOR, HOSPITALITY AND
MISCELLANEOUS WORKERS UNION (QUEENSLAND BRANCH)**

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2004**

	Note	2004 \$	2003 \$
Current assets			
Cash assets	7	874,467	143,039
Receivables	8	361,107	163,808
Other financial assets	9	3,486,830	4,005,776
Other	10	<u>145,528</u>	<u>27,020</u>
Total current assets		<u>4,867,932</u>	<u>4,339,643</u>
Non-current assets			
Property, plant and equipment	6	1,696,849	1,741,086
Other financial assets	9	<u>110,020</u>	<u>110,020</u>
Total non-current assets		<u>1,806,869</u>	<u>1,851,106</u>
Total assets		<u>6,674,801</u>	<u>6,190,749</u>
Current liabilities			
Payables	11	606,002	562,511
Interest-bearing liabilities	12	5,431	-
Provisions	13	<u>479,687</u>	<u>435,427</u>
Total current liabilities		<u>1,091,120</u>	<u>997,938</u>
Non-current liabilities			
Provisions	13	<u>97,718</u>	<u>76,113</u>
Total non-current Liabilities		<u>97,718</u>	<u>76,113</u>
Total liabilities		<u>1,188,838</u>	<u>1,074,051</u>
Net assets		<u>5,485,963</u>	<u>5,116,698</u>
Equity			
Reserves	4	272,795	272,795
Retained profits	5	<u>5,213,168</u>	<u>4,843,903</u>
Total equity		<u>5,485,963</u>	<u>5,116,698</u>

The statement of financial position is to be read in conjunction with the notes to the financial statements set out on pages 7 to 23.

**AUSTRALIAN LIQUOR, HOSPITALITY AND
MISCELLANEOUS WORKERS UNION (QUEENSLAND BRANCH)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2004**

	Note	2004 \$	2003 \$
Cash flows from operating activities			
Cash receipts in the course of operations		5,956,032	5,590,888
Cash payments in the course of operations		(5,714,440)	(5,203,977)
Dividends received		3,683	-
Interest received		<u>211,266</u>	<u>181,378</u>
Net cash provided by operating activities	15	<u>456,541</u>	<u>568,289</u>
Cash flows from investing activities			
Payments for property, plant and equipment		(196,452)	(261,061)
Deposit on acquisition of land and buildings (acquisition settled subsequent to balance date)		(100,000)	-
Proceeds on disposal of property, plant and equipment		35,362	66,409
Payments for investments		-	(809,378)
Proceeds from redemption of investments		262,553	-
Proceeds on amalgamation with Queensland Blind Workers Union of Employees		<u>11,600</u>	<u>-</u>
Net cash used in investing activities		<u>13,063</u>	<u>(1,004,030)</u>
Net increase/(decrease) in cash held		469,604	(435,741)
Cash at the beginning of the financial year		<u>399,432</u>	<u>835,173</u>
Cash at the end of the financial year	15	<u>869,036</u>	<u>399,432</u>

The statement of cash flows is to be read in conjunction with the notes to the financial statements set out on pages 7 to 23.

AUSTRALIAN LIQUOR, HOSPITALITY AND
MISCELLANEOUS WORKERS UNION (QUEENSLAND BRANCH)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies which have been adopted in the preparation of this financial report are:

(a) **Basis of preparation**

The financial report is a general purpose financial report which has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the Workplace Relations Act 1996.

It has been prepared on the basis of historical costs and except where stated, does not take into account changing money values or fair values of assets.

These accounting policies have been consistently applied and are consistent with those of the previous year.

(b) **Revenue recognition**

Revenues are recognised at fair value of the consideration received net of the amount of goods and services tax (GST) payable to the taxation authority.

Contribution revenue

Contributions are accounted for on a cash receipts basis to recognise the basis on which fees are due and payable. Amounts are recognised net of goods and services tax (GST).

Interest income

Interest income is recognised as it accrues, taking into account the effective yield of the financial asset.

Sale of non-current assets

The gross proceeds of non-current asset sales are included as revenue at the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed.

The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

Dividends

Revenue from dividends from investments in other entities is recognised when received.

**AUSTRALIAN LIQUOR, HOSPITALITY AND
MISCELLANEOUS WORKERS UNION (QUEENSLAND BRANCH)**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or part of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investments and financing activities which are recoverable from, or payable to, ATO are classified as operating cash flows.

(d) Taxation

The Union is exempt from income tax under ITAA97 Section 50-15.

(e) Acquisition of assets

All assets acquired including property, plant and equipment are initially recorded at their cost of acquisition at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition.

(f) Cash assets

Cash assets are carried at face value of the amounts deposited. The carrying amounts of cash assets approximates net fair value.

(g) Receivables

Bad debts are written off in the period in which they are identified. The carrying amount of receivables approximates net fair value.

AUSTRALIAN LIQUOR, HOSPITALITY AND
MISCELLANEOUS WORKERS UNION (QUEENSLAND BRANCH)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Other financial assets

Bank deposits

Bank deposits are carried at face value of the amount deposited. The carrying amounts approximate fair value.

Other entities

Investments in other entities are carried at the lower of cost and recoverable amount.

The net fair value of listed shares, which are traded in an organised financial market is determined by valuing them at their quoted market bid price, adjusted for transaction costs necessary to realise the assets.

Units in Unit Trusts

Units in Unit Trusts that hold investment property are held for the purpose of returning rental income and capital appreciation.

The units are carried at cost. The Union is of the opinion that cost approximates fair value.

(i) Recoverable amount of non-current asset valued on a cost basis

The carrying amounts of non-current assets valued on the cost basis are reviewed to determine whether they are in excess of their recoverable amount at balance date. If the carrying amount of a non-current asset exceeds the recoverable amount, the asset is written down to the lower amount. The write down is expensed in the reporting period in which it occurs.

In assessing recoverable amounts of non-current assets, the relevant cash flows have not been discounted to their present value.

(j) Property plant and equipment

Revaluations

Until 30 June 2000, land and buildings were stated at independent valuation and cost. The independent valuation was carried out on 9 May 1985 by John A Meldrum, F.R.E.I., A.A.I.V., S.C.V. On applying revised AAS 38 Revaluation of Non-current Assets, with effect from 1 July 2000, the Union elected to revert to the cost basis for measuring all land and buildings. The Union chose this option because it considered the cost of complying with the alternative policy permitted by AAS 38 of revaluing land and buildings with sufficient regularity to ensure that the carrying amount of each item does not materially differ from its fair value at the reporting date would exceed the benefits that would be gained.

**AUSTRALIAN LIQUOR, HOSPITALITY AND
MISCELLANEOUS WORKERS UNION (QUEENSLAND BRANCH)**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Property plant and equipment (continued)

Useful life

All non current assets, with the exception of freehold land and investment properties, have limited useful lives and are depreciated using straight line method over their estimated useful lives.

Assets are depreciated from the date of acquisition.

Depreciation rates and methods are reviewed annually for appropriateness. When changes are made, adjustments are reflected prospectively in current and future periods only. Depreciation is expensed.

The depreciation rates used for each class of asset are as follows:

	2004	2003
■ buildings	3.33%	3.33%
■ building improvements	4%	4%
■ office furniture and equipment	20-25%	25%
■ library	20%	20%
■ motor vehicles	25%	25%

(k) Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received. The carrying amount of payables approximates fair value.

(l) Employee benefits

The carrying amount of provisions for employee entitlements approximates net fair value.

Wages, salaries and annual leave

Liabilities for employee benefits for wages, salaries and annual leave expected to be settled within 12 months of the year-end represent present obligations resulting from employees' services provided to reporting date, calculated at undiscounted amounts based on remuneration wage and salary rates that the union expects to pay including related on-costs.

Long service leave

The provision for employee benefits to long service leave represents the present value of the estimated future cash outflows to be made resulting from employees' services provided to reporting date.

The provision is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates based on turnover history and is discounted using the rates attaching to national government bonds at balance date which most closely match the terms of maturity of the related liabilities. The unwinding of the discount is treated as a long service leave expense.

Superannuation Plan

The Union contributes to a defined contribution employee superannuation plan. Superannuation contributions are recognised as an expense as they are made.

**AUSTRALIAN LIQUOR, HOSPITALITY AND
MISCELLANEOUS WORKERS UNION (QUEENSLAND BRANCH)**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Nature of the entity

The Australian Liquor, Hospitality and Miscellaneous Workers Union is an industrial union of employees registered at both State and Federal levels. The Queensland Branch has its principal place of business at 74 Astor Terrace, Brisbane. At balance date the Queensland Branch had 54 (2003:52) full time equivalent employees.

(n) Reclassification of Financial Information

Some line items and subtotals reported in the previous financial period have been reclassified and repositioned in the financial statements.

2A WORKPLACE RELATIONS ACT 1996

In accordance with the requirements of the Workplace Relations Act 1996, the attention of members is drawn to the provisions of subsections (1), (2), (3) and (4) of section 272 of Schedule 1B of the Act, which reads as follows:

- (1) A member of a reporting unit, or a Registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be made 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).
- (4) A Registrar may only make an application under subsection (1) at the request of a member of the reporting unit concerned, and the Registrar shall provide to a member, information received because of an application made at the request of the member.

2B UNION PROPERTY AND FUNDS

The rules of the Union provide that all property and assets are held in the name of the Union. This particularly applies to property acquired from Branch funds but which is registered in the name of the Union. Branch funds themselves form part of the property of the Union.

The Union policy is for assets and property acquired from Branch funds to be accounted for in the financial statements of the Branch from whose funds the assets were acquired.

Similarly, all income received by a Branch (whether in the form of entrance fees, contributions, fines, fees, levies, dues or penalties or by way of investments and the like) is accounted for in the financial statements of that Branch.

**AUSTRALIAN LIQUOR, HOSPITALITY AND
MISCELLANEOUS WORKERS UNION (QUEENSLAND BRANCH)**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

	2004	2003
	\$	\$
3 REVENUE FROM ORDINARY ACTIVITIES		
Contributions from members	<u>5,525,088</u>	<u>5,159,859</u>
Other revenues		
<i>From operating activities</i>		
Dividends – other parties	3,683	-
Interest – other parties	227,991	181,378
Grant income	30,216	-
Sundry income	32,929	42,010
<i>From outside operating activities</i>		
Gross proceeds from sale of non current assets	<u>47,862</u>	<u>66,409</u>
Total other revenues	<u>342,681</u>	<u>289,797</u>
Total revenue from ordinary activities	<u>5,867,769</u>	<u>5,449,656</u>
4 ASSET REVALUATION RESERVE		
Library	2,374	2,374
Astor Terrace, Spring Hill	<u>270,421</u>	<u>270,421</u>
	<u>272,795</u>	<u>272,795</u>
There were no movements during the year.		
5 RETAINED PROFITS		
Retained profits at beginning of year	4,843,903	4,336,280
Impact of amalgamation with the Queensland Blind Workers Union of Employees	11,600	-
Net profit	<u>357,665</u>	<u>507,623</u>
Retained profits at end of year	<u>5,213,168</u>	<u>4,843,903</u>

**AUSTRALIAN LIQUOR, HOSPITALITY AND
MISCELLANEOUS WORKERS UNION (QUEENSLAND BRANCH)**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

	2004 \$	2003 \$
6 PROPERTY PLANT AND EQUIPMENT		
Land and buildings, Astor Terrace		
Land - at cost	<u>373,000</u>	<u>373,000</u>
Buildings - at cost	1,692,732	1,692,732
Less: Accumulated depreciation	<u>(915,083)</u>	<u>(858,659)</u>
	<u>777,649</u>	<u>834,073</u>
Building improvements - at cost	184,252	184,252
Less: Accumulated depreciation	<u>(77,461)</u>	<u>(70,091)</u>
	<u>106,791</u>	<u>114,161</u>
Total written down value of land and buildings	<u>1,257,440</u>	<u>1,321,234</u>
Office furniture and equipment		
At cost	183,423	133,540
Less: Accumulated depreciation	<u>(94,821)</u>	<u>(58,456)</u>
	<u>88,602</u>	<u>75,084</u>
Library		
At cost	35,310	35,310
Less: Accumulated depreciation	<u>(35,310)</u>	<u>(35,310)</u>
	<u>-</u>	<u>-</u>
Motor vehicles		
Motor vehicles at cost	507,575	536,458
Less: Accumulated depreciation	<u>(227,222)</u>	<u>(191,690)</u>
	<u>280,353</u>	<u>344,768</u>
Capital works in progress		
At cost	<u>70,454</u>	<u>-</u>
Total property, plant and equipment	<u>1,696,849</u>	<u>1,741,086</u>

Valuations of land and buildings

The Committee of Management of the Union carried out a valuation of the LHMU's freehold land and buildings at Astor Terrace as at 30 June 2004 on the basis of open market values resulting in a valuation of \$3,300,000. As land and buildings are recorded at cost, the valuation has not been brought to account.

**AUSTRALIAN LIQUOR, HOSPITALITY AND
MISCELLANEOUS WORKERS UNION (QUEENSLAND BRANCH)**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

	2004	2003
	\$	\$
6 PROPERTY PLANT AND EQUIPMENT (continued)		
Reconciliations		
Reconciliations of the carrying amounts for each class of property, plant and equipment are set out below:		
<i>Buildings and building improvements</i>		
Carrying amount at beginning of year	948,234	1,012,029
Depreciation	<u>(63,794)</u>	<u>(63,795)</u>
Carrying amounts at end of year	<u>884,440</u>	<u>948,234</u>
<i>Office furniture and equipment</i>		
Carrying amount at beginning of year	75,084	101,386
Additions	49,883	6,935
Depreciation	<u>(36,365)</u>	<u>(33,237)</u>
Carrying amount at end of year	<u>88,602</u>	<u>75,084</u>
<i>Motor vehicles</i>		
Carrying amount at beginning of year	344,768	240,629
Additions	88,616	254,016
Disposals	(26,698)	(30,287)
Depreciation	<u>(126,333)</u>	<u>(119,590)</u>
Carrying amount at end of year	<u>280,353</u>	<u>344,768</u>
<i>Capital works in progress</i>		
Carrying amount at beginning of year	-	-
Additions	<u>70,454</u>	-
Carrying amount at end of year	<u>70,454</u>	-
7 CASH ASSETS		
Cash on hand	1,530	1,530
Current account	-	10,382
Cash management account	856,019	125,833
Long service leave fund CBA	5,318	5,294
Queensland Blind Workers Union of Employees	<u>11,600</u>	-
	<u>874,467</u>	<u>143,039</u>

**AUSTRALIAN LIQUOR, HOSPITALITY AND
MISCELLANEOUS WORKERS UNION (QUEENSLAND BRANCH)**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

	2004	2003
	\$	\$
8 RECEIVABLES		
LHMU – National Office	241,592	105,000
Sundry receivables	<u>125,515</u>	<u>58,800</u>
	<u>361,107</u>	<u>163,808</u>
9 OTHER FINANCIAL ASSETS		
<i>Current</i>		
Fixed deposit - Union Co-Operative Society Ltd	<u>-</u>	<u>256,393</u>
	<u>-</u>	<u>256,393</u>
Bank bill - cash management	3,485,680	3,748,233
Shares – listed at cost	850	850
Shares – unlisted at cost	<u>300</u>	<u>300</u>
	<u>3,486,830</u>	<u>3,749,383</u>
	<u>3,486,830</u>	<u>4,005,776</u>
<i>Non-current</i>		
Units in Unlisted Trusts:		
- Trades and Labour Council of Queensland Building Trust Rockhampton	50,020	50,020
- The QCU Bundaberg Unit Trust	<u>60,000</u>	<u>60,000</u>
	<u>110,020</u>	<u>110,020</u>
10 OTHER CURRENT ASSETS		
Deposits	100,200	200
Prepayments	31,008	26,820
Accrued interest	<u>14,320</u>	<u>-</u>
	<u>145,528</u>	<u>27,020</u>
11 PAYABLES		
Sundry creditors	537,892	467,841
GST payable	<u>68,110</u>	<u>94,670</u>
	<u>606,002</u>	<u>562,511</u>
12 INTEREST-BEARING LIABILITIES		
<i>Current</i>		
Bank overdraft	<u>5,431</u>	<u>-</u>

**AUSTRALIAN LIQUOR, HOSPITALITY AND
MISCELLANEOUS WORKERS UNION (QUEENSLAND BRANCH)**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

	2004	2003
	\$	\$
13 PROVISIONS		
Current		
Provision for annual leave	210,358	228,257
Provision for long service leave	<u>269,329</u>	<u>207,170</u>
	<u>479,687</u>	<u>435,427</u>
Non-current		
Provision for long service leave	<u>97,718</u>	<u>76,113</u>
	<u>97,718</u>	<u>76,113</u>
Employee benefits		
Aggregate liability for employee benefits including on costs		
<i>Current</i>	479,687	435,427
<i>Non-current</i>	<u>97,718</u>	<u>76,113</u>
	<u>577,405</u>	<u>511,540</u>
<p>The present values of employee entitlements not expected to be settled within twelve months of reporting date have been calculated using the following weighted averages:</p>		
Assumed rate increase in wage and salary rates (%)	4	-
Discount rate (%)	6	-
Settlement term (years)	10	-
<p>The number of officers and employees in respect of whom the above provisions consist is as follows:</p>		
Provision for annual leave	54	49
Provision for long service leave	<u>54</u>	<u>24</u>

**AUSTRALIAN LIQUOR, HOSPITALITY AND
MISCELLANEOUS WORKERS UNION (QUEENSLAND BRANCH)**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

13 ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURES

(a) Interest rate risk

The Union's exposure to interest rate risk and the effective weighted average interest rates for classes of financial assets and financial liabilities is set out below.

	Floating interest rates	Fixed interest rates 1 year or less	Non interest bearing	Total
2004				
Financial assets				
Cash	872,937	-	1,530	874,467
Receivables	-	-	361,107	361,107
Investments	-	3,485,680	111,170	3,596,850
	<u>872,937</u>	<u>3,485,680</u>	<u>473,807</u>	<u>4,832,424</u>
Weighted average interest rates	4.60%	5.37%	-	-
Financial liabilities				
Payables	-	-	606,002	606,002
Employee benefits	577,405	-	-	577,405
Bank overdraft	5,431	-	-	5,431
	<u>582,836</u>	<u>-</u>	<u>606,002</u>	<u>1,188,838</u>
Weighted average interest rates	6.00%	-	-	-
2003				
Financial assets				
Cash	141,509	-	1,530	143,039
Receivables	-	-	163,808	163,808
Investments	-	4,004,626	111,170	4,115,796
	<u>141,509</u>	<u>4,004,626</u>	<u>276,508</u>	<u>4,422,643</u>
Weighted average interest rates	4.34%	4.62%	-	-
Financial liabilities				
Payables	-	-	562,511	562,511
Employee benefits	-	-	511,540	511,540
	<u>-</u>	<u>-</u>	<u>1,074,051</u>	<u>1,074,051</u>

(b) Credit risk exposures

Credit risk represents the loss that would be recognised if counter parties failed to perform as contracted.

The credit risk on financial assets, excluding investments, of the Union which have been recognised on the statement of financial position, is the carrying amount, net of provision for doubtful debts.

The credit risk on investments is minimised as counter parties are substantially recognised financial intermediaries with acceptable credit ratings determined by a recognised rating agency.

**AUSTRALIAN LIQUOR, HOSPITALITY AND
MISCELLANEOUS WORKERS UNION (QUEENSLAND BRANCH)**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

14 ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURES (cont)

(c) Net fair value of financial assets and liabilities

The Committee of Management consider the carrying amount of financial assets and liabilities approximates their net fair value.

15 NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of cash

For the purposes of the statement of cash flows, cash includes cash on hand and at banks and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	2004	2003
	\$	\$
Cash on hand (Note 7)	1,530	1,530
Current account (Note 7)	-	10,382
Deposits at call (Note 7)	861,337	387,520
Queensland Blind Workers Union of Employees (Note 7)	11,600	-
Bank overdraft (Note 12)	<u>(5,431)</u>	<u>-</u>
	<u>869,036</u>	<u>399,432</u>
 Reconciliation of profit from ordinary activities after income tax to net cash provided by operating activities		
Profit from ordinary activities after income tax	357,665	507,623
<i>Add/(less) items classified as investing activities:</i>		
Profit on sale of non current assets	(21,165)	(36,022)
<i>Add/(less) non cash items:</i>		
Depreciation - Office furniture	36,365	33,237
- Motor vehicles	126,333	119,590
- Building improvements	7,370	7,371
- Buildings	56,424	56,424
Amounts set aside to provisions	<u>65,865</u>	<u>6,879</u>
Net cash provided by operating activities before changes in assets and liabilities	628,857	695,102
<i>Changes in assets and liabilities:</i>		
(Increase)/decrease in receivables	(197,299)	(131,676)
(Increase)/decrease in prepayments	(4,188)	(8,957)
(Increase)/decrease in accrued interest	(14,320)	-
(Decrease)/increase in payables	<u>43,491</u>	<u>13,820</u>
Net cash provided by operating activities	<u>456,541</u>	<u>568,289</u>

**AUSTRALIAN LIQUOR, HOSPITALITY AND
MISCELLANEOUS WORKERS UNION (QUEENSLAND BRANCH)**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

15 NOTES TO THE STATEMENT OF CASH FLOWS (continued)

Non-cash financing and investing activities

During the financial year the Union traded in a motor vehicle for the value of \$12,500 and in conjunction with the acquisition of another motor vehicle. This trade-in and acquisition is not reflected in the statement of cash flows.

	2004-	2003-
	\$	\$
16 COMMITMENTS		
Capital expenditure commitments		
<i>Library assets</i>		
Contracted but not provided for and payable:		
Within one year	<u>70,455</u>	<u>-</u>
	<u>70,455</u>	<u>-</u>
Non-cancellable operating lease expense commitments		
Future operating lease rentals not provided for in the financial statements and payable:		
Within one year	13,416	14,686
Later than one year but not later than five years	<u>2,236</u>	<u>17,220</u>
	<u>15,652</u>	<u>31,906</u>
The union leases property under non-cancellable operating leases expiring within two years.		

17 RELATED PARTIES

The persons holding the position of elected officials of the Union at anytime during the year ended 30 June 2004:

Shirley A Mellor
Irene Monro

Ronald W Monaghan
Gary Bullock

Officers' remuneration

Total salary and wages (\$196,620) and superannuation (\$28,618) and benefits (\$31,600) paid or payable, or otherwise made available to all officers from the Union or any related party

256,838

**AUSTRALIAN LIQUOR, HOSPITALITY AND
MISCELLANEOUS WORKERS UNION (QUEENSLAND BRANCH)**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

17 RELATED PARTIES (continued)

Other related party transactions

During the year ended 30 June 2004 the Union made affiliation fee payments to the Federal Office and to the Queensland Council of Unions. These payments are detailed in the Statement of financial performance on pages 3 and 4 of these financial statements.

Included in receivables is an amount receivable from the Federal Office of \$241,592 (2003: \$105,000) to cover the cost of organising co-ordinators, and an amount receivable from the Northern Territory Branch of \$4,367 (2003: nil) to cover the costs of a Northern Territory Branch employee.

Included in sundry creditors is an amount payable to the Federal Office of \$224,689 (2003: \$217,018).

18 AUDITORS REMUNERATION

Audit services:		
Auditors of the Union - KPMG	18,450	18,450
Other services:		
Auditors of the Union - KPMG	<u>18,985</u>	<u>12,400</u>
	<u>37,435</u>	<u>30,850</u>

19 SEGMENT REPORTING

The Union operates to support its members through providing industrial representation and service for members within Queensland. The provision of industrial representation and service is the only business segment of the Union. The Union operates only within Queensland.

20 EVENTS SUBSEQUENT TO REPORTING DATE

Purchase of land and buildings

Since 30 June 2004, the Union has acquired the land and buildings at 27 Peel Street, South Brisbane, Queensland. Consideration provided for the acquisition was \$6,250,000.

The financial effects of the above transaction have not been brought to account in the financial statements for the year ended 30 June 2004.

**AUSTRALIAN LIQUOR, HOSPITALITY AND
MISCELLANEOUS WORKERS UNION (QUEENSLAND BRANCH)**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

20 EVENTS SUBSEQUENT TO REPORTING DATE (continued)

Loans

Since 30 June 2004, the Union has entered into a loan agreement with the Victorian Branch has received funds under the loan agreement of \$3,250,000 to finance the acquisition of the land and buildings at 27 Peel Street, South Brisbane, Queensland, described above.

The loan agreement includes the following terms:

- Interest only loan payable one month in arrears
- Interest is accrued at the rate of 6.25 percent per annum
- Repayment of the principle is due on 9 July 2005.

International Financial Reporting Standards

For reporting periods beginning on or after 1 January 2005, the Union must comply with International Financial Reporting Standards (IFRS) as issued by the Australian Accounting Standards Board.

This financial report has been prepared in accordance with Australian accounting standards and other financial reporting requirements (Australian GAAP). The differences between Australian GAAP and IFRS identified to date as potentially having a significant effect on the Union's financial performance and financial position are summarised below. The summary should not be taken as an exhaustive list of all the differences between Australian GAAP and IFRS. No attempt has been made to identify all disclosure, presentation or classification differences that would affect the manner in which transactions or events are presented.

The Union has not quantified the effects of the differences discussed below. Accordingly, there can be no assurances that the financial performance and financial position as disclosed in this financial report would not be significantly different if determined in accordance with IFRS.

Regulatory bodies that promulgate Australian GAAP and IFRS have significant ongoing projects that could affect the differences between Australian GAAP and IFRS described below and the impact of these differences relative to the Union's financial reports in the future. The potential impacts on the Union's financial performance and financial position of the adoption of IFRS, including system upgrades and other implementation costs which may be incurred, have not been quantified as at the transition date of 1 July 2004 due to the short timeframe between finalisation of the IFRS standards and the date of preparing this report. The impact on future years will depend on the particular circumstances prevailing in those years.

The Union is currently in the process of establishing a formal implementation project team to achieve transition to IFRS reporting, which is expected to perform the following three project phases as described below.

AUSTRALIAN LIQUOR, HOSPITALITY AND
MISCELLANEOUS WORKERS UNION (QUEENSLAND BRANCH)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004

20 EVENTS SUBSEQUENT TO REPORTING DATE (continued)

Assessment and planning phase

The assessment and planning phase aims to produce a high level overview of the impacts of conversion to IFRS reporting on existing accounting and reporting policies and procedures, systems and processes, business structures and staff.

This phase includes:

- High level identification of the key differences in accounting policies and disclosures that are expected to arise from adopting IFRS
- Assessment of new information requirements affecting management information systems, as well as the impact on the business and its key processes
- Evaluation of the implications for staff, for example training requirements
- Preparation of a conversion plan for expected changes to accounting policies, reporting structures, systems, accounting and business processes and staff training.

Design phase

The design phase aims to formulate the changes required to existing accounting policies and procedures and systems and processes in order to transition to IFRS. The design phase will incorporate:

- Formulating revised accounting policies and procedures for compliance with IFRS requirements
- Identifying potential financial impacts as at the transition date and for subsequent reporting periods prior to adoption of IFRS
- Developing revised IFRS disclosures
- Designing accounting and business processes to support IFRS reporting obligations
- Identifying and planning required changes to financial reporting and business source systems
- Developing training programs for staff.

Implementation phase

The implementation phase will include implementation of identified changes to accounting and business procedures, processes and systems and operational training for staff. It will enable the Union to generate the required disclosures of AASB 1 as it progresses through its transition to IFRS.

The Union has not yet commenced the implementation phase. However, the Union expects this phase to be substantially complete by 30 June 2005.

**AUSTRALIAN LIQUOR, HOSPITALITY AND
MISCELLANEOUS WORKERS UNION (QUEENSLAND BRANCH)**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

20 EVENTS SUBSEQUENT TO REPORTING DATE (continued)

Potential implications of the conversion to IFRS

The key potential implications of the conversion to IFRS on the Union are as follows:

- Financial instruments must be recognised in the statement of financial position and all derivatives and most financial assets must be carried at fair value
- Impairment of assets will be determined on a discounted basis, with strict tests for determining whether cash-generating operations have been impaired.
- Changes in accounting policies will be recognised by restating comparatives rather than making current year adjustments with note disclosure of prior year effects.

21 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Litigation

There are a number of outstanding legal actions against the Union. The Union is not aware of any circumstance or information which would lead them to believe that liabilities will crystallise and consequently no provisions are included in the financial statements. Furthermore, the Union believes that no amount is required as a contingent liability as they are confident the claims will be successfully defended.

Put option

The Union entered into an option agreement prior to balance date that granted the vendor of the property (at 30 June 2004) at 27 Peel Street, South Brisbane the irrevocable right to require the Union to purchase the property for \$6,250,000, if exercised prior to expiry.

This represents a contingent liability to purchase the property for \$6,250,000 and a contingent asset for the recognition of the property.

The put option was not exercised by the vendor as the Union exercised its' call option (subsequent to balance date) to purchase the property for \$6,250,000, as set out below.

Call option

The Union entered into an option agreement prior to balance date that granted the Union the irrevocable right to purchase the property at 27 Peel Street, South Brisbane, for \$6,250,000 subsequent balance date.

The Union exercised this option and acquired the property subsequent to balance date, as set out in Note 20.

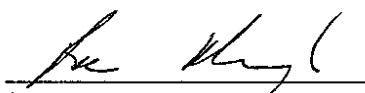
**AUSTRALIAN LIQUOR, HOSPITALITY AND
MISCELLANEOUS WORKERS UNION (QUEENSLAND BRANCH)**

COMMITTEE OF MANAGEMENT'S STATEMENT

On ~~15 September 2004~~ ²⁰⁰⁴ the Committee of Management of Australian Liquor, Hospitality and Miscellaneous Workers Union (Queensland Branch) passed the following resolution in relation to the general purpose financial report (GPFR) of the Branch for the financial year ended 30 June 2004:

The Committee of Management declares in relation to the GPFR that in its opinion:

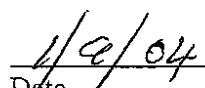
- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year ended 30 June 2004;
- (d) there are reasonable grounds to believe that the Branch will be able to pay its debts as and when become due and payable;
- (e) during the financial year ended 30 June 2004 and since the end of that year:
 - (i) meetings of the Committee of Management were held in accordance with the rules of the organisation including the rules of the Branch; and
 - (ii) the financial affairs of the Branch have been managed in accordance with the rules of the organisation including the rules of the Branch; and
 - (iii) the financial records of the Branch have been kept and maintained in accordance with Schedule 1B to the Workplace Relations Act 1996 and the Workplace Relations (Registration and Accountability of Organisations) Regulations 2003; and
 - (iv) the financial records of the Branch have been kept, as far as practicable, in a consistent manner to each of the other Branches and National Council of the organisation; and
 - (v) the information sought in any request of a member of the Branch or a Registrar duly made under section 272 of Schedule 1B to the Workplace Relations Act 1996 has been furnished to the member or Registrar; and
 - (vi) there has been compliance with any order for inspection of financial records made by the Commission under section 273 of Schedule 1B to the Workplace Relations Act 1996.



Signature

Ron Monaghan

Title of Office held: Secretary



Date

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
AUSTRALIAN LIQUOR, HOSPITALITY AND
MISCELLANEOUS WORKERS UNION (QUEENSLAND BRANCH)**

Scope

The financial report and the Committee of Management's responsibility

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements, and the committee of management's statement for the Australian Liquor, Hospitality and Miscellaneous Workers Union (Queensland Branch) (the "Branch"), for the year ended 30 June 2004.

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

Audit approach

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

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

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

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Committee of Management and the Secretary of the Branch.

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

Independence

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


Audit opinion

In our opinion, the financial report of the Australian Liquor, Hospitality and Miscellaneous Workers Union (Queensland Branch) is in accordance with:

- a) the Workplace Relations Act 1996, including:
 - i. giving a true and fair view of the Branch's financial position as at 30 June 2004 and of its performance for the financial year ended on that date; and
 - ii. complying with Accounting Standards in Australia; and
 - iii. complying with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of Schedule 1B of the Act; and
- b) other mandatory financial reporting requirements in Australia.

KPMG

KPMG



M J Fitzpatrick
Partner

Brisbane

15th September, 2004



Australian Government
Australian Industrial Registry

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

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

Dear Mr Lawrence

**Re: Lodgement of Financial Statements and Accounts for the LHMU Queensland Branch for
the year ending 30 June 2004 (FR2004/568)**

Receipt is acknowledged of the abovementioned financial statements and accounts which were lodged in the Registry on 16 December 2004.

The documents have been filed, however, I would like to draw the following to your attention for future reference:

Operating Report

The operating report omitted to state the name of each person who has been a member of the committee of management of the Branch at any time during the financial year, and the period he or she held such a position. This information is prescribed under regulation 159(c) of the RAO Regulations. Please ensure that this information is included in future.

Thank you for your attention to this matter. If you have any enquiries about this letter please contact me on 02 8374 6618.

Yours sincerely,

A handwritten signature in cursive script that reads "Belinda Penna".

Belinda Penna
for Deputy Industrial Registrar

24 January 2005