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Helen Creed
National President

Jeff Lawrence
National Secretary

Tim Ferrari
Louise Tarrant
Assistant National Secretaries

Liquor, Hospitality
and Miscellaneous Union



16 December, 2005

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

Dear Mr Jenkins

re: SOUTH AUSTRALIAN BRANCH FINANCIAL REPORTS

I am writing to lodge the financial reports for the LHMU South Australian Branch for the year ended 30 June 2005. Enclosed is the Branch Full Financial Report including:

- The Committee of Management Statement signed by the Branch Secretary.
- The Operating Report signed by the Branch Secretary.
- 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 23 August 2005. 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 South Australian Branch Executive on 13 December and was adopted by that meeting. Also enclosed is a copy of the Branch Secretary's certificate dated 14th December 2005.

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

If you have any questions please contact me.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Jeff Lawrence', is written over the typed name.

**JEFF LAWRENCE
NATIONAL SECRETARY**

19 DEC 2005

LIQUOR HOSPITALITY AND MISCELLANEOUS UNION

SOUTH AUSTRALIAN BRANCH

**FULL FINANCIAL REPORT
FOR THE YEAR ENDED
30TH JUNE 2005**

**LIQUOR HOSPITALITY AND MISCELLANEOUS UNION
SOUTH AUSTRALIAN BRANCH**

COMMITTEE OF MANAGEMENT'S STATEMENT

I, Mark Christopher Butler being a designated officer of the Liquor Hospitality and Miscellaneous Union, South Australian Branch, report that the Committee of Management of the branch at a meeting of the Committee held on 23rd August, 2005 resolved that the following declarations, passed by the Committee at the meeting, in relation to the financial report of the branch for the year ending 30th June 2005 be included in the financial report.

In the opinion of the Committee of Management:

1. the financial report complies with the Australian Accounting Standards;
2. the financial report complies with the reporting guidelines of the Industrial Registrar;
3. the financial report gives a true and fair view of the financial performance, financial position and cash flows of the branch for the financial year ended 30th June 2005;
4. 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
5. during the financial year ended 30th June 2005 and since the end of the financial year:
 - (1) meetings of the Committee of Management were held in accordance with the rules of the organization and the rules of the branch; and
 - (2) the financial affairs of the branch have been managed in accordance with the rules of the organization and the rules of the branch; and
 - (3) 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
 - (4) 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 organization; and
 - (5) 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 of Registrar; and
 - (6) 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.

Signed:.....


Mark Butler, Branch Secretary

Dated:.....

23rd August 2005

LIQUOR HOSPITALITY AND MISCELLANEOUS UNION SOUTH AUSTRALIAN BRANCH

OPERATING REPORT

This Operating Report covers the activities of the Liquor Hospitality and Miscellaneous Union, South Australian Branch, for the financial year ended 30th June 2005.

1. Principal Activities of the Branch

As in past years, the principal activities of the Branch during the year fell into the following three categories:

- Organising existing members and new members.
- Bargaining, negotiating and arbitrating for improvements in wages and conditions of employment of members of the Union.
- Representing individual members in work related grievances or other individual matters.

As a result of the Branch's organising activity, membership in the Branch increased in nett terms by almost 1,000 over the course of the year. That growth is significantly due to the work of Union Delegates at workplaces. The Branch has a comprehensive training programme for Delegates involving several hundred days at the Union office each year of general skills training in addition to training at the Annual Delegates Convention and Industry specific training courses scheduled from time to time.

Over the course of the year, the Branch negotiated many dozens of Enterprise Bargaining Agreements delivering improvements in wages and conditions to LHMU members. The Branch has also undertaken extensive activity in the Industrial Relations Commission arguing for arbitrated increases for LHMU members, including a wage claim for aged care workers and the initiation of a wage claim for child care workers. The LHMU also argued the 2005 State Wage Case and a test case to improve redundancy entitlements in State awards on behalf of the United Trades and Labor Council of South Australia.

The Branch has also been involved in lobbying and negotiations with different levels of Government around issues of importance to LHMU members.

2. The Branch's Financial Affairs

Significant changes to the Branch's Financial Affairs include a significant increase in membership fee income over the course of the year. This increase is a result of fee increases which were the subject of significant debate within the Branch over the second half of calendar 2003 and, ultimately, endorsed by a secret postal ballot of South Australian Delegates and took effect halfway through the 2003/04 financial year. Also, membership fee income has increased as a result of the nett increase in membership within the Branch over the year.

3. Right of Members to Resign.

All Members of the Branch have the right to resign from the Union in accordance with Rule 10 of the Union Rules; namely, by providing written notice addressed and delivered to the Secretary of the Branch, including via email.

**LIQUOR HOSPITALITY AND MISCELLANEOUS UNION
SOUTH AUSTRALIAN BRANCH**

OPERATING REPORT (cont)

4. Superannuation Trustees.

Robyn Buckler is a member of the Branch and is a Trustee and Member of the Board of Directors of the HOSTPLUS Superannuation Fund.

5. Membership of the Branch.

There were 18,413 members of the Branch as at 30th June 2005.

6. Employees of the Branch

As at 30th June 2005 the Branch employed 46 full time employees and 3 part time employees with a total number of 47.3 employees on a fulltime equivalent basis.

7. Committee of Management

The following persons were a member of the Committee of Management of the Branch, namely the Branch Executive, during the year ending 30th June 2005;

Josephine Senarosa	Balde	1.7.04 to 30.06.05
Antony James	Boyle	1.7.04 to 16.02.05
Mark Christopher	Butler	1.7.04 to 30.06.05
Michaela	Chapman	14.06.05 to 30.06.05
Andrew	Christie	14.06.05 to 30.06.05
David	DiTroia	1.7.04 to 30.06.05
Sue	Fenwick	1.7.04 to 30.06.05
Christopher John	Field	1.7.04 to 30.06.05
Helen	Gibbons	1.7.04 to 16.02.05
Leslie Gordon	Hocking	1.7.04 to 30.06.05
Helene	Hollinshead	1.7.04 to 30.06.05
John Campbell	Inglis	1.7.04 to 30.06.05
Paul	Inglis	14.06.05 to 30.06.05
Vesna	Jadresic	1.7.04 to 29.11.04
Trevor Clement	Jeffries	1.7.04 to 30.06.05
Raelene	Kexel	1.7.04 to 30.06.05
Boyd	MacRae	1.7.04 to 30.06.05
Mathias	Mielke	14.06.05 to 30.06.05
Jennifer	Milward	1.7.04 to 30.06.05
Neville	Pedler	14.06.05 to 30.06.05
Joanne	Sutton	1.7.04 to 16.02.05
Kevin	Tyler	1.7.04 to 30.06.05
Joy	Wyatt	1.7.04 to 30.06.05

Signed:.....

Mark Butler, Branch Secretary

Date:.....*23rd August 2005*

**LIQUOR HOSPITALITY AND MISCELLANEOUS UNION
SOUTH AUSTRALIAN BRANCH**

INDEPENDENT AUDIT REPORT

To the members of the Liquor Hospitality and Miscellaneous Union, South Australian Branch.

Matters Relating to the Electronic Presentation of the Audited Financial Report

This audit report relates to the financial report of the Liquor, Hospitality and Miscellaneous Union, South Australian Branch for the year ended 30 June 2005, including its presentation on the Liquor, Hospitality and Miscellaneous Union web site. The National Executive and the Branch Secretary of the Liquor, Hospitality and Miscellaneous Union – National Council are responsible for the integrity of the Liquor, Hospitality and Miscellaneous Union web site. This audit report refers only to the statements named below for the South Australian Branch. It does not provide an opinion on any other information that may be hyper linked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on the web site.

SCOPE

The Financial Report and the Committee of Management's Responsibility

The financial report comprises the balance sheet, income and expenditure statement, statement of cash flows, the accompanying notes to the financial statements and the committee of management's statement for the Liquor Hospitality and Miscellaneous Union, South Australian Branch, for the year ended 30th June 2005.

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 have 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 whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal 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, including compliance with Accounting Standards and other mandatory professional reporting requirements in Australia a view which is consistent with our understanding of the Branch's financial position and its performance as represented by the results of its operations and cash flows.

**LIQUOR HOSPITALITY AND MISCELLANEOUS UNION
SOUTH AUSTRALIAN BRANCH**

INDEPENDENT AUDIT REPORT (cont)

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

1. examining on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
2. 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.

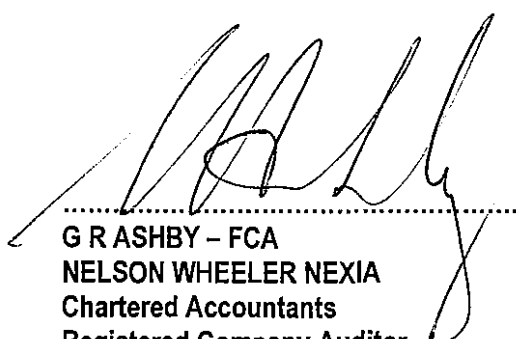
INDEPENDENCE

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 Liquor Hospitality and Miscellaneous Union South Australian 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 30th June 2005 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards; and
 - (iii) complying with any other requirements imposed by the Reporting Guidelines of Part 3 of Chapter 8 of Schedule 1B of the Act; and
- (b) other mandatory professional reporting requirements in Australia.


.....
G R ASHBY – FCA
NELSON WHEELER NEXIA
Chartered Accountants
Registered Company Auditor
200 East Terrace, Adelaide SA 5000

DATED 23rd August 2005

**LIQUOR HOSPITALITY AND MISCELLANEOUS UNION
SOUTH AUSTRALIAN BRANCH**

BALANCE SHEET AS AT 30TH JUNE 2005

	Note	30.6.05 \$	30.6.04 \$
Accumulated Funds			
General Fund		3,046,045	2,776,900
Asset Revaluation Reserve		<u>2,173,889</u>	<u>2,173,889</u>
		<u>5,219,934</u>	<u>4,950,789</u>
Represented by Net Assets as follows:			
Current Assets			
Cash at Bank	3	823,270	433,530
Cash on Hand	3	702	702
Interest Receivable		5,783	5,859
Sundry Debtors and Prepayments		121,028	106,337
Investments		<u>120,000</u>	<u>120,000</u>
		<u>1,070,783</u>	<u>666,428</u>
Non Current Assets			
Investments		<u>96</u>	<u>96</u>
Fixed Assets			
	4		
Land and Buildings		4,427,500	4,510,000
Motor Vehicles		640,620	577,840
Office Equipment		204,360	157,878
Fixtures		228,005	228,225
Library		<u>19,498</u>	<u>9,494</u>
		<u>5,519,983</u>	<u>5,483,437</u>
TOTAL ASSETS		<u>6,590,862</u>	<u>6,149,961</u>

The accompanying notes form part of these accounts

**LIQUOR HOSPITALITY AND MISCELLANEOUS UNION
SOUTH AUSTRALIAN BRANCH**

BALANCE SHEET AS AT 30TH JUNE 2005 (cont)

	Note	30.06.05 \$	30.06.04 \$
Less Liabilities			
Current Liabilities			
Provision for Accrued Annual Leave	1	513,886	421,771
Provision for Long Service Leave	1	394,531	373,678
National Council Sustentation Fees Payable		178,968	173,442
Sundry Creditors and Accruals		<u>230,934</u>	<u>201,744</u>
		<u>1,318,319</u>	<u>1,170,635</u>
Non Current Liabilities			
Provision for Long Service Leave	1	<u>52,609</u>	<u>28,537</u>
		<u>52,609</u>	<u>28,537</u>
Total Liabilities		<u>1,370,928</u>	<u>1,199,172</u>
NET ASSETS		<u>5,219,934</u>	<u>4,950,789</u>

The accompanying notes form part of these accounts.

**LIQUOR HOSPITALITY AND MISCELLANEOUS UNION
SOUTH AUSTRALIAN BRANCH**

**INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2005**

	Note	30.06.05 \$	30.06.04 \$
Income			
Contributions		4,974,480	4,052,306
Interest		35,044	23,492
National Organising Fund		225,123	235,000
Rent - Govt of Aust		45,951	42,121
Rent – Adelaide Central Mission		46,521	44,734
Rent – CPSU		49,445	49,445
Refund of Board Fees		115,002	56,940
Workers Compensation Representation Costs		74,277	63,499
Reimbursement of Salaries		6,160	0
Sundry Income		<u>8,025</u>	<u>13,315</u>
Total Income		<u>5,580,028</u>	<u>4,580,852</u>
Expenditure			
Accountancy Fees		8,026	1,222
Advertising		7,198	6,469
Affiliation Fees		129,900	132,874
Attendance Fees		19,510	27,635
Audit Fees		16,220	12,720
Bad Debts – Loan Forgiven		0	27,451
Bank Charges		13,055	11,298
Building Expenses - Mile End		158,421	163,305
Commission		72,642	60,153
Computer Expenses		<u>10,800</u>	<u>8,117</u>
Carried Forward		<u>435,772</u>	<u>451,244</u>

The accompanying notes form part of these accounts.

**LIQUOR HOSPITALITY AND MISCELLANEOUS UNION
SOUTH AUSTRALIAN BRANCH**

**INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2005 (cont)**

	Note	30.06.05 \$	30.06.04 \$
Brought Forward		435,772	451,244
Depreciation			
- Fixtures		13,045	13,100
- Furniture, Fittings and Office Machines		29,555	28,595
- Library		1,668	687
- Motor Vehicles		126,603	87,953
- Buildings		82,500	42,289
Donations		7,869	3,280
Federal Election		33,962	0
Fine		0	6,199
Fringe Benefits Tax		69,240	39,024
Funeral Benefits		500	591
General Expenses		2,507	1,173
Insurance		60,759	54,111
Interest Paid		310	0
Legal - Liability		0	19,661
Legal & Professional Fees – Other		13,342	63,439
Meeting Expenses		169,870	129,582
Motor Vehicle Expenses		114,106	80,915
National Council Sustentation Fees		695,015	637,410
Payroll Tax		138,652	105,831
Postage		34,407	43,032
Printing & Stationery		88,210	62,313
Printing & Stationery – Campaign Fund		32,922	57,918
Provision for Annual Leave	1	340,056	235,583
Provision for Long Service Leave	1	80,120	54,738
Promotional Material		0	64
Publications/Subscriptions		5,062	2,943
Relocation		2,849	0
Repairs & Maintenance		2,099	13,155
SA Magazine		<u>47,136</u>	<u>40,136</u>
Carried Forward		<u>2,628,136</u>	<u>2,274,966</u>

The accompanying notes form part of these accounts.

**LIQUOR HOSPITALITY AND MISCELLANEOUS UNION
SOUTH AUSTRALIAN BRANCH**

**INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2005 (cont)**

	Note	30.06.05	30.06.04
		\$	\$
Brought Forward		2,628,136	2,274,966
Salaries – Officials		225,422	180,750
Salaries – Employees		1,603,282	1,300,000
Salaries – Project Organisers		229,032	59,955
Salaries – Member Organisers		85,283	66,610
Sponsorship		2,000	0
Staff Amenities		10,400	8,042
Superannuation		366,272	295,432
Temp Admin		5,106	126
Telephone		90,879	90,334
Training		9,589	5,014
Translating		1,299	1,198
Workcover Disbursements		32,243	19,622
Workcover Levy		<u>38,124</u>	<u>33,849</u>
Total Expenditure		<u>5,327,067</u>	<u>4,336,597</u>
Operating Surplus/(Deficit) for Period		252,961	244,255
Profit/(Loss) on Disposal of Fixed Assets		<u>16,184</u>	<u>(6,841)</u>
Surplus/(Deficit) for Period		269,145	237,414
Accumulated Funds at Beginning of Period		2,776,900	2,539,486
Accumulated Funds at End of Period		<u>3,046,045</u>	<u>2,776,900</u>

The accompanying notes form part of these accounts.

**LIQUOR HOSPITALITY AND MISCELLANEOUS UNION
SOUTH AUSTRALIAN BRANCH**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2005**

	Note	30.06.05 \$	30.06.04 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Members			
Contributions Received		5,471,928	4,457,537
Other Revenue			
Interest		35,120	22,780
Rent		141,917	136,300
Refund of Board Fees		115,002	56,940
Workers Compensation Representation Costs		73,776	61,116
National Organising Fund		225,123	356,947
Sundry Income		<u>14,185</u>	<u>13,315</u>
		6,077,051	5,104,935
Payments to Suppliers and Employees			
		(4,569,945)	(3,742,464)
Other Payments			
Affiliation Fees		(129,900)	(132,874)
Donations & Election Campaigns		(41,831)	(3,280))
National Council Sustentation Fees		<u>(671,902)</u>	<u>(624,356)</u>
		<u>(5,413,578)</u>	<u>(4,502,974)</u>
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	6	<u>663,473</u>	<u>601,961</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant & equipment		153,941	94,292
Payments for property, plant & equipment		(427,674)	(480,478)
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES		<u>(273,733)</u>	<u>(386,186)</u>
NET INCREASE/(DECREASE) IN CASH HELD		<u>389,740</u>	<u>215,775</u>
CASH AT BEGINNING OF PERIOD		<u>434,232</u>	<u>218,457</u>
CASH AT END OF PERIOD	3	<u>823,972</u>	<u>434,232</u>

The accompanying notes form part of these accounts

**LIQUOR HOSPITALITY AND MISCELLANEOUS UNION
SOUTH AUSTRALIAN BRANCH**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30TH JUNE 2005**

1. ACCOUNTING METHODS

The financial report is a general purpose financial report that has been prepared in accordance with applicable Accounting Standards and other mandatory professional reporting requirements and the Workplace Relations Act.

In accordance with generally accepted accounting principles for Trade Unions, membership contributions are accounted for on a cash receipts basis. Otherwise, the financial report is prepared using the accruals basis of accounting and on the basis of historical costs. The accounting policies have been consistently applied unless otherwise stated.

In particular:

- a) The financial report has not been adjusted to record either changes in the general purchasing power of the dollar or in prices of specific assets.
- b) 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 report 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 report of that Branch even though such income is the property of the Union.
- c) Property, plant and equipment are brought to account at cost or Committee of Management valuation less where applicable any accumulated depreciation. The carrying value of property, plant and equipment is reviewed annually by the Committee of Management to ensure it is not in excess of the recoverable amount from the assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected cash flows have not been discounted to their present values in determining recoverable amounts. Depreciation of fixed assets is calculated under the diminishing value and straight line method in order to write the assets off over their useful life.

The depreciation rates used for each class of assets are:-

Class of Fixed Asset	Depreciation rate
Buildings	2.5%
Motor Vehicles	18.75% - 22.5%
Office Equipment	10% - 37.5%
Fixtures	5% - 11.25%
Library	11.25%

- d) Provision is made for the Branch's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements arising from wages and salaries, annual leave and long service leave which are expected to be settled within one year, have been measured at their nominal amounts. Employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements. Contributions made by the Branch to employee superannuation funds are charged as an expense when incurred.

**LIQUOR HOSPITALITY AND MISCELLANEOUS UNION
SOUTH AUSTRALIAN BRANCH**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30TH JUNE 2005**

1. ACCOUNTING METHODS(cont)

- e) Revenues, expenses and assets are recognised net of the Goods and Services Tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the asset or as part of an item of expense. Receivables and payables in the balance sheet are shown inclusive of GST
- f) No provision for income tax is necessary as Trade Unions are exempt from income tax under Section 23(f) of the Income Tax Assessment Act.
- g) Financial Instruments

Interest Rate Risk.

The Branch's exposure to interest rate risk, which is the risk that the financial instruments value will fluctuate as a result of changes in the market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed Interest Rate Maturing within 1 year	
	2005	2004	2005	2004	2005	2004
Cash	0.5%	0.5%	\$ 823,972	\$ 434,223	\$ -	\$ -
Investments	5.5%	5.3%	-	-	120,000	120,000
Total Financial Assets			<u>823,972</u>	<u>434,223</u>	<u>120,000</u>	<u>120,000</u>
Total Financial Liabilities			-	-	-	-

Net Fair Values

The net fair value of term deposits and loans are determined by discounting the cash flows at market interest rates of similar assets to their present value. The net fair value of unlisted shares has been based on a reasonable estimate of the underlying net assets or discounted cash flows of the shares. No financial assets and financial liabilities are readily traded on organised markets in standardised form. The net fair value of these items and other assets and other liabilities approximates their carrying value and are disclosed in the balance sheet and the notes to and forming part of the accounts.

Credit Risk

The Branch does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into. The maximum exposure to credit risk is the carrying amount of the financial asset as disclosed in the balance sheet and notes to and forming part of the accounts.

**LIQUOR HOSPITALITY AND MISCELLANEOUS UNION
SOUTH AUSTRALIAN BRANCH**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30TH JUNE 2005**

1. ACCOUNTING METHODS(cont)

h) Impact of Adoption of Australian Equivalents to International Financial Reporting Standards (AIFRS)

Australia will be adopting AIFRS for reporting periods commencing on or after 1 January 2005 and the Union will be reflecting the adoption of these standards in the financial report for the year ending 30 June 2006. On first time adoption of AIFRS the comparatives for the year ending 30 June 2005 are required to be restated. The Committee of Management that assessed that there will be no significant changes expected as a result of the implementation of AIFRS. It should be noted that amounts could change if there was any amendments to the current AIFRS or interpretations of the AIFRS requirements change.

2. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of the Workplace Relations Act 1996, the attention of members is drawn to the provisions of Section 272 of Schedule 1B 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 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).

3. CASH	30.6.05	30.6.04
	\$	\$
Cash at Bank	823,270	433,530
Cash on Hand	<u>702</u>	<u>702</u>
	<u>823,972</u>	<u>434,223</u>

For the purposes of the cash flow statement, cash includes cash on hand, at call deposits with banks or financial institutions and investments in money market instruments maturing in less than two months.

**LIQUOR HOSPITALITY AND MISCELLANEOUS UNION
SOUTH AUSTRALIAN BRANCH**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30TH JUNE 2005**

4. FIXED ASSETS	30.06.05	30.06.04
	\$	\$
Land and Buildings at valuation Mile End	4,510,000	4,510,000
Less Accumulated Depreciation on Deemed cost of Building	<u>82,500</u>	<u>0</u>
	<u>4,427,500</u>	<u>4,510,000</u>
Motor Vehicle at cost	783,842	721,227
Less: Accumulated Depreciation	<u>143,222</u>	<u>143,387</u>
	<u>640,620</u>	<u>577,840</u>
Office Equipment at cost	1,005,544	929,508
Less: Accumulated Depreciation	<u>801,184</u>	<u>771,630</u>
	<u>204,360</u>	<u>157,878</u>
Fixtures at cost	483,901	471,076
Less Accumulated Depreciation	<u>255,893</u>	<u>242,851</u>
	<u>228,005</u>	<u>228,225</u>
Library at cost	39,969	28,296
Less: Accumulated Depreciation	<u>20,471</u>	<u>18,802</u>
	<u>19,498</u>	<u>9,494</u>
Total Fixed Assets	<u>5,519,983</u>	<u>5,483,437</u>

Movements in carrying amounts

	Land & Building	Motor Vehicles	Office Equipment	Fixtures	Library	Total
Balance at the beginning of the year	4,510,000	577,840	157,878	228,225	9,494	5,483,437
Additions		327,140	76,037	12,825	11,672	427,674
Disposals		(137,757)				(137,757)
Depreciation Expenses	(82,500)	(126,603)	(29,555)	(13,045)	(1,668)	(253,371)
Balance at the end of the year	4,427,500	640,620	204,360	228,005	19,498	5,519,983

A Committee of Management valuation of freehold Land and Buildings was undertaken on 30th June 2004. The valuation was based on an assessment of the property's current market value.

**LIQUOR HOSPITALITY AND MISCELLANEOUS UNION
SOUTH AUSTRALIAN BRANCH**

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30TH JUNE 2005**

5. RELATED PARTY INFORMATION

Transactions with related parties are on normal commercial terms on conditions no more favourable than those available to other parties unless otherwise stated.

- (a) Directors and Executive Members are disclosed in the Operating Report.
- (b) Aggregate remuneration received or receivable by directors and executive members (Officials) during the year ended 30th June 2005 was \$295,075 (2004 \$284,747). Aggregate remuneration received or receivable by executive members (Branch Executive) during the year ended 30th June 2005 was \$2,178 (2004 \$4,981). Aggregate of amounts paid to a superannuation plan by the branch in connection with the retirement of the directors during the year ended 30th June 2005 was \$39,582 (2004 \$40,236).
- (c) The ultimate controlling entity of the Branch is the Australian Liquor Hospitality and Miscellaneous Workers Union National Council.
- (d) Sustentation fees paid or payable to the National Council for the year ended 30th June 2005 were \$695,015 (2004 \$637,410).

6. Reconciliation of Cash Flow from Operations with Operating Surplus/Deficit for Period:-

	30.06.05	30.06.04
	\$	\$
Operating Surplus/(Deficit) after Abnormal Items	269,145	237,414
Non Cash Flows in operating Surplus/(Deficit)		
- Depreciation	253,371	172,624
- (Profit)/Loss on Sale of Fixed Assets	(16,184)	6,841
- Bad Debts – Loans Forgiven	0	27,451
Changes to Assets & Liabilities		
- Decrease/(Increase) in Interest Receivable	76	(712)
- Decrease/(Increase) in Sundry Debtors and Prepayments	(14,692)	96,077
- Increase/(Decrease) in Sustentation Fees Payable	23,423	(16,897)
- Increase/(Decrease) in Sundry Creditors and Accruals	11,294	13,054
- Increase/(Decrease) in Provision for Leave	<u>137,040</u>	<u>15,644</u>
Net Cash Provided By/(Used In) Operating Activities	<u>663,473</u>	<u>601,961</u>

7. Contingency for Legal Fees

The Branch has undertaken to pay legal fees on behalf of a number of members in regard to Employee Compensation claims, but only where the claim by the member is unsuccessful. The unbilled legal fees that the Union may be liable to pay for incomplete claims as at 30th June 2005 is estimated at \$ 22,409.53

**LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION
SOUTH AUSTRALIAN BRANCH**

FINANCIAL REPORTS FOR THE YEAR ENDED 30 JUNE 2005

CERTIFICATE BY SECRETARY

I Mark Butler being the Branch Secretary of the South Australian 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 2005 and
- That the full report was presented to a meeting of the committee of management of the reporting unit on 13th December 2005; in accordance with section 266 of the RAO Schedule.

Signed 

Mark Butler, Branch Secretary

Date:

..... 14th December 2005



Australian Government
Australian Industrial Registry

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

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

Dear Mr Lawrence

**South Australian Branch - Financial Return - year ending 30 June 2005
(FR2005/502)**

Thank you for lodging the financial report and statements of the above Branch on 19 December 2005.

The documents have been filed.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Stephen Kellett', followed by a horizontal line extending to the right.

Stephen Kellett
for Deputy Industrial Registrar

9 January 2006