



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: FR2006/515-[108V-SA1]

Mr Mark Butler
Branch Secretary
LHMU - South Australian Branch
101 Henley Beach Road
MILE END SA 5031

Dear Mr Butler

Financial Return - year ending 30 June, 2006

Our records show the 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*.

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.

Information on AIRC Website

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

- [RAO Schedule](#)
- [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 requirements of the RAO Schedule - many of them deal with financial reporting matters.

Reporting Unit

Under the provisions of the Registration and Accountability of Organisations Schedule (RAO), Schedule 1 of the *Workplace Relations Act 1996*, 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 use the term "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:

(a) 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

(b) 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 including disclosures related to any recovery of wages activity ; and

(c) Committee of Management Statement as required by the Registrar's Reporting Guidelines (a sample certificate for illustrative purposes is at Attachment C) including declarations related to the recovery of wages activity.

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 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).

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".

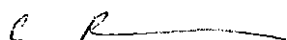
Extensions of Time

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.

Contact the Registry

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

Yours sincerely



For Deputy Industrial Registrar...
1 August, 2006

National Office
Level 9
187 Thomas Street
Haymarket NSW 2000

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

Jeff Lawrence **Brian Daley**
National Secretary National President

Tim Ferrari
Louise Tarrant
Assistant National Secretaries



LHMU

Organising for the future

ABN: 5272 8088 684

Please address all correspondence to the National Secretary

18 December, 2006

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 2006. 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 22nd August 2006. 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 12 December and was adopted by that meeting. Also enclosed is a copy of the Branch Secretary's certificate dated 13th December 2006.

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,


JEFF LAWRENCE
NATIONAL SECRETARY



www.lhmu.org.au

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

FINANCIAL REPORTS FOR THE YEAR ENDED 30 JUNE 2006

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 2006 and
- That the full report was presented to a meeting of the committee of management of the reporting unit on 12th December 2006; in accordance with section 266 of the RAO Schedule.

Signed 

Mark Butler, Branch Secretary

..... 13.12.06
Date:

LIQUOR HOSPITALITY AND MISCELLANEOUS UNION

SOUTH AUSTRALIAN BRANCH

**FULL FINANCIAL REPORT
FOR THE YEAR ENDED
30TH JUNE 2006**

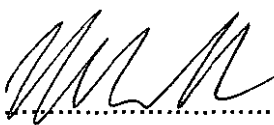
**LIQUOR HOSPITALITY AND MISCELLANEOUS UNION
SOUTH AUSTRALIAN BRANCH**

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 22nd August, 2006 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 2006 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 2006;
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 2006 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: 22/8/06

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 2006.

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 more than 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 Collective 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 child care workers. The LHMU also argued the 2006 State Wage Case and a number of other test cases arising from the Fair Work Act (SA) 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 first half of calendar 2005 and, ultimately, endorsed by the South Australian Delegates Convention and Branch Council to take effect on 1 October 2005. 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 19,421 members of the Branch as at 30th June 2006.

6. Employees of the Branch

As at 30th June 2006 the Branch employed 50 full time employees and 4 part time employees with a total number of 53 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 2006;

Josephine Senarosa	BALDE	1.7.05 to 30.06.06
Mark Christopher	BUTLER	1.7.05 to 30.06.06
Michaela	CHAPMAN	1.7.05 to 30.06.06
Andrew	CHRISTIE	1.7.05 to 30.06.06
David	DITROIA	1.7.05 to 30.06.06
Sue	FENWICK	1.7.05 to 28.04.06
Christopher John	FIELD	1.7.05 to 30.06.06
Leslie Gordon	HOCKING	1.7.05 to 30.06.06
Helene	HOLLINSHEAD	1.7.05 to 30.06.06
Sharon	HOLMES	1.5.06 to 30.06.06
John Campbell	INGLIS	1.7.05 to 30.06.06
Paul	INGLIS	1.7.05 to 30.06.06
Trevor Clement	JEFFRIES	1.7.05 to 30.06.06
Raelene	KEXEL	1.7.05 to 23.12.05
Boyd	MACRAE	1.7.05 to 30.06.06
Mathias	MIELKE	1.7.05 to 30.06.06
Jennifer	MILWARD	1.7.05 to 12.12.05
Neville	PEDLER	1.7.05 to 30.06.06
Kevin	TYLER	1.7.05 to 30.06.06
Joy	WYATT	1.7.05 to 22.09.05

Signed:.....

Mark Butler, Branch Secretary

Date:.....

**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 2006, including its presentation on the Liquor, Hospitality and Miscellaneous Union web site. The National Executive and the National 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 2006.

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.

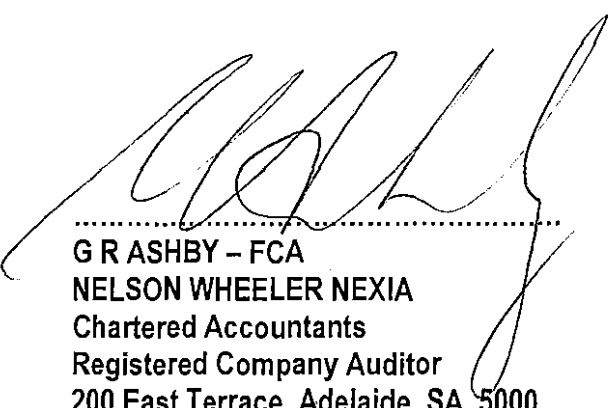
Audit Opinion

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 2006 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.....

22nd August 2006

LIQUOR HOSPITALITY AND MISCELLANEOUS UNION SOUTH AUSTRALIAN BRANCH

BALANCE SHEET AS AT 30TH JUNE 2006

	Note	30.06.06 \$	30.6.05 \$
Accumulated Funds			
General Fund		3,409,263	3,046,045
Asset Revaluation Reserve		<u>2,173,889</u>	<u>2,173,889</u>
		<u>5,583,152</u>	<u>5,219,934</u>
Represented by Net Assets as follows:			
Current Assets			
Cash at Bank	3	1,290,496	823,270
Cash on Hand	3	700	702
Interest Receivable		6,763	5,783
Sundry Debtors and Prepayments		121,343	121,028
Investments		<u>140,000</u>	<u>120,000</u>
		<u>1,559,302</u>	<u>1,070,783</u>
Non Current Assets			
Investments		<u>96</u>	<u>96</u>
<u>Fixed Assets</u>	4		
Land and Buildings		4,347,062	4,427,500
Motor Vehicles		612,456	640,620
Office Equipment		278,293	204,360
Fixtures		226,180	228,005
Library		30,695	19,498
Building Improvements Under Construction		<u>38,097</u>	<u>-</u>
		<u>5,532,783</u>	<u>5,519,983</u>
TOTAL ASSETS		<u>7,092,181</u>	<u>6,590,862</u>

The accompanying notes form part of these accounts

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

BALANCE SHEET AS AT 30TH JUNE 2006 (cont)

	Note	30.06.06 \$	30.06.05 \$
Less Liabilities			
Current Liabilities			
Provision for Accrued Annual Leave		581,651	513,886
Provision for Long Service Leave		424,329	394,531
National Council Sustentation Fees Payable		202,048	178,968
Sundry Creditors and Accruals		<u>223,552</u>	<u>230,934</u>
		<u>1,431,580</u>	<u>1,318,319</u>
Non Current Liabilities			
Provision for Long Service Leave	1	<u>77,449</u>	<u>52,609</u>
		<u>77,449</u>	<u>52,609</u>
Total Liabilities		<u>1,509,029</u>	<u>1,370,928</u>
NET ASSETS		<u>5,583,152</u>	<u>5,219,934</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 2006

	Note	30.06.06 \$	30.06.05 \$
Income			
Contributions		5,803,534	4,974,480
Interest		56,618	35,044
National Organising Fund		185,000	225,123
Rent - Govt of Aust		45,003	45,951
Rent – Uniting Care Wesley		49,500	46,521
Rent – CPSU		61,572	49,445
Refund of Board Fees		129,738	115,002
Workers Compensation Representation Costs		82,743	74,277
Reimbursement of Salaries		56,348	6,160
Sundry Income		<u>9,932</u>	<u>8,025</u>
Total Income		<u>6,479,988</u>	<u>5,580,028</u>
Expenditure			
Accountancy Fees		2,995	8,026
Advertising		11,750	7,198
Affiliation Fees		134,610	129,900
Attendance Fees		10,911	19,510
Audit Fees		18,325	16,220
Bank Charges		13,644	13,055
Building Expenses - Mile End		177,397	158,421
Campaign Fund – ACTU		56,560	-
Commission		72,528	72,642
Computer Expenses		14,442	10,800
Depreciation			
- Fixtures		14,353	13,045
- Furniture, Fittings and Office Machines		33,134	29,555
- Library		2,970	1,668
- Motor Vehicles		127,231	126,603
- Buildings		80,438	82,500
Donations		1,936	7,869
Election Campaigns		58,953	33,962
Fringe Benefits Tax		67,521	69,240
Funeral Benefits		-	500
General Expenses		4,525	2,507
Insurance		49,701	60,759
Interest Paid		-	310
Legal & Professional Fees – Other		4,502	13,342
Meeting Expenses		202,611	169,870
Motor Vehicle Expenses		<u>137,414</u>	<u>114,106</u>
Carried Forward		1,298,451	1,161,608

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 2006

	Note	30.06.06 \$	30.06.05 \$
Brought Forward		1,298,451	1,161,608
National Council Sustentation Fees		765,755	695,015
Payroll Tax		164,833	138,652
Postage		40,712	34,407
Printing & Stationery		85,558	88,210
Printing & Stationery – Campaign Fund		35,827	32,922
Provision for Annual Leave		390,880	340,056
Provision for Long Service Leave		79,992	80,120
Publications/Subscriptions		6,666	5,062
Relocation		1,618	2,849
Repairs & Maintenance		4,917	2,099
SA Magazine		49,172	47,136
Salaries – Officials		231,041	225,422
Salaries – Employees		2,047,747	1,832,314
Salaries – Member Organisers		218,178	85,283
Sponsorship		1,200	2,000
Staff Amenities		13,012	10,400
Superannuation		447,203	366,272
Temp Admin		19,463	5,106
Telephone		95,833	90,879
Training		9,801	9,589
Translating		533	1,299
Workcover Disbursements		40,703	32,243
Workcover Levy		<u>40,702</u>	<u>38,124</u>
Total Expenditure		<u>6,089,797</u>	<u>5,327,067</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 2006**

	Note	30.06.06 \$	30.06.05 \$
Operating Surplus/(Deficit) for Period		390,191	252,961
Profit/(Loss) on Disposal of Fixed Assets		<u>(26,973)</u>	<u>16,184</u>
Surplus/(Deficit) for Period		363,218	269,145
Accumulated Funds at Beginning of Period		3,046,045	2,776,900
Accumulated Funds at End of Period		<u>3,409,263</u>	<u>3,046,045</u>

The accompanying notes form part of these accounts.

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

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2006**

	Note	30.06.06 \$	30.06.05 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Members			
Contributions Received		6,383,887	5,471,928
Other Receipts			
Interest		55,638	35,120
Rent		156,075	141,917
Refund of Board Fees		129,738	115,002
Workers Compensation Representation Costs		77,027	73,776
National Organising Fund		185,000	225,123
Reimbursement of Salaries		56,348	6,160
Sundry Income		<u>9,932</u>	<u>8,025</u>
		7,053,645	6,077,051
Payments			
Payments to Suppliers and Employees		(5,220,064)	(4,569,945)
Other Payments			
Affiliation Fees		(134,610)	(129,900)
Donations & Election Campaigns		(153,276)	(41,831)
National Council Sustentation Fees		<u>(760,572)</u>	<u>(671,902)</u>
		<u>(6,268,522)</u>	<u>(5,413,578)</u>
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	6	<u>785,123</u>	<u>663,473</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant & equipment		138,127	153,941
Payments for property, plant & equipment		(436,026)	(427,674)
Payments for Investments		(20,000)	-
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES		<u>(317,899)</u>	<u>(273,733)</u>
NET INCREASE/(DECREASE) IN CASH HELD		<u>467,224</u>	<u>389,740</u>
CASH AT BEGINNING OF PERIOD		<u>823,972</u>	<u>434,232</u>
CASH AT END OF PERIOD	3	<u>1,291,196</u>	<u>823,972</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 2006

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	4% - 37.5%
Fixtures	5% - 15%
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 2006

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	
	2006	2005	2006	2005 \$	2006	2005 \$
Cash	4.35%	4.35%	1,291,196	823,972		
Investments	5.6%	5.5%			140,000	120,000
Total Financial Assets			<u>1,291,196</u>	<u>823,972</u>	<u>140,000</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 2006**

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	30.06.06	30.6.05
	\$	\$
Cash at Bank	1,290,496	823,270
Cash on Hand	<u>700</u>	<u>702</u>
	<u>1,291,196</u>	<u>823,972</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	30.06.06 \$	30.06.05 \$
Land and Buildings at valuation Mile End	4,510,000	4,510,000
Less Accumulated Depreciation on Deemed cost of Building	<u>162,938</u>	<u>82,500</u>
	<u>4,347,062</u>	<u>4,427,500</u>
Motor Vehicle at cost	782,696	783,842
Less: Accumulated Depreciation	<u>170,240</u>	<u>143,222</u>
	<u>612,456</u>	<u>640,620</u>
Office Equipment at cost	1,112,612	1,005,544
Less: Accumulated Depreciation	<u>834,319</u>	<u>801,184</u>
	<u>278,293</u>	<u>204,360</u>
Fixtures at cost	496,429	483,901
Less Accumulated Depreciation	<u>270,249</u>	<u>255,893</u>
	<u>226,180</u>	<u>228,005</u>
Library at cost	54,136	39,969
Less: Accumulated Depreciation	<u>23,441</u>	<u>20,471</u>
	<u>30,695</u>	<u>19,498</u>
Building Improvements Under Construction at cost	<u>38,097</u>	-
Total Fixed Assets	<u>5,532,783</u>	<u>5,519,983</u>

movements in carrying amounts

	Land & Building	Motor Vehicles	Office Equipment	Fixtures	Library	Total
Balance at the beginning of the year	4,427,500	640,620	204,360	228,005	19,498	5,519,983
Additions	38,097	264,166	107,067	12,528	14,167	436,024
Disposals	-	(165,099)	-	-	-	(165,099)
Depreciation Expenses	(80,438)	(127,231)	(33,134)	(14,353)	(2,970)	(258,125)
Balance at the end of the year	4,385,159	612,456	278,293	226,180	30,695	5,532,783

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 2006

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 2006 was \$339,525 (2005 \$295,075). Aggregate remuneration received or receivable by executive members (Branch Executive) during the year ended 30th June 2006 was \$2,692.80 (2005 \$2,178). 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 2006 was \$44,836 (2005 \$39,582).
- (c) The ultimate controlling entity of the Branch is the Liquor Hospitality and Miscellaneous Union National Council.
- (d) Sustentation fees paid or payable to the National Council for the year ended 30th June 2006 were \$765,755 (2005 \$695,015).

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

	30.06.06 \$	30.06.05 \$
Operating Surplus/(Deficit) after Abnormal Items	363,218	269,145
Non Cash Flows in operating Surplus/(Deficit)		
- Depreciation	258,126	253,371
- (Profit)/Loss on Sale of Fixed Assets	26,973	(16,184)
Changes to Assets & Liabilities		
- Decrease/(Increase) in Interest Receivable	(980)	76
- Decrease/(Increase) in Sundry Debtors and Prepayments	(315)	(14,692)
- Increase/(Decrease) in Sustentation Fees Payable	5,183	23,423
- Increase/(Decrease) in Sundry Creditors and Accruals	10,515	11,294
- Increase/(Decrease) in Provision for Leave	<u>122,403</u>	<u>137,040</u>
Net Cash Provided By/(Used In) Operating Activities	<u>785,123</u>	<u>663,473</u>

7. Contingency for Legal Fees

The Branch undertakes to pay legal fees on behalf 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 2006 is nil.

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30TH JUNE 2006**

8. Capital Commitments

	30.06.06	30.06.05
	\$	\$
Capital expenditure commitments contracted for Building Improvements and payable not later than 12 months	<u>167,014</u>	<u>-</u>



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

**Re: Lodgement of Financial Statements and Accounts – Liquor, Hospitality and
Miscellaneous Union, South Australian Branch – for year ending 30 June 2006
(FR2006/515)**

I refer to the abovementioned financial statements and accounts which were lodged in the Registry on 20 December 2006.

The legislative requirements have been met and accordingly the documents have been filed. There is no further action required but I take this opportunity to remind the Branch of the following if it applies in future years.

Recovery of Wages Activity Report (only if applicable in any year)

Paragraph 16 of the Industrial Registrar's Guidelines states:

Where the reporting unit has undertaken recovery of wages activity (and has derived revenues for the financial year in respect of such activity) the reporting unit must cause to be prepared for purposes of paragraph 253(2)(c) of the RAO Schedule a financial report in which is disclosed financial information associated with such activity.

Paragraphs 17-23 describe what such a report must contain, and paragraph 25(f) requires that the Committee of Management Statement contain various declarations in relation to such recovery wages activity.

If such activity occurs in the Branch in future years, it should be reported in accordance with these Guidelines.

Yours sincerely,

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

Stephen Kellett
Statutory Services Branch

9 January 2007