



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: FR2008/494-[108V-SA1]

Mr David Di Troia
Branch Secretary
Liquor, Hospitality and Miscellaneous Union
- South Australian Branch
PO Box 220
TORRENSVILLE PLAZA SA 5031

Dear Mr Di Troia

**Re: Financial Return - year ending 30 June, 2008
Schedule 1 of the Workplace Relations Act 1996 (RAO Schedule)**

This is a courtesy letter to remind you of the financial reporting obligations of the abovenamed reporting unit under the *Workplace Relations Act 1996* ('the Act') for the financial year ended 30 June, 2008.

The legislative scheme set out in Chapter 8, Part 3 of the RAO Schedule is directed at ensuring that a registered organisation or a branch of such an organisation discharges obligations of accountability to its members in relation to its financial affairs through proper and regular disclosure of financial information. The various steps of the financial reporting requirements must be carried out within the time-scales prescribed by the legislation so as to ensure the relevance of the financial information provided to the members. A copy of the time-scale provisions is attached for your information.

Now that the financial year has ended, it is timely that you put in train the various steps of the financial reporting requirements. We recommend you and your accountant/auditor refer to the following documents on the Commission's website where a new site has been created dealing with:

- RAO Fact sheets - These Fact Sheets explain the requirements of the RAO Schedule - many of them deal with financial reporting matters.
- Financial Reporting Sample Documents – Sample Committee of Management's Statement, Designated Officer's Certificate and checklists for illustrative purposes.
- Registrar's Reporting Guidelines - The GPFR 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 Schedule and RAO Regulations

You can access these documents at: <http://www.airc.gov.au/registered/FR/information.htm>.

The Registry strongly encourages your organisation to lodge documents electronically by either:

- Sending an email with the documents attached to: orgs@air.gov.au
- Sending the documents by fax to: (03) 9655 0410

We encourage you to contact the Registry on (02) 8374 6507 or by e-mail at steve.teece@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

Steve Teece
(02) 8374 6507
10 July, 2008

TIMELINE/ PLANNER

Financial reporting period ending:	/ /
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Prepare financial statements and Operating Report.
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(a) A Committee of Management Meeting must consider the financial statements, and if satisfied, pass a resolution declaring the various matters required to be included in the Committee of Management Statement.	/ /
(b) The Designated Officer must sign and date the Committee of Management Statement which is then forwarded to the auditor for consideration as part of the General Purpose Financial Report (GPFR).	

As soon as practicable after end of financial year

Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /
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Within a reasonable time of having received the GPFR
(NB: Auditor's report *must* be dated on or after date of Committee of Management Statement)

Provide full report free of charge to members – s265 The full report includes: • the General Purpose Financial Report (which includes the Committee of Management Statement); • the Auditor's Report; and • the Operating Report.	/ /

(a) if the report is to be presented to a General Meeting (which must be held within 6 months after the end of the financial year), the report must be provided to members 21 days before the General Meeting,
or
(b) in any other case including where the report is presented to a Committee of Management meeting*, the report must be provided to members within 5 months of end of financial year.

Present full report to:	
(a) General Meeting of Members - s266 (1),(2); or	/ /
(b) where the rules of organisation or branch allow* - a Committee of Management meeting - s266 (3)	/ /

Within 6 months of end of financial year

Within 6 months of end of financial year

Lodge full report in the Industrial Registry, together with the Designated Officer's certificate – s268 #	/ /
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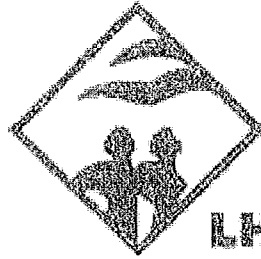
Within 14 days of meeting

* The full report may only be presented to a committee of management meeting if the rules of the reporting unit provide that a percentage of members (not exceeding 5%) are able to call a general meeting to consider the full report.

The Designated Officer's certificate must be signed by the Secretary or another officer who is an elected official and who is authorised under the rules (or by resolution of the organisation) to sign the certificate stating that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with s266 – dates of such events must be included in the certificate. A non-elected official is not allowed to sign the certificate.

National Office
Level 9
187 Thomas Street
Haymarket NSW 2000

Louise Tarrant *Brian Daley*
National Secretary National President



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

Tim Ferrari *Sue Lines* *Troy Burton*
Assistant National Secretaries

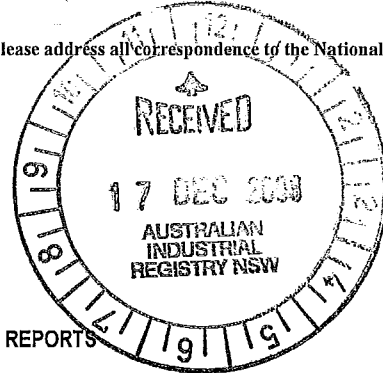
LHMU

ABN: 5272 8088 684

15 December 2008

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

Please address all correspondence to the National Secretary



Dear Mr Jenkins

Re: SOUTH AUSTRALIA BRANCH FINANCIAL REPORTS

I am writing to lodge the financial reports for the LHMU South Australia Branch for the year ended 30 June 2008. Enclosed is the Full Financial Report including:

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

The financial reports were sent to the Branch Executive on 19 August 2008. The Executive resolved:

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

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

A full report was provided to the Committee of Management on 9 December 2008 and was adopted. Also enclosed is a copy of the Branch Secretary's certificate dated 11 December 2008.

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

If you have any questions please contact me.

Yours faithfully

LOUISE TARRANT
NATIONAL SECRETARY

**LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION
South Australian Branch**


FINANCIAL REPORTS FOR THE YEAR ENDED 30 JUNE 2008

CERTIFICATE BY SECRETARY OR PRESCRIBED OFFICER

I, David DiTroia, being the Branch Secretary of the Liquor, Hospitality and Miscellaneous Union, South Australian Branch certify:

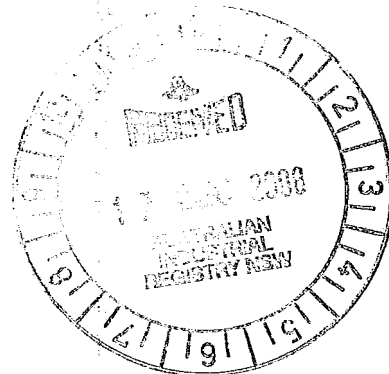
- That the documents lodged herewith are copies of the full report, referred to in s268 of the RAO Schedule; and
- That the full report was provided to members on 24 November 2008 and
- That the full report was presented to a meeting of the committee of management of the reporting unit on 7 December, 2008 in accordance with section 266 of the RAO Schedule.

Signed



Date:

11/12/08



LIQUOR HOSPITALITY AND MISCELLANEOUS UNION

SOUTH AUSTRALIAN BRANCH

**FULL FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2008**

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

COMMITTEE OF MANAGEMENT'S STATEMENT

I, David Di Troia 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 19 August, 2008 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 30 June 2008 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 30 June 2008;
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 30 June 2008 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 or 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: 

David Di Troia, Branch Secretary

Date: 19.8.08

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 30 June 2008.

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.

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

Also, as part of the State Government's Health and Safety Workplace Partnership Programme, the Union has been granted funding for 3 years to work with members to support and promote their increased engagement at their worksites about occupational health and safety. The target industries for the project are manufacturing and community services. A project officer has been engaged for the term of the funding arrangement to implement the project objectives.

2. The Branch's Financial Affairs

The Branch's income from membership fees remained steady against the previous financial year. The Branch recorded a surplus for the year again.

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.

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.

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

OPERATING REPORT (cont)

5. Membership of the Branch.

There were 16,826 members of the Branch as at 30 June 2008.

6. Employees of the Branch

As at 30 June 2008 the Branch employed 42 full time employees, 6 part time employees, and 10 casual employees with a total number of 47 employees on a full time 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 30 June 2008;

Cathy	DANIELS	01.07.07 to 30.06.08
Mark Christopher	BUTLER	01.07.07 to 23.11.07
Jackie	REINEKE	01.07.07 to 30.06.08
David	DITROIA	01.07.07 to 30.06.08
Jo	BROWN	01.07.07 to 30.06.08
Christopher John	FIELD	01.07.07 to 30.06.08
Sharon	DORIS	01.07.07 to 07.09.07
Sharon	HOLMES	01.07.07 to 11.02.08
Barbara	POSSINGHAM	01.07.07 to 30.06.08
Tim	ROWBOTTOM	01.07.07 to 30.06.08
John Campbell	INGLIS	01.07.07 to 30.06.08
Boyd	MACRAE	01.07.07 to 30.06.08
Mathias	MIELKE	01.07.07 to 30.06.08
Julian	SOUTHWELL	01.07.07 to 30.06.08
Mandy	HENSON	01.07.07 to 30.06.08
Leslie Gordon	HOCKING	01.07.07 to 30.06.08

Signed: 

David Di Troia, Branch Secretary

Date: 19. 6. 08

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

INDEPENDENT AUDIT REPORT

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

We have audited the accompanying financial report of Liquor Hospitality and Miscellaneous Union South Australian Branch which comprises the Balance Sheet, Income and Expenditure Statement, Statement of Changes In Equity, Cash Flow Statement, Notes to and forming part of the Financial Report and the Committee of Management's Statement for the year ended 30 June 2008.

Committee of Management's Responsibility for the Financial Report

The Committee of Management and the Secretary of the Branch are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, Australian Accounting Interpretations and the requirements of the Reporting Guidelines of Part 3 of Chapter 8 of Schedule 1B of the Workplace Relations Act 1996. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report so that it is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Matters Relating to the Electronic Presentation of the Audited Financial Report

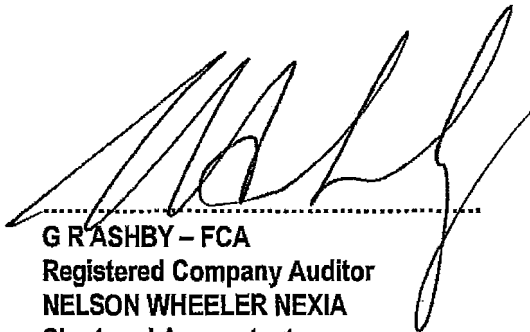
This audit report relates to the financial report of the Liquor, Hospitality and Miscellaneous Union, South Australian Branch for the year ended 30 June 2008, including its presentation on the Liquor, Hospitality and Miscellaneous Union web site. The National Executive and the National Secretary of the 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 above 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.

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

INDEPENDENT AUDIT REPORT (cont)

Audit Opinion

In our opinion the financial report presents fairly, in all material respects, the financial position of Liquor Hospitality and Miscellaneous Union South Australia Branch as at 30 June 2008 and of its financial performance and its cash flows for the year then ended in accordance Australian Accounting Standards, Australian Accounting Interpretations and the requirements of the Reporting Guidelines of Part 3 of Chapter 8 of Schedule 1B of the Workplace Relations Act 1996.



G RASHBY - FCA
Registered Company Auditor
NELSON WHEELER NEXIA
Chartered Accountants
200 East Terrace, Adelaide SA 5000

DATED 19th August 2008

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

**BALANCE SHEET
AS AT 30 JUNE 2008**

	Note	30.06.08 \$	30.06.07 \$
Accumulated Funds			
General Fund		3,501,642	3,735,212
Asset Revaluation Reserve		<u>2,173,889</u>	<u>2,173,889</u>
		<u>5,675,531</u>	<u>5,909,101</u>
Represented by Net Assets as follows:			
Current Assets			
Cash at Bank	3	1,040,753	1,230,623
Cash on Hand	3	2,000	2,000
Sundry Debtors & Receivables		59,428	29,632
Prepayments		79,032	101,310
Investments		<u>980,000</u>	<u>480,000</u>
		<u>2,161,213</u>	<u>1,843,565</u>
Non Current Assets			
Investments		<u>96</u>	<u>96</u>
Fixed Assets			
Land and Buildings	4	4,192,170	4,268,636
Motor Vehicles		620,021	651,979
Office Equipment		49,562	372,599
Computer Equipment		112,136	0
Fixtures		137,647	379,173
Library		31,745	35,817
Building Improvements Under Construction		-	-
		<u>5,143,281</u>	<u>5,708,204</u>
TOTAL ASSETS		<u>7,304,590</u>	<u>7,551,865</u>

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

**BALANCE SHEET (cont)
AS AT 30 JUNE 2008**

	Note	30.06.08 \$	30.06.07 \$
Less Liabilities			
Current Liabilities			
Provision for Accrued Annual Leave		633,335	639,967
Provision for Long Service Leave		426,381	415,638
National Council Sustentation Fees Payable		195,334	197,977
Sundry Creditors and Accruals		<u>270,626</u>	<u>293,103</u>
		<u>1,525,676</u>	<u>1,546,685</u>
Non Current Liabilities			
Provision for Long Service Leave		<u>103,383</u>	<u>96,079</u>
		<u>103,383</u>	<u>96,079</u>
Total Liabilities		<u>1,629,060</u>	<u>1,642,764</u>
NET ASSETS		<u>5,675,531</u>	<u>5,909,101</u>

The accompanying notes form part of this financial report

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

**INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008**

	Note	30.06.08 \$	30.06.07 \$
Income			
Contributions		5,846,103	5,973,044
Interest		107,413	81,661
National Organising Fund		0	80,000
Rent - Govt of Aust		46,346	41,894
Rent – Uniting Care Wesley		55,209	49,500
Rent – CPSU		64,367	63,236
Board Fees		99,937	105,978
Workers Compensation Representation Costs		175,565	99,050
Staff Expenses Reimbursements		14,916	17,304
OH&S Grant		120,000	0
Sundry Income/OH&S oncost income		<u>47,151</u>	<u>20,773</u>
Total Income		<u>6,577,007</u>	<u>6,532,440</u>
Expenditure			
Accountancy Fees		15,056✓	9,806
Advertising		311✓	606
Affiliation Fees		143,641	139,577
Attendance Fees		5,203	6,663
Audit Fees		16,000✓	13,146
Bank Charges		16155	17,896
Building Expenses - Mile End		175,445	185,353
Campaign Fund – ACTU		49,112✓	22,646
Commission		39,313✓	56,927
Computer Expenses		12,947✓	23,600
<u>Depreciation</u>			
- Fixtures		17,864✓	18,228
- Furniture, Fittings and Office Machines		22,168✓	47,050
- Library		4,030✓	3,959
- Motor Vehicles		130,327✓	122,688
- Buildings		76,466✓	78,426
Donations		2,040	4,967
Election Campaigns		122,647✓	13,754
Fringe Benefits Tax		63,403✓	63,988
General Expenses		6,115✓	2,612
Insurance		51,687✓	48,439
Legal & Professional Fees – Other		4,494	4,683
Media Service Fees		0	122
Meeting Expenses		151,621	182,840
Motor Vehicle Expenses		<u>142,627</u>	<u>132,835</u>
Carried Forward		1,268,662	1,200,811

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

**INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008**

	Note	30.06.08 \$	30.06.07 \$
Brought Forward		1,268,626	1,200,811
National Council Sustentation Fees		780,492	780,672
OH&S Expenses		24,339	0
Payroll Tax		171,011	181,062
Postage		26,534	36,377
Printing & Stationery		57,462	77,718
Printing & Stationery – Campaign Fund		37,206	33,252
Provision for Annual Leave		418,377	420,144
Provision for Long Service Leave		107,833	86,803
Publications/Subscriptions		16,692	11,768
Relocation		-	-
Repairs & Maintenance		7,991	1,043
SA Magazine		20,643	48,099
Salaries – Elected Officials		208,262	228,297
Salaries – Employees		2,350,029	2,231,542
Salaries – Member Organisers		118,639	128,456
Salaries – OH&S Salaries and On-Costs		64,973	0
Sponsorship		4,500	5,273
Staff Amenities		9,351	10,573
Superannuation		457,560	456,221
Temp Admin		6,498	28,215
Telephone		101,039	101,810
Training		6,952	12,886
Translating		0	669
Workcover Disbursements		95,742	65,583
Workcover Levy		65,821	<u>79,039</u>
Total Expenditure		<u>6,426,618</u>	<u>6,226,313</u>
Operating Surplus/(Deficit) for the Year		150,389	306,127
Profit/(Loss) on Disposal of Fixed Assets		<u>(383,959)</u>	<u>19,822</u>
Surplus/(Deficit) for the Year		<u>(233,570)</u>	<u>325,949</u>

The accompanying notes form part of this financial report

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2008**

	Note	30.06.08 \$	30.06.07 \$
General Fund			
Accumulated Funds at the Beginning of the Year		3,735,212	3,409,263
Surplus/(Deficit) for the Year		<u>(233,570)</u>	<u>325,949</u>
Accumulated Funds at the End of the Year		<u>3,501,642</u>	<u>3,735,212</u>
Asset Revaluation Reserve			
Reserve at the Beginning of the Year		<u>2,173,889</u>	<u>2,173,889</u>
Reserve at the End of the Year		<u>2,173,889</u>	<u>2,173,889</u>

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

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008**

	Note	30.06.08 \$	30.06.07 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Members			
Contributions Received		6,430,713	6,570,348
Other Receipts			
Interest		87,447	69,959
Rent		165,922	154,630
Refund of Board Fees		99,937	105,978
Workers Compensation Representation Costs		165,735	104,277
National Organising Fund		0	80,000
Reimbursement of Staff Expenses		14,916	17,304
Sundry Income		47,151	20,773
OH & S Grant		<u>120,000</u>	-
		7,131,821	7,123,269
Payments			
Payments to Suppliers and Employees		(5,700,326)	(5,416,913)
Other Payments			
Affiliation Fees		(143,641)	(139,577)
Donations & Election Campaigns		(124,687)	(74,659)
National Council Sustentation Fees		<u>(783,135)</u>	<u>(784,743)</u>
		<u>(6,751,789)</u>	<u>(6,415,892)</u>
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	6	<u>380,032</u>	<u>707,377</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant & equipment		214,697	183,799
Payments for property, plant & equipment		(284,599)	(609,749)
Payments for Investments		(500,000)	(340,000)
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES		<u>(569,902)</u>	<u>(765,950)</u>
NET INCREASE/(DECREASE) IN CASH HELD		<u>(189,870)</u>	<u>(58,573)</u>
CASH AT BEGINNING OF THE YEAR		<u>1,232,623</u>	<u>1,291,196</u>
CASH AT END OF THE YEAR	3	<u>1,042,753</u>	<u>1,232,623</u>

The accompanying notes form part of this financial report

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

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2008**

1. SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and the Workplace Relations Act 1996.

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 except where applicable non-current asset, financial assets and financial liabilities are measured at fair value, being the amount they could be exchanged between knowledgeable willing parties in an arms length transaction. 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) Cash and cash equivalents includes cash on hand, at call deposits with banks or financial institutions and investments in money market instruments maturing in less than two months.
- d) 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 methods in order to write the assets off over their useful life. The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

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	2.5% - 15%
Library	11.25%

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

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- At each reporting date, the Committee of Management reviews the carrying values of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the profit or loss for the period.
- e) Provisions are recognised when there is a legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits, that can be reliably estimated, will result.
- f) Provision is made for the Branch's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits arising from wages and salaries, annual leave and long service leave which are expected to be settled within one year, have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In calculating the present value of future cash flows the probability of leave being taken is based on historical data and the cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of the cash flows. Contributions made by the Branch to employee superannuation funds are charged as an expense when incurred.
- g) 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. Cash flows are presented in the Cash Flow Statement on a gross basis except for the GST component of investing activities which are included in operating cash flows.
- h) 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.
- i) Financial instruments, incorporating financial assets and financial liabilities, are recognised when the Branch becomes a party to the contractual provisions of the instrument. There are four types of financial assets:
- i. Financial assets at fair value through profit or loss are financial assets held for trading for the purpose of short term profit taking, or financial assets designated as such to avoid an accounting mismatch or to enable performance evaluation where they are managed in accordance with a documented risk management or investment strategy. They are initially measured at fair value and realised and unrealised gains and losses arising from subsequent changes in fair value are included in profit or loss in the period in which they arise.
 - ii. Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. They are initially measured at fair value plus transaction costs and are subsequently measured at amortised cost using the effective interest rate method.
 - iii. Held-to-maturity investments are financial assets that have fixed maturities and fixed or determinable payments, and it is the intention to hold these investments to maturity. They are initially measured at fair value plus transaction costs and are subsequently measured at amortised cost using the effective interest rate method.
 - iv. Available-for-sale financial assets are financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other

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entities where there is neither a fixed maturity nor fixed or determinable payments. They are initially measured at fair value plus transaction costs and realised and unrealised gains and losses arising from subsequent changes in fair value are included in equity in the period in which they arise.

There are two types of financial liabilities:

- i. Financial liabilities at fair value through profit or loss are financial liabilities held for trading for the purpose of short term profit taking, or financial liabilities designated as such to avoid an accounting mismatch or to enable performance evaluation where they are managed in accordance with a documented risk management or investment strategy. They are initially measured at fair value and realised and unrealised gains and losses arising from subsequent changes in fair value are included in profit or loss in the period in which they arise.
- ii. Other financial liabilities are initially measured at fair value plus transaction costs and are subsequently measured at amortised cost using the effective interest rate method.

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the Branch no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss. At each reporting date, the Branch assesses whether there is objective evidence that a financial asset has been impaired. Impairment losses are recognised in the profit or loss for the period.

- j) The asset revaluation reserve records revaluations of non current assets.
- k) When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

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 & CASH EQUIVALENTS

	30.06.08	30.6.07
	\$	\$
Cash at Bank	1,040,753	1,230,623
Cash on Hand	<u>2,000</u>	<u>2,000</u>
	<u>1,042,753</u>	<u>1,232,623</u>

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**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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4. FIXED ASSETS	30.06.08	30.06.07
	\$	\$
Land and Buildings at valuation Mile End	4,510,000	4,510,000
Less: Accumulated Depreciation	<u>317,830</u>	<u>241,364</u>
	<u>4,192,170</u>	<u>4,268,636</u>
Motor Vehicle at cost	823,921	828,159
Less: Accumulated Depreciation	<u>203,900</u>	<u>176,180</u>
	<u>620,021</u>	<u>651,979</u>
Office Equipment at cost	97,796	1,253,968
Less: Accumulated Depreciation	<u>48,235</u>	<u>881,369</u>
	<u>49,561</u>	<u>372,599</u>
Computer Equipment at cost	168,695	-
Less: Accumulated Depreciation	<u>56,558</u>	-
	<u>112,137</u>	-
Fixtures at cost	506,095	667,651
Less Accumulated Depreciation	<u>368,448</u>	<u>288,478</u>
	<u>137,647</u>	<u>379,173</u>
Library at cost	44,558	63,216
Less: Accumulated Depreciation	<u>12,802</u>	<u>27,399</u>
	<u>31,756</u>	<u>35,817</u>
Total Fixed Assets	<u>5,143,292</u>	<u>5,708,204</u>

Movements in carrying amounts:

2008	Land & Building	Motor Vehicles	Office Equipment	Computer Equipment	Fixtures	Library	Total
Balance at the beginning of the year	4,268,636	651,979	372,599	-	379,173	35,817	5,708,204
Additions	-	260,827	715	11,959	10,292	806	284,599
Transfers	-	-	(129,745)	115,154	14,591	-	-
Disposals	-	(162,458)	(186,816)	-	(248,545)	(837)	(598,656)
Depreciation Expense	(76,466)	(130,327)	(7,192)	(14,976)	(17,864)	(4,030)	(250,855)
Balance at the end of the year	4,192,170	620,021	49,561	112,137	137,647	31,756	5,143,292

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2007	Land & Building	Motor Vehicles	Office Equipment	Computer Equipment	Fixtures	Library	Total
Balance at the beginning of the year	4,347,062	612,456	278,293	-	226,180	30,695	5,532,783
Additions	-	326,188	141,356	-	171,221	9,081	609,749
Transfers	-	-	-	-	-	-	-
Disposals	-	(163,977)	-	-	-	-	(163,977)
Depreciation Expense	(78,426)	(122,688)	(47,050)	-	(18,228)	(3,959)	(270,351)
Balance at the end of the year	4,268,636	651,979	372,599	-	379,173	35,817	5,708,204

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

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 30 June 2008 was \$343,691 (2007 \$311,714). Aggregate remuneration received or receivable by Executive Members (Branch Executive) during the year ended 30 June 2008 was \$1,965 (2007 \$1,059). Aggregate of amounts paid to a superannuation plan by the branch in connection with the retirement of the Directors and Executive Members (Officials) during the year ended 30 June 2008 was \$46,502 (2007 \$43,179).
- (c) The ultimate controlling entity of the Branch is the Liquor Hospitality and Miscellaneous Union National Council.
- (d) Sustainment fees paid or payable to the National Council for the year ended 30th June 2008 were \$780,492 (2007 \$780,672).

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**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2008**

6. RECONCILIATION OF NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES WITH OPERATING SURPLUS/(DEFICIT) FOR THE YEAR:	30.06.08	30.06.07
	\$	\$
Operating Surplus/(Deficit) for the Year	(233,570)	325,949
Non Cash Flows in operating Surplus/(Deficit)		
- Depreciation	250,855	270,351
- (Profit)/Loss on Sale of Fixed Assets	383,959	(19,822)
Changes to Assets & Liabilities		
- Decrease/(Increase) in Interest Receivable	(19,966)	(11,702)
- Decrease/(Increase) in Sundry Debtors	(9,830)	8,866
- Decrease/(Increase) in Prepayments	22,278	-
- Increase/(Decrease) in Sustainment Fees Payable	(2,643)	(4,071)
- Increase/(Decrease) in Sundry Creditors and Accruals	(22,477)	69,551
- Increase/(Decrease) in Provision for Leave	<u>11,426</u>	<u>68,255</u>
Net Cash Provided By/(Used In) Operating Activities	<u>380,032</u>	<u>707,377</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 30 June 2008 is Nil (2007 \$4,294).

8. FINANCIAL INSTRUMENTS

The Branch's financial instruments consist mainly of deposits with banks, accounts receivable, local money market instruments, unlisted shares and accounts payable classified as follows.

	30.06.08	30.06.07
	\$	\$
Financial Assets at Fair Value through the Profit and Loss	-	-
Loans and Receivables	59,428	29,632
Held to Maturity Investments	980,000	480,000
Available for Sale Financial Assets	96	96
Financial Liabilities at Fair Value through the Profit and Loss	-	-
Other Liabilities	465,960	491,080

**LIQUOR HOSPITALITY AND MISCELLANEOUS UNION
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Fair Values

The fair value of sundry debtors and receivables, which are classified as loans and receivables, as well as term deposits and debentures which are classified as held to maturity assets, are determined by discounting the cash flows to their present value at market interest rates of similar assets. The fair value of unlisted shares classified as available for sale assets has been based on a reasonable estimate of the underlying net assets or the discounted cash flows of the shares. No financial assets and financial liabilities are readily traded on organised markets in standardised form. The fair value of these items approximates their carrying value as disclosed in the balance sheet and the notes to and forming part of the financial report.

Financial Risk Management

Potential financial risks include liquidity risk, credit risk and market risk, which comprises interest rate risk, foreign currency risk and price risk.

The Branch manages liquidity risk by monitoring forecast cash flows and ensuring that adequate short term cash balances are maintained to meet liabilities.

The Branch manages credit risk by monitoring exposure to single debtors, groups of debtors and financial institutions holding cash, term deposits and local money market instruments. The Branch does not have any material credit risk exposure to any single debtor or group of debtors. Only reputable financial institutions are utilised for cash, term deposits and local money market instruments.

The Branch does not have any material exposure to interest rate risk as it does not maintain any debt.

The Branch does not have any material exposure to foreign currency risk as it does not transact in foreign currencies.

The Branch does not have any material exposure to price risk as it does not have any traded investments or commodities.

Due to the Branch's low exposure to these financial risks the sensitivity of fluctuations in these risks is immaterial.



Australian Government
Australian Industrial Registry

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



Dear Ms Tarrant

**Re: Lodgement of Financial Statements and Accounts –
Liquor, Hospitality and Miscellaneous Union, South Australian Branch –
for year ending 30 June 2008 (FR2008/494)**

I refer to the abovementioned financial statements and accounts which were lodged in the Registry on 17 December 2008.

The legislative requirements appear to have been met and accordingly the documents have been filed.

Yours sincerely,

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

Stephen Kellett
Statutory Services Branch

2 January 2009