



Fair Work
Australia

3 February 2010

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



Dear Ms Tarrant

**Lodgment of Financial Statements and Accounts – Liquor, Hospitality and
Miscellaneous Union, South Australian Branch - for year ended 30 June 2009
(FR2009/261)**

Thank you for lodging the abovementioned financial statements and accounts which were received by Fair Work Australia on 21 December 2009.

The documents have been filed.

Yours sincerely,

Stephen Kellett
Statutory Services Branch
Fair Work Australia

National Office
303 Cleveland Street
Redfern NSW 2016

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Haymarket NSW 1240
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Web address: www.lhmu.org.au

Louise Tarrant
National Secretary

Brian Daley
National President

Sue Lines
Troy Burton
Assistant National Secretaries



LHMU

Organising for the future

ABN: 5272 8088 684

18 December 2009

Mr Barry Jenkins
Delegate of General Manager
Fair Work Australia
80 William Street
EAST SYDNEY NSW 2010

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 2009. 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 11 August 2009. The Executive resolved:

- That the operating report be approved and signed.
- To endorse the Branch Executive Statement.
- That the Branch Secretary be authorised to sign the Branch Executive Statement.
- That the financial reports be distributed to members by publication on the LHMU website and advertising that link in 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 2009 and was adopted. Also enclosed is a copy of the Branch Secretary's certificate dated 11 December 2009.

On the basis of the above and the enclosed documentation it would seem that the LHMU 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

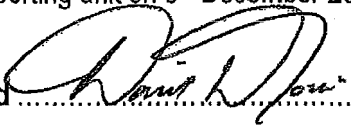
**LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION
SOUTH AUSTRALIAN BRANCH**

FINANCIAL REPORTS FOR THE YEAR ENDED 30 JUNE 2009

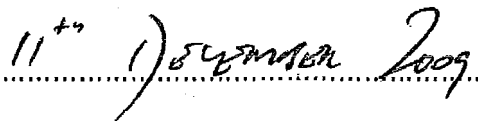
CERTIFICATE BY SECRETARY

I David Di Troia 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 2009 and
- That the full report was presented to a meeting of the committee of management of the reporting unit on 9th December 2009; in accordance with section 266 of the RAO Schedule.

Signed 

David Di Troia, Branch Secretary

Date: 

LIQUOR HOSPITALITY AND MISCELLANEOUS UNION

SOUTH AUSTRALIAN BRANCH

**FULL FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2009**

**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 11 August, 2009 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 2009 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 2009;
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 2009 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:.....

11th August 2009

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 2009.

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.

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 16,472 members of the Branch as at 30 June 2009.

6. Employees of the Branch

As at 30 June 2009 the Branch employed 45 full time employees, 6 part time employees, and 11 casual employees with a total number of 49 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 2009;

Cathy	DANIELS	01.07.08 to 30.06.09
Jackie	REINEKE	01.07.08 to 31.01.09
David	DITROIA	01.07.08 to 30.06.09
Jo	BROWN	01.07.08 to 30.06.09
Christopher John	FIELD	01.07.08 to 30.06.09
Barbara	POSSINGHAM	01.07.08 to 30.06.09
Tim	ROWBOTTOM	01.07.08 to 30.06.09
John Campbell	INGLIS	01.07.08 to 30.06.09
Boyd	MACRAE	01.07.08 to 01.11.08
Mathias	MIELKE	01.07.08 to 31.08.08
Julian	SOUTHWELL	01.07.08 to 30.06.09
Robyn	BUCKLER	01.07.08 to 30.06.09
Mandy	HENSON	01.07.08 to 30.06.09
Leslie Gordon	HOCKING	01.07.08 to 30.06.09
Gary	CLARKE	01.07.08 to 30.06.09
Christos	KARTSONIS	01.07.08 to 30.06.09

Signed:


David Di Troia, Branch Secretary

Date:

11th August 2009

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 2009.

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 Australian Accounting Professional and Ethical Standards 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 2009, 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**

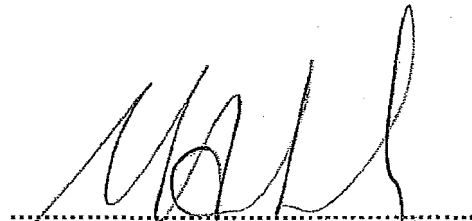
INDEPENDENT AUDIT REPORT (cont)

Independence

In conducting our audit, we have complied with the independence requirements of the Australian Accounting Professional and Ethical Standards.

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 2009 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 R ASHBY – FCA
Registered Company Auditor
NELSON WHEELER NEXIA
Chartered Accountants
100 Hutt Street, Adelaide SA 5000

DATED.....^{11th} August 2009

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

**BALANCE SHEET
AS AT 30 JUNE 2009**

	Note	30.06.09 \$	30.06.08 \$
Accumulated Funds			
General Fund		4,254,315	3,501,642
Asset Revaluation Reserve		<u>4,906,273</u>	<u>2,173,889</u>
		<u>9,160,588</u>	<u>5,675,531</u>
Represented by Net Assets as follows:			
Current Assets			
Cash at Bank	3	907,718	1,040,753
Cash on Hand	3	2,000	2,000
Sundry Debtors & Receivables		54,467	59,428
Prepayments		58,049	79,032
Investments		<u>2,012,467</u>	<u>980,000</u>
		<u>3,034,701</u>	<u>2,161,213</u>
Non Current Assets			
Investments		<u>96</u>	<u>96</u>
Fixed Assets			
	4		
Land and Buildings		6,850,000	4,192,170
Motor Vehicles		609,041	620,021
Office Equipment		81,489	49,562
Computer Equipment		113,680	112,136
Fixtures		123,039	137,647
Library		<u>28,159</u>	<u>31,745</u>
		<u>7,805,408</u>	<u>5,143,281</u>
TOTAL ASSETS		<u>10,840,205</u>	<u>7,304,590</u>

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

**BALANCE SHEET (cont)
AS AT 30 JUNE 2009**

	Note	30.06.09 \$	30.06.08 \$
Less Liabilities			
Current Liabilities			
Provision for Accrued Annual Leave		595,223	633,335
Provision for Long Service Leave		510,302	426,381
National Council Sustentation Fees Payable		208,794	195,334
Sundry Creditors and Accruals		<u>291,607</u>	<u>270,626</u>
		<u>1,605,926</u>	<u>1,525,676</u>
Non Current Liabilities			
Provision for Long Service Leave		<u>73,691</u>	<u>103,383</u>
		<u>73,691</u>	<u>103,383</u>
Total Liabilities		<u>1,679,617</u>	<u>1,629,060</u>
NET ASSETS		<u>9,160,588</u>	<u>5,675,531</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 2009**

	Note	30.06.09	30.06.08
		\$	\$
Income			
Contributions		5,958,048	5,846,103
Interest		123,702	107,413
Rent - Govt of Aust		40,854	46,346
Rent – Uniting Care Wesley		63,875	55,209
Rent – CPSU		84,453	64,367
Board Fees		100,994	99,937
Workers Compensation Representation Costs		234,842	175,565
Staff Expenses Reimbursements		31,742	14,916
OH&S Grant		120,000	120,000
Sundry Income/OH&S oncost income		<u>72,274</u>	<u>47,151</u>
Total Income		<u>6,830,784</u>	<u>6,577,007</u>
Expenditure			
Accountancy Fees		13,882	15,056
Advertising		-	311
Affiliation Fees		143,127	143,641
Attendance Fees		6,454	5,203
Audit Fees		15,326	16,000
Bank Charges		27,851	16,155
Building Expenses - Mile End		179,478	175,445
Campaign Fund – ACTU		22,199	49,112
Campaign Fund		8,177	37,206
Commission		30,903	39,313
Computer Expenses		18,172	12,947
<u>Depreciation</u>			
- Fixtures		6,631	17,864
- Furniture, Fittings and Office Machines		30,287	22,168
- Library		3,586	4,030
- Motor Vehicles		125,619	130,327
- Buildings		74,554	76,466
Donations		7,650	2,040
Election Campaigns		12,000	122,647
Fringe Benefits Tax		65,893	63,403
General Expenses		31	6,115
Insurance		43,225	51,687
Legal & Professional Fees – Other		30,328	4,494
Meeting Expenses		166,595	151,621
Motor Vehicle Expenses		<u>124,497</u>	<u>142,627</u>
Carried Forward		1,156,465	1,305,878

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

**INCOME AND EXPENDITURE STATEMENT (cont)
FOR THE YEAR ENDED 30 JUNE 2009**

	Note	30.06.09	30.06.08
		\$	\$
Brought Forward		1,156,465	1,305,878
National Council Sustentation Fees		803,730	780,492
OH&S Expenses		15,387	24,339
Payroll Tax		150,593	171,011
Postage		34,988	26,534
Printing & Stationery		68,614	57,462
Provision for Annual Leave		355,055	418,377
Provision for Long Service Leave		70,323	107,833
Publications/Subscriptions		21,117	16,692
Repairs & Maintenance		12,474	7,991
SA Magazine		43,564	20,643
Salaries – Elected Officials		190,888	208,262
Salaries – Employees		2,255,161	2,350,029
Salaries – Member Organisers		80,160	118,639
Salaries – OH&S Salaries and On-Costs		94,617	64,973
Sponsorship		1,500	4,500
Staff Amenities		6,250	9,351
Superannuation		432,580	457,560
Temp Admin		3,387	6,498
Telephone		89,080	101,039
Training		4,790	6,952
Translating		27	-
Workcover Disbursements		146,006	95,742
Workcover Levy		<u>50,098</u>	<u>65,821</u>
Total Expenditure		<u>6,086,854</u>	<u>6,426,618</u>
Operating Surplus/(Deficit) for the Year		743,930	150,389
Profit/(Loss) on Disposal of Fixed Assets		<u>8,743</u>	<u>(383,959)</u>
Surplus/(Deficit) for the Year		<u>752,673</u>	<u>(233,570)</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 2009**

	Note	30.06.09 \$	30.06.08 \$
General Fund			
Accumulated Funds at the Beginning of the Year		3,501,642	3,735,212
Surplus/(Deficit) for the Year		<u>752,673</u>	<u>(233,570)</u>
Accumulated Funds at the End of the Year		<u>4,254,315</u>	<u>3,501,642</u>
Asset Revaluation Reserve			
Reserve at the Beginning of the Year		2,173,889	2,173,889
Land and Building Revaluation		<u>2,732,384</u>	<u>-</u>
Reserve at the End of the Year		<u>4,906,273</u>	<u>2,173,889</u>

The accompanying notes form part of this financial report

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

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009**

	Note	30.06.09 \$	30.06.08 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Members			
Contributions Received		6,553,853	6,430,713
Other Receipts			
Interest		142,051	87,447
Rent		208,100	182,514
Refund of Board Fees		100,994	99,937
Workers Compensation Representation Costs		221,454	165,735
Reimbursement of Staff Expenses		34,916	16,407
Sundry Income		72,274	47,151
OH & S Grant		<u>132,000</u>	<u>132,000</u>
		7,465,642	7,161,904
Payments			
Payments to Suppliers and Employees		(5,358,146)	(5,637,732)
Other Payments			
Affiliation Fees		(157,440)	(158,005)
Donations & Election Campaigns		(19,650)	(124,687)
National Council Sustentation Fees		<u>(869,297)</u>	<u>(861,448)</u>
		<u>(6,404,533)</u>	<u>(6,781,872)</u>
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	6	<u>1,061,109</u>	<u>380,032</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant & equipment		201,663	214,697
Payments for property, plant & equipment		(363,340)	(284,599)
Payments for Investments		<u>(1,032,467)</u>	<u>(500,000)</u>
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES		<u>(1,194,144)</u>	<u>(569,902)</u>
NET INCREASE/(DECREASE) IN CASH HELD		<u>(133,035)</u>	<u>(189,870)</u>
CASH AT BEGINNING OF THE YEAR		<u>1,042,753</u>	<u>1,232,623</u>
CASH AT END OF THE YEAR	3	<u>909,718</u>	<u>1,042,753</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 2009**

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**

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2009**

1. SIGNIFICANT ACCOUNTING POLICIES (cont)

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 Goods and Services Tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office, in which case 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, including 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.

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1. SIGNIFICANT ACCOUNTING POLICIES (cont)

- 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 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).

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3. CASH & CASH EQUIVALENTS	30.06.09	30.06.08
	\$	\$
Cash at Bank	907,718	1,040,753
Cash on Hand	<u>2,000</u>	<u>2,000</u>
	<u>909,718</u>	<u>1,040,753</u>
4. FIXED ASSETS		
Land and Buildings at valuation Mile End	6,850,000	4,510,000
Less: Accumulated Depreciation	<u>-</u>	<u>317,830</u>
	<u>6,850,000</u>	<u>4,192,170</u>
Motor Vehicle at cost	808,600	823,921
Less: Accumulated Depreciation	<u>199,558</u>	<u>203,900</u>
	<u>609,041</u>	<u>620,021</u>
Office Equipment at cost	130,190	97,796
Less: Accumulated Depreciation	<u>48,701</u>	<u>48,235</u>
	<u>81,489</u>	<u>49,561</u>
Computer Equipment at cost	184,411	168,695
Less: Accumulated Depreciation	<u>70,732</u>	<u>56,558</u>
	<u>113,680</u>	<u>112,137</u>
Fixtures at cost	507,601	506,095
Less Accumulated Depreciation	<u>384,562</u>	<u>368,448</u>
	<u>123,039</u>	<u>137,647</u>
Library at cost	44,547	44,558
Less: Accumulated Depreciation	<u>16,388</u>	<u>12,802</u>
	<u>28,159</u>	<u>31,756</u>
Total Fixed Assets	<u>7,805,291</u>	<u>5,143,292</u>

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**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2009**

4. FIXED ASSETS (cont)

Movements in carrying amounts:

2009	Land & Building	Motor Vehicles	Office Equipment	Computer Equipment	Fixtures	Library	Total
Balance at the beginning of the year	4,192,170	620,021	49,562	112,136	137,647	31,756	5,143,292
Additions	-	300,723	45,392	15,717	1,506	-	363,338
Transfers	-	-	-	-	-	-	-
Disposals	-	(186,084)	(6,835)	-	-	-	(192,919)
Revaluations	2,732,384						2,732,384
Depreciation Expense	(74,554)	(125,619)	(6,632)	(14,173)	(16,240)	(3,597)	(240,804)
Balance at the end of the year	6,850,000	609,041	81,487	113,680	122,913	28,159	7,805,291

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

An independent valuation of freehold Land and Buildings was undertaken on 30 June 2009. The valuation was based on an assessment of the property's current market value using the capitalisation approach. The revaluation surplus was credited to the asset revaluation reserve in the accumulated funds.

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**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2009**

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 2009 was \$251,641 (2008 \$343,691). Aggregate remuneration received or receivable by Executive Members (Branch Executive) during the year ended 30 June 2009 was \$7,502 (2008 \$1,965). 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 2009 was \$34,313 (2008 \$46,502).
- (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 2009 were \$803,730 (2008 \$780,492).

6. RECONCILIATION OF NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES WITH OPERATING SURPLUS/(DEFICIT) FOR THE YEAR:	30.06.09	30.06.08
	\$	\$
Operating Surplus/(Deficit) for the Year	752,673	(233,570)
Non Cash Flows in operating Surplus/(Deficit)		
- Depreciation	240,677	250,855
- (Profit)/Loss on Sale of Fixed Assets	(8,743)	383,959
Changes to Assets & Liabilities		
- Decrease/(Increase) in Interest Receivable	18,349	(19,966)
- Decrease/(Increase) in Sundry Debtors	(13,388)	(9,830)
- Decrease/(Increase) in Prepayments	20,983	22,278
- Increase/(Decrease) in Sustentation Fees Payable	13,460	(2,643)
- Increase/(Decrease) in Sundry Creditors and Accruals	20,981	(22,477)
- Increase/(Decrease) in Provision for Leave	<u>16,117</u>	<u>11,426</u>
Net Cash Provided By/(Used In) Operating Activities	<u>1,061,109</u>	<u>380,032</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 2009 is Nil (2008 Nil).

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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.

	30.06.09	30.06.08
	\$	\$
Financial Assets at Fair Value through the Profit and Loss	-	-
Loans and Receivables	54,467	59,428
Held to Maturity Investments	2,012,467	980,000
Available for Sale Financial Assets	96	96
Financial Liabilities at Fair Value through the Profit and Loss	-	-
Other Liabilities	500,402	465,960

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.