



FAIR WORK
AUSTRALIA

24 January 2011

Ms Louise Tarrant
National Secretary
LHMU
Locked Bag 9
HAYMARKET NSW 1240



Dear Ms Tarrant

Lodgment of Financial Accounts and Statements - Liquor, Hospitality and Miscellaneous Union - National Office (FR2010/2547), Victorian Branch (FR2010/2545), Western Australia Branch (FR2010/2546), South Australian Branch (FR2010/2557), Tasmanian Branch (FR2010/2558) - for year ending 30 June 2010

Thank you for lodging the abovementioned financial accounts and statements which were received by Fair Work Australia on 17 December 2010.

The documents have been filed.

Yours sincerely,

Stephen Kellett
Statutory Services Branch
Fair Work Australia

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Rydalm NSW 2018

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Haymarket NSW 1240
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Louise Tarrant
National Secretary

Brian Daley
National President

Sus Lines
Troy Burton
Assistant National Secretaries



Organising for the future

20 December, 2010

Mr Barry Jenkins
Delegate of General Manager
Fair Work Australia
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 SA Branch for the year ended 30 June 2010.
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 17 August. 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 November edition of Union News.

Subsequently the financial report 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 14 December, 2010 and was adopted. Also enclosed is a copy of the Branch Secretary's certificate dated 15 December, 2010.

On the basis of the above and the enclosed documentation it would seem that the LHMU SA Branch has complied with the audit and reporting requirements of the Fair Work Australia Act 2009.

Yours faithfully

LOUISE TARRANT
NATIONAL SECRETARY

LIQUOR HOSPITALITY

AND

MISCELLANEOUS UNION

SOUTH AUSTRALIAN BRANCH

**FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2010**

**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 17 August, 2010 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 2010 be included in the financial report.

In the opinion of the Committee of Management:

- (a) The financial report complies with the Australian Accounting Standards;
- (b) The financial report complies with the reporting guidelines of the General Manager of Fair Work Australia (FWA);
- (c) The financial report gives a fair view of the financial performance, financial position and cash flows of the Branch for the financial year ended 30 June 2010;
- (d) 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
- (e) During the financial year to which the GPFR relates and since the end of that year:
 - (i) Meetings of the committee of management were held in accordance with the rules of the organization and the rules of the branch; and
 - (ii) The financial affairs of the branch have been managed in accordance with the rules of the organization and the rules of the branch; and
 - (iii) The financial records of the branch have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009 ; and
 - (iv) The financial records of the branch have been kept, as far as practicable, in a consistent manner to each of the other branches of the organisation; and
 - (v) The information sought in any request of a member of the branch or the General Manager of Fair Work Australia duly made under section 272 of Fair Work (Registered Organisations) Act 2009 has been furnished to the member or the General Manager; and
 - (vi) There has been compliance with any order for inspection of financial records made by Fair Work Australia under the Fair Work (Registered Organisations) Act 2009.

For the Branch Executive:



David Di Troia, Branch Secretary

17 August, 2010

**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 2010.

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.

5 Membership of the Branch.

There were 16,691 members of the Branch as at 30 June 2010.

6 Employees of the Branch

As at 30 June 2010 the Branch employed 45 full time employees, 2 part time employees, and 12 casual employees with a total number of 47 employees on a full time equivalent basis.

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

OPERATING REPORT (cont)

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 2010;

Cathy	DANIELS	01.07.09 to 30.06.10
David	DITROIA	01.07.09 to 30.06.10
Jo	BROWN	01.07.09 to 30.06.10
Christopher John	FIELD	01.07.09 to 30.06.10
Barbara	POSSINGHAM	01.07.09 to 30.06.10
Tim	ROWBOTTOM	01.07.09 to 30.06.10
John Campbell	INGLIS	01.07.09 to 30.06.10
Julian	SOUTHWELL	01.07.09 to 30.09.09
Robyn	BUCKLER	01.07.09 to 30.06.10
Mandy	HENSON	01.07.09 to 30.06.10
Leslie Gordon	HOCKING	01.07.09 to 30.06.10
Gary	CLARKE	01.07.09 to 31.01.10
Christos	KARTSONIS	01.07.09 to 30.06.10

Signed: 

David Di Trola, Branch Secretary

Date: 17/8/10

**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 2010.

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 Division 3 of Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009. 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 2010, 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.

Independence

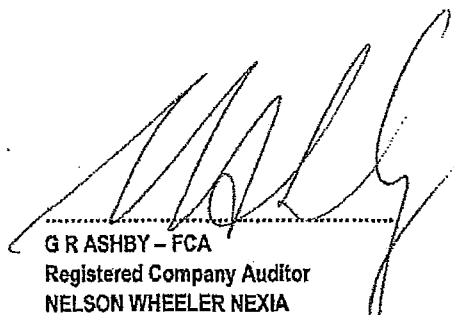
In conducting our audit, we have complied with the independence requirements of the Australian Accounting Professional and Ethical Standards.

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 2010 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 Division 3 of Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.



.....
G R ASHBY – FCA
Registered Company Auditor
NELSON WHEELER NEXIA
Chartered Accountants
100 Hutt Street, Adelaide SA 5000
DATED.....17/8/10

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

**BALANCE SHEET
AS AT 30 JUNE 2010**

	Note	30.06.10 \$	30.06.09 \$
Accumulated Funds			
General Fund		4,648,362	4,254,315
Asset Revaluation Reserve		4,906,273	4,906,273
		<u>9,554,635</u>	<u>9,160,588</u>
Represented by Net Assets as follows:			
Current Assets			
Cash at Bank and Cash Equivalents	3	1,047,384	909,718
Sundry Debtors & Receivables		97,511	54,467
Prepayments		77,548	58,049
Investments		2,480,000	2,012,467
		<u>3,702,443</u>	<u>3,034,701</u>
Non Current Assets			
Fixed Assets			
	4		
- Land and Buildings		6,757,525	6,850,000
- Motor Vehicles		621,839	609,041
- Office Equipment		72,606	81,489
- Computer Equipment		110,623	113,680
- Fixtures		100,676	123,039
- Library		15,674	28,159
		<u>7,678,943</u>	<u>7,805,408</u>
Investments		96	96
		<u>7,679,039</u>	<u>7,805,504</u>
Total Assets		<u>11,381,482</u>	<u>10,840,205</u>
Current Liabilities			
National Council Sustainment Fees Payable		257,398	208,794
Sundry Creditors and Accruals		285,645	291,607
Accrued Annual Leave		658,014	595,223
Accrued Long Service Leave		557,247	510,302
		<u>1,758,304</u>	<u>1,605,926</u>
Non Current Liabilities			
Provision for Long Service Leave		68,543	73,691
		<u>68,543</u>	<u>73,691</u>
Total Liabilities		<u>1,826,847</u>	<u>1,679,617</u>
Net Assets		<u>9,554,635</u>	<u>9,160,588</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 2010

	Note	30.06.10 \$	30.06.09 \$
Income			
Contributions		6,222,280	5,958,048
Interest		116,912	123,702
Rent - Govt of Aust		63,610	40,854
Rent - Uniting Care Wesley		69,408	63,875
Rent - CPSU		86,397	84,453
Board Fees		92,871	100,994
Workers Compensation Representation Costs		319,309	234,842
Staff Expenses Reimbursements		85,465	31,742
OH&S Grant		120,000	120,000
Sundry Income/OH&S oncost income		84,059	72,274
Total Income		<u>7,250,311</u>	<u>6,830,784</u>
Expenditure			
Accountancy Fees		11,903	13,882
Advertising		960	0
Affiliation Fees		137,678	143,127
Attendance Fees		6,609	6,454
Audit Fees		16,718	15,326
Bank Charges		33,010	27,851
Building Expenses - Mile End		204,813	179,478
Campaign Fund - ACTU		0	22,199
Campaign Fund		18,102	8,177
Commission		16,292	30,903
Computer Expenses		44,758	18,172
Depreciation - Fixtures		12,123	6,631
Depreciation - Furniture, Fittings and Office Machines		28,974	30,287
Depreciation - Library		3,279	3,586
Depreciation - Motor Vehicles		134,837	125,619
Depreciation - Buildings		92,475	74,554
Donations		2,655	7,650
Election Campaigns		87,741	12,000
Fringe Benefits Tax		65,377	65,893
General Expenses		(229)	31
Insurance		41,836	43,225
Legal & Professional Fees - Other		24,732	30,328
Meeting Expenses		184,094	166,595
Motor Vehicle Expenses		119,930	124,497
Carried Forward		1,288,867	1,156,465

The accompanying notes form part of this financial report

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

**INCOME AND EXPENDITURE STATEMENT (cont)
FOR THE YEAR ENDED 30 JUNE 2010**

	Note	30.06.10 \$	30.06.09 \$
Brought Forward		1,288,887	1,156,465
National Council Sustentation Fees		902,065	809,730
OH&S Expenses		15,071	15,387
Payroll Tax		165,501	150,583
Postage		41,512	34,988
Printing & Stationery		69,258	68,614
Provision for Annual Leave		458,639	355,055
Provision for Long Service Leave		110,615	70,323
Publications/Subscriptions		15,242	21,117
Repairs & Maintenance		8,181	12,474
SA Magazine		58,742	43,564
Salaries – Elected Officials		208,233	190,888
Salaries – Employees		2,540,959	2,255,161
Salaries – Member Organisers		116,706	80,160
Salaries – OH&S Salaries and On-Costs		113,816	94,617
Sponsorship		5,545	1,500
Staff Amenities		8,627	6,250
Superannuation		446,175	432,580
Temp Admin		20,087	3,387
Telephone		90,943	89,080
Training		2,197	4,790
Translating		177	27
Workcover Disbursements		103,185	146,006
Workcover Levy		57,748	50,098
Total Expenditure		<u>6,848,071</u>	<u>6,086,854</u>
Operating Surplus/(Deficit) for the Year		402,240	743,930
Profit/(Loss) on Disposal of Fixed Assets		<u>(8,193)</u>	<u>8,743</u>
Surplus/(Deficit) for the Year		<u>394,047</u>	<u>752,673</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 2010**

Note	30.06.10 \$	30.06.09 \$
General Fund		
Accumulated Funds at the Beginning of the Year	4,254,315	3,501,642
Surplus/(Deficit) for the Year	394,047	752,673
Accumulated Funds at the End of the Year	<u>4,648,362</u>	<u>4,254,315</u>
Asset Revaluation Reserve		
Reserve at the Beginning of the Year	4,906,273	2,173,889
Land and Building Revaluation	-	2,732,384
Reserve at the End of the Year	<u>4,906,273</u>	<u>4,906,273</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 2010**

	Note	30.06.10 \$	30.06.09 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Members			
Contributions Received		6,844,508	6,553,853
Other Receipts			
Interest		76,596	142,051
Rent		230,355	208,102
Refund of Board Fees		92,871	100,994
Workers Compensation Representation Costs		316,581	221,454
Reimbursement of Staff Expenses		94,012	34,916
Sundry Income		84,059	72,274
OH & S Grant		132,000	132,000
		<u>7,870,982</u>	<u>7,465,644</u>
Payments			
Payments to Suppliers and Employees		(5,926,659)	(5,358,146)
Other Payments			
Affiliation Fees		(151,445)	(157,440)
Donations & Election Campaigns		(90,596)	(19,650)
National Council Sustainment Fees		(943,688)	(869,297)
		<u>(7,112,368)</u>	<u>(6,404,533)</u>
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	6	<u>758,614</u>	<u>1,061,111</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant & equipment		188,070	201,863
Payments for property, plant & equipment		(341,486)	(363,340)
Payments for investments		(467,532)	(1,032,467)
		<u>(620,948)</u>	<u>(1,194,144)</u>
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES		<u>(620,948)</u>	<u>(1,194,144)</u>
NET INCREASE/(DECREASE) IN CASH HELD		<u>137,666</u>	<u>(133,033)</u>
CASH AT BEGINNING OF THE YEAR		<u>909,718</u>	<u>1,042,751</u>
CASH AT END OF THE YEAR	3	<u>1,047,384</u>	<u>909,718</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 2010**

1. SIGNIFICANT ACCOUNTING POLICIES (cont)

- 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) Provisions and Accruals are made for the Branch's liability for employee benefits arising from services rendered by employees to balance date. Accrued 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. Provision for 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.
 - 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.

LIQUOR HOSPITALITY AND MISCELLANEOUS UNION
SOUTH AUSTRALIAN BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2010

4. FIXED ASSETS

Land and Buildings at valuation Mile End	6,850,000	6,850,000
Less: Accumulated Depreciation	<u>(92,475)</u>	<u>0</u>
	<u>6,757,525</u>	<u>6,850,000</u>
 Motor Vehicle at cost	 834,766	 808,600
Less: Accumulated Depreciation	<u>(212,927)</u>	<u>(199,558)</u>
	<u>621,839</u>	<u>609,042</u>
 Office Equipment at cost	 81,489	 130,190
Less: Accumulated Depreciation	<u>(8,883)</u>	<u>(48,701)</u>
	<u>72,606</u>	<u>81,489</u>
 Computer Equipment at cost	 113,880	 184,411
Less: Accumulated Depreciation	<u>(3,057)</u>	<u>(70,732)</u>
	<u>110,823</u>	<u>113,679</u>
 Fixtures at cost	 123,039	 507,601
Less Accumulated Depreciation	<u>(22,363)</u>	<u>(384,562)</u>
	<u>100,676</u>	<u>123,039</u>
 Library at cost	 28,159	 44,547
Less: Accumulated Depreciation	<u>(12,485)</u>	<u>(16,388)</u>
	<u>15,674</u>	<u>28,159</u>
 Total Fixed Assets	 <u>7,678,943</u>	 <u>7,805,408</u>

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

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2010**

4. FIXED ASSETS (cont)

Movements in carrying amounts:

2010	Land & Building	Motor Vehicles	Office Equipment	Computer Equipment	Fixtures	Library	Total
Balance at the beginning of the year	6,850,000	609,042	81,489	113,679	123,039	28,159	7,805,408
Additions	-	308,877	11,000	20,542	-	1,066	341,485
Transfers	-	-	-	-	-	-	-
Disposals	-	(161,243)	(7,878)	(9,014)	(7,855)	(10,272)	(196,262)
Revaluations	-	-	-	-	-	-	-
Depreciation Expense	(92,475)	(134,837)	(12,005)	(14,584)	(14,508)	(3,279)	(271,688)
Balance at the end of the year	6,757,525	621,839	72,606	110,623	100,676	15,674	7,678,943

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	-	300,724	45,394	15,716	1,506	-	363,340
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)	(16,114)	(3,597)	(240,689)
Balance at the end of the year	6,850,000	609,042	81,489	113,679	123,039	28,159	7,805,408

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.

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

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2010**

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 2010 was \$262,787 (2009 \$251,641). Aggregate remuneration received or receivable by Executive Members (Branch Executive) during the year ended 30 June 2010 was \$41,462 (2009 \$7,502). 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 2010 was \$30,579 (2009 \$34,313).
- (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 2010 were \$855,017(2009 \$803,730).

**6. RECONCILIATION OF NET CASH PROVIDED
BY/(USED IN) OPERATING ACTIVITIES WITH
OPERATING SURPLUS/(DEFICIT) FOR THE YEAR:**

	30.6.10	30.6.09
	\$	\$
Operating Surplus/(Deficit) for the Year	394,047	752,673
Non Cash Flows in operating Surplus/(Deficit)		
- Depreciation	271,688	240,677
- (Profit)/Loss on Sale of Fixed Assets	8,193	(8,743)
Changes to Assets & Liabilities		
- Decrease/(Increase) in Interest Receivable	(40,315)	18,349
- Decrease/(Increase) in Sundry Debtors	(2,728)	(13,388)
- Decrease/(Increase) in Prepayments	(19,499)	20,983
- Increase/(Decrease) in Sustentation Fees Payable	48,604	13,460
- Increase/(Decrease) in Sundry Creditors and Accruals	(5,964)	20,981
- Increase/(Decrease) in Leave Liabilities	104,588	16,117
Net Cash Provided By/(Used In) Operating Activities	758,614	1,061,109

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

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2010**

7. 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.

	30.06.10	30.06.09
	\$	\$
Loans and Receivables	97,511	54,467
Held to Maturity Investments	2,480,000	2,012,467
Available for Sale Financial Assets	96	96
Other Liabilities - National Council Sustainment Fees Payable	257,398	208,794
Other Liabilities - Sundry Creditors and Accruals	285,645	291,607

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.

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

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2010**

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 Fair Work (Registered Organizations) Act 2009.

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	2.50%
Motor Vehicles	18.75% - 22.5%
Office Equipment	4% - 37.5%
Fixtures	2.5% - 15%
Library	11.25%

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.

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

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2010**

1. SIGNIFICANT ACCOUNTING POLICIES (cont)

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 the presentation of the current financial year

2. INFORMATION TO BE PROVIDED TO MEMBERS OR GENERAL MANAGER OF FWA

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, 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 General Manager of FWA, 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

	30.06.10	30.06.09
	\$	\$
Cash at Bank	1,045,384	907,718
Cash on Hand	2,000	2,000
	1,047,384	909,718

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

FINANCIAL REPORTS FOR THE YEAR ENDED 30 JUNE 2010

CERTIFICATE BY SECRETARY

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 Fair Work (Registered Organisations) Act 2009; and
- That the full report was provided to members on 24 November 2010 and
- That the full report was presented to a meeting of the committee of management of the reporting unit on 14th December, 2010 in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.

Signed



David Di Troia, Branch Secretary

.....
Date:

15.12.10

27 July 2010

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 – for year ending 30 June 2010 - National Office (FR2010/2547), Victorian Branch (FR2010/2545), Western Australian Branch (FR2010/2546), NSW Branch (FR2010/2548), Northern Territory Branch (FR2010/2549), Queensland Branch (FR2010/2556), South Australian Branch (FR2010/2557), Tasmanian Branch (FR2010/2558)

The financial year of the above reporting entities within the Liquor, Hospitality and Miscellaneous Union has recently ended. This is a courtesy letter to remind you of the obligation to prepare the reporting units' financial documents and to lodge audited financial accounts and statements with Fair Work Australia in accordance with the *Fair Work (Registered Organisations) Act 2009* ('the RO Act').

The documents you must lodge include:

(i) A *general purpose financial report* [see section 253(2)] including a separate Statement of Changes in Equity or its accepted equivalent; (ii) A *Committee of Management statement* (see the General Manager's Reporting Guidelines); (iii) An *operating report* [see section 254(2)]; (iv) An *auditor's report* [see sections 257(5) to 257(11)]; and (v) A *certificate* of the *secretary or other designated officer* signed after all the prescribed events have taken place [see section 268(c)].

I draw your particular attention to

- (a) s237 which requires you to prepare and lodge *a separate statement* providing the prescribed particulars of any loan, grant or donation made during the year which exceeds \$1,000;
- (b) s265(5) which requires you to publish or otherwise *provide your members with completed/signed copies* of the audited accounts, report and statements before final presentation and lodgment; and
- (c) s266 which requires you to *present the completed documents to an eligible meeting(s)* (either of the members or of the committee of management). Note that this meeting is distinct from any initial committee meeting convened to prepare, sign or otherwise approve pre-audited documents.

Relevant references may be found at <http://www.fwa.gov.au/index.cfm?pagename=regorgsfrguidelines> and <http://www.fwa.gov.au/index.cfm?pagename=legislationfwroact>. If you are in any doubt as to the requirements or anticipate any difficulty in complying with the requirements, do not hesitate to contact Fair Work Australia.

Yours sincerely,

Stephen Kellett

Statutory Services Branch

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