



Australian Government
Australian Industrial Registry

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6666
Fax: (02) 9380 6990

Ref: FR2006/517-[108V-VIC]

Mr Brian Daley
Branch Secretary
LHMU - Victorian Branch
PO Box 327
NORTH MELBOURNE VIC 3051

Dear Mr Daley

Financial Return - year ending 30 June, 2006

Our records show the organisation's financial year ended recently. This letter outlines some of the things you must do to meet your financial reporting obligations and when you have to do them. For simplicity, we will call the documents you have to lodge with us your *financial return*.

This letter is intended as guide to the law applicable on the date of this letter, and should not be used as a substitute for legal or accounting advice. We only summarise some of the reporting requirements in this letter. More detailed information is at the end of this letter.

Information on AIRC Website

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

- [RAO Schedule](#)
- [RAO Regulations](#)
- [Registrar's Reporting Guidelines](#) - All GPFR's must comply with these Guidelines. Please note that the Guidelines set out requirements that are *in addition* to those required by the Australian Accounting Standards.
- [RAO Fact Sheets](#) - These Fact Sheets explain the requirements of the RAO Schedule - many of them deal with financial reporting matters.

Reporting Unit

Under the provisions of the Registration and Accountability of Organisations Schedule (RAO), Schedule 1 of the *Workplace Relations Act 1996*, reporting entities are known as "*reporting units*". Where an organisation is **not** divided into branches the reporting unit is the whole of the organisation. Where an organisation **is** divided into branches each branch will be a reporting unit unless the Industrial Registrar has determined a division of the organisation into reporting units on an alternative basis. We can discuss this with you if you need more information.

For simplicity, we will use the term "reporting unit" in this letter.

Industrial Registrar's Guidelines

The Industrial Registrar's reporting guidelines set out certain disclosure requirements in addition to those prescribed by Australian Accounting Standards having in mind the nature of organisations registered under the Workplace Relations Act.

The disclosure requirements prescribed by the reporting guidelines are directed towards providing members of the reporting unit with information to enable them to gauge the performance of the committee of management and other holders of office in relation to the financial management of the reporting unit. In addition, the reporting guidelines seek to improve the quality of information available to users of the financial report about the reporting unit's economic support of, or economic dependency on, other reporting units of the organisation.

Timeline Planner and Checklist

We have attached a Timeline/Planner (Attachment A) to help you **plan** your financial return and carry out all the necessary steps. We have also attached a Document Checklist (Attachment B) to **check** your documents before lodging them in the Registry. Both documents are abbreviated summaries of the relevant provisions of the RAO Schedule, RAO Regulations and the Industrial Registrar's Reporting Guidelines.

In the following section we describe some of the documents your reporting unit must prepare and the sequence of their preparation and completion.

Three Reports

Your reporting unit must prepare two reports as soon as practicable after its financial year, which, together with the Auditor's Report, comprise the reporting unit's financial return.

1. **General Purpose Financial Report** - this must comply with the Australian Accounting Standards and the Industrial Registrar's Reporting Guidelines. The GPFR consists of:
 - (a) Financial Statements containing:
 - a profit and loss statement, or other operating statement; and
 - a balance sheet; and
 - a statement of cash flows; and
 - any other statements required by the Australian Accounting Standards; and
 - (b) Notes to the Financial Statements containing:
 - notes required by the Australian Accounting Standards; and
 - information required by the Industrial Registrar's *Reporting Guidelines* under section 255 including disclosures related to any recovery of wages activity ; and
 - (c) Committee of Management Statement as required by the Registrar's Reporting Guidelines (a sample certificate for illustrative purposes is at Attachment C) including declarations related to the recovery of wages activity.
2. **Operating Report** - this report includes a review of your reporting unit's principal activities for the year and other specified information.

Your reporting unit must appoint an auditor to audit the GPFR and to provide:

3. an **Auditor's Report**.

First Meeting (Committee of Management)

For simplicity, we will call the meeting at which the committee of management first considers the GPFR the first meeting. At the first meeting your committee, if satisfied that all is in order, will resolve to express its opinion on the GPFR and complete a Committee of Management Statement.

The Auditor

After the first meeting, the auditor takes the GPFR and the Committee of Management Statement and prepares a report on the GPFR. In practice, your auditor may have already completed most of his or her examination of your accounts. The auditor may only be waiting on the Committee to pass the required resolution and make the Statement before signing the report the same day.

Informing Your Members

Your reporting unit must provide free of charge to the general membership, copies of the GPFR, the Operating Report and the Auditor's Report. RAO calls these the "full report". Under certain circumstances, your reporting unit can provide a more limited *concise report*.

The reporting unit can meet its obligation to provide copies of the full or concise report to members by publishing the report in a journal that is available to the members free of charge.

A reporting unit may meet this obligation in whole or in part by publication of the report in a journal published on a web site on the Internet dependent on:

- a. the extent of the accessibility of the members of the reporting unit to the Internet; and
- b. that the members are notified by the reporting unit in the usual manner in which it communicates with its members that the report has been so published at a specified Internet address.

The report must be provided within 5 or 6 months from the end of the financial year, depending on the internal arrangements of the organisation for the presentation of its financial reports.

The Second Meeting - if it is a General Meeting of Members

After providing the full report to members it must be presented to a general meeting of members. For simplicity this is referred to as the *second meeting*.

Your reporting unit must always allow a minimum of 21 days for members to receive the full report before presenting it to a general meeting of members (s265(5)). The purpose of the interval is to enable the members to have time to consider the report and, if they wish, to attend the second meeting to discuss it.

If the rules of the organisation permit a general meeting to be a series of meetings held at different locations, the full report may be presented to such a series of meetings. In this case the 'date' of the general meeting is taken to be the date of the last meeting in the series (see s266(2)).

The Second Meeting - if it is a Committee of Management Meeting

If the rules of your organisation contain a provision that allows up to 5% of members to demand a general meeting to be held consider the report (see s266(3)), it is permissible to present the report directly to a Committee of Management meeting.

Lodge full report within 14 days of meeting

You must lodge a copy of the full report and any concise report in the Industrial Registry within 14 days of the second meeting. For your convenience you are encouraged to lodge the material electronically (see eFiling Tab at www.airc.gov.au).

The Secretary (or another officer appropriately authorised under the rules of the organisation) must *certify* that the full report is a copy of the one provided to members and presented to the second meeting and provide the date of the meeting (a sample certification for illustrative purposes is at *Attachment D*).

When we receive your return we will check that it includes the information you must provide your members and that you have provided it to them correctly.

Complying with time limits

This letter has outlined some of the steps in preparing and lodging your return. Many of the steps must be completed within fixed time limits.

Failure to complete them in time could make your reporting unit or its officers liable to financial or "civil penalties".

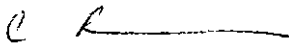
Extensions of Time

We appreciate that sometimes circumstances beyond your reporting unit's control may delay completion of a financial return. If you believe your reporting unit is going to be unable to meet a time limit tell us as soon as you know. We can advise you if the step is one for which you may apply under RAO to the Industrial Registrar for extra time to complete. The maximum extra time allowed can be no more than one month.

Contact the Registry

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

Yours sincerely

A handwritten signature in black ink, consisting of a stylized 'C' followed by a horizontal line.

For Deputy Industrial Registrar...
1 August, 2006

National Office
Level 9
187 Thomas Street
Haymarket NSW 2000

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

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

Tim Ferrari
Louise Tarrant
Assistant National Secretaries



LHMU

ABN: 5272 8088 684

Please address all correspondence to the National Secretary

18 December, 2006

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

Dear Mr Jenkins

re: VICTORIAN BRANCH FINANCIAL REPORTS

I am writing to lodge the financial reports for the LHMU Victorian Branch for the year ended 30 June 2006. Enclosed is the Branch Full Financial Report including:

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

The financial reports were presented to the Branch Executive meeting on 16th August 2006. The Executive resolved:

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

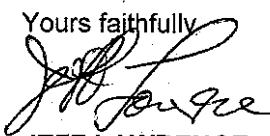
Subsequently the financial reports including the General Purpose Financial Report, the Auditors' statements and the operating report were supplied to members through publication on the LHMU website. Members also received a copy of Union News which contained an advertisement advising members how to view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

A full report was provided to the meeting of the Victorian Branch Executive on 13th December and was adopted by that meeting. Also enclosed is a copy of the Branch Secretary's certificate dated 13th December 2006.

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

If you have any questions please contact me.

Yours faithfully


JEFF LAWRENCE
NATIONAL SECRETARY



www.lhmu.org.au

**LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION
VICTORIAN BRANCH**

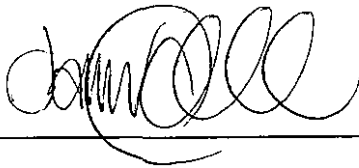
FINANCIAL REPORTS FOR THE YEAR ENDED 30 JUNE 2006

CERTIFICATE BY SECRETARY OR PRESCRIBED OFFICER

I, Jane Farrell being the Acting Branch Secretary of the Liquor, Hospitality and Miscellaneous Union, Victorian Branch certify:

- That the documents lodged herewith are copies of the full report, referred to in s268 of the RAO Schedule; and
- That the full report was provided to members on 30 November 2006 and
- That the full report was presented to a meeting of the committee of management of the reporting unit on December 13, 2006 in accordance with section 266 of the RAO Schedule.

Signed: _____



Date: 13 December 2006

**LIQUOR, HOSPITALITY &
MISCELLANEOUS UNION
VICTORIAN BRANCH**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30TH JUNE 2006**

Registered Address:

**117-131 CAPEL STREET
NORTH MELBOURNE, VICTORIA, 3051**

**Tel: (03) 9235 7777
Fax: (03) 9235 7770**

Secretary:

Brian Daley

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**Statement of Financial Performance
Statement of Financial Position
Statement of Cash Flows
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**LIQUOR, HOSPITALITY & MISCELLANEOUS UNION
VICTORIAN BRANCH**

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30TH JUNE 2006**

	Year Ended 30/6/06 \$	Year Ended 30/6/05 \$
<u>INCOME</u>		
Membership Contributions	5,302,946	4,964,549
Interest Received	986,049	995,516
Rent Received:		
- Capel Street	101,965	100,573
- Tootgarook	17,355	15,890
- Torquay	31,189	27,740
- Lakes Entrance	18,045	15,570
- Drummond Street	42,555	41,371
Profit on Disposal of Non-Current Assets	346	3,226
AJEC Income	-	1,581
Directors Fees Received	91,017	72,339
Workcover Claims re Employees	53,214	22,724
Funds from National Office re Organising Co-Ordinator	185,000	366,165
Safety Development Fund Income	-	22,500
Sundry Income	70,458	59,292
<i>Total Income</i>	<u>6,900,139</u>	<u>6,709,036</u>
<u>LESS EXPENDITURE</u>		
Accountancy & Audit	22,000	21,250
Advertising	4,565	7,752
Affiliations - Australian Labor Party	81,583	82,041
Affiliations - VTHC & Others	74,040	71,684
AJEC Expenses	-	2,613
Attendance Fees	3,978	5,654
Awards & Publications	28,427	27,558
Bank Charges	24,870	25,855
Caretaker Expenses	6,944	4,660
Cleaning	57,147	65,857
Campaign Costs	82,546	17,525
Commission Paid	84,624	93,226
Computer Expenses	20,835	22,252
Consultancy Expenses	-	21,460
Delegates Fees & Expenses	14,660	12,386
Depreciation - Buildings	96,856	97,032
Depreciation - Motor Vehicles	57,311	81,633
Depreciation - Furniture & Equipment	163,415	163,148
Donations	3,299	312
Education & Training Expenses	10,861	15,341
Electricity	54,587	63,755
Entertainment Expenses	12,295	15,540
Fringe Benefits Tax - Officers	830	3,315
Fringe Benefits Tax - Staff	18,021	15,733
General Expenses	24,441	15,187
Honorariums	-	4,367
Insurance	26,442	26,619

The accompanying notes form part of these financial statements.

**LIQUOR, HOSPITALITY & MISCELLANEOUS UNION
VICTORIAN BRANCH**

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30TH JUNE 2006**

	Year Ended 30/6/06 \$	Year Ended 30/6/05 \$
Legal Costs	212,473	258,035
Loss on Disposal of Non-Current Assets	7,627	12,015
Lost Time	20,110	16,811
Magazine Expenses	52,914	53,759
Meetings, Conferences & Travelling Expenses	71,729	50,839
Motor Vehicle Expenses	138,404	156,609
Payroll Tax	220,809	195,879
Postage & Couriers	39,532	42,993
Printing & Stationery	57,054	80,321
Provision for Accrued Annual Leave	29,052	(4,526)
Provision for Long Service Leave	(16,379)	(44,448)
Rates & Taxes	93,301	76,075
Rent & Room Hire	15,145	14,639
Repairs & Maintenance	45,524	53,779
Safety Development Fund Expenditure	-	27,800
Salaries & Allowances - Elected Officers	411,574	361,079
Salaries & Allowances - Staff	3,446,477	3,044,955
Staff Amenities	11,649	12,663
Superannuation Contributions - Officers	47,416	37,328
Superannuation Contributions - Staff	477,196	423,194
Sustentation Fees	805,622	806,687
Telephone	118,573	127,898
Workcover Expenses	96,563	71,316
<i>Total Expenditure</i>	<u>7,376,942</u>	<u>6,859,455</u>
SURPLUS/(DEFICIT) FOR YEAR	<u>(476,803)</u>	<u>(150,419)</u>
Accumulated Funds - Beginning of Year	<u>18,180,356</u>	<u>18,330,775</u>
<u>ACCUMULATED FUNDS AT 30TH JUNE 2006</u>	<u>17,703,553</u>	<u>18,180,356</u>

The accompanying notes form part of these financial statements.

**LIQUOR, HOSPITALITY & MISCELLANEOUS UNION
VICTORIAN BRANCH**

**STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2006**

	2006	2005
	\$	\$
<u>MEMBERS' FUNDS</u>		
Accumulated Funds	17,703,553	18,180,356
<i>represented by:</i>		
<u>CURRENT ASSETS</u>		
Petty Cash on Hand	1,295	1,260
Deposits	225	225
Cash at Bank - General Account	-	70,054
Cash at Bank - Trace Account	82,091	72,113
Sundry Debtors	32,915	30,089
Debtor - LHMU Federal Office	163,715	212,891
LHMU Clothing on Hand	3,096	11,866
Interest Receivable	71,022	66,742
Prepayments	74,897	75,313
<i>Total Current Assets</i>	429,256	540,553
<u>FIXED ASSETS</u>		
Land & Buildings	4,745,316	4,745,316
Less: Accumulated Depreciation	1,878,649	1,781,793
	2,866,667	2,963,523
Motor Vehicles	456,283	502,751
Less: Accumulated Depreciation	259,993	234,726
	196,290	268,025
Furniture & Equipment	3,348,262	3,148,477
Less: Accumulated Depreciation	2,779,018	2,731,040
	569,244	417,437
<i>Total Fixed Assets</i>	3,632,201	3,648,985
<u>INVESTMENTS</u>		
Bank Bills & Notes	14,257,716	12,504,915
Loan - Western Australia Branch	789,409	868,999
Loan - Queensland Branch	-	2,000,000
Shares in Unlisted Companies	302	302
<i>Total Investments</i>	15,047,427	15,374,216
TOTAL ASSETS	19,108,884	19,563,754

The accompanying notes form part of these financial statements.

**LIQUOR, HOSPITALITY & MISCELLANEOUS UNION
VICTORIAN BRANCH**

**STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2006**

	2006 \$	2005 \$
<u>CURRENT LIABILITIES</u>		
Bank Overdraft - General Account	104,187	
Bond Monies Held	3,750	3,750
Sundry Creditors	464,748	469,553
Legal Fees Payable	3,050	3,080
Other Creditors	2	2
Input Tax Credits	(33,820)	(78,616)
GST Payable	2,446	137,332
Provision for Accrued Annual Leave - Officers	85,828	74,609
Provision for Accrued Annual Leave - Staff	308,541	290,709
Provision for Long Service Leave - Officers	97,999	99,459
Provision for Long Service Leave - Staff	302,109	334,959
<i>Total Current Liabilities</i>	1,338,840	1,334,837
<u>NON-CURRENT LIABILITIES</u>		
Provision for Long Service Leave - Officers	7,541	-
Provision for Long Service Leave - Staff	58,950	48,561
<i>Total Non-Current Liabilities</i>	66,491	48,561
TOTAL LIABILITIES	1,405,331	1,383,398
<u>NET ASSETS</u>	17,703,553	18,180,356

The accompanying notes form part of these financial statements.

**LIQUOR, HOSPITALITY & MISCELLANEOUS UNION
VICTORIAN BRANCH**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2006**

	NOTE	Year Ended 30/6/06 \$	Year Ended 30/6/05 \$
CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	7		
Receipts:			
Membership Dues		5,285,140	4,981,435
Interest Received		981,769	993,767
Other Income		205,890	174,568
Rent Received		211,048	197,434
Funds from National Office		209,485	259,841
GST Collected		43,985	6,222
		<u>6,937,317</u>	<u>6,613,267</u>
Payments:			
Salaries, Superannuation, Annual Leave & Long Service Leave		(4,386,668)	(3,937,352)
Sustentation Fees		(830,732)	(772,174)
Other Expenditure		(1,808,302)	(1,871,086)
GST Paid		(135,841)	3,981
Net Cash Provided By/(Used In) Operating Activities		<u>(224,226)</u>	<u>36,636</u>
CASH INFLOW/(OUTFLOW) FROM NON-OPERATING ACTIVITIES			
Purchase of Motor Vehicles		-	(27,226)
Purchase of Plant & Equipment, Furniture & Fittings		(279,700)	(84,100)
(Purchase of)/Proceeds from Bank Bills & Notes, Mortgage		(1,752,801)	2,096,454
(Payment of)/Proceeds from Western Australian Branch Loan		79,590	79,479
(Payment of)/ Proceeds from Queensland Branch Loan		2,000,000	(2,000,000)
Proceeds from Sale of Non-Current Assets		12,909	27,500
Net Cash Provided By/(Used In) Non-Operating Activities		<u>59,998</u>	<u>92,107</u>
Net Increase/(Decrease) in Cash Held		<u>(164,228)</u>	<u>128,743</u>
Add: Cash Held at 1st July 2005		<u>143,427</u>	<u>14,684</u>
CASH HELD AS AT 30TH JUNE 2006		<u>(20,801)</u>	<u>143,427</u>
REPRESENTED BY:			
Petty Cash on Hand		1,295	1,260
Cash at Bank – General Account		(104,187)	70,054
Cash at Bank – Trace Account		82,091	72,113
		<u>(20,801)</u>	<u>143,427</u>

The accompanying notes form part of these financial statements.

**LIQUOR, HOSPITALITY & MISCELLANEOUS UNION
VICTORIAN BRANCH**

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

1. STATEMENT OF ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards including the disclosure requirements of the Workplace Relations Act 1996.

The following is a summary of significant accounting policies adopted by the Union in the preparation of the financial report which, unless otherwise stated, have been consistently applied:-

(a) Basis of Accounting

The financial report has been prepared on the basis of historical costs and does not take into account changing money values or, except where otherwise stated, current valuations of non-current assets.

With the exception of membership contributions, all income and expenditure of the Union has been brought to account on an accruals basis of accounting so as to match income for the period with the expenditure incurred in earning that income.

Membership subscriptions are brought to account on the cash basis of accounting as and when received as permitted by Section 252(4) of the RAO Schedule.

(b) Employee Entitlements

Provision has been made in the financial report for the Union's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and long service leave which will be settled after one year have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at their expected present value of the estimated future cash outflows to be made for those entitlements.

(c) Income Tax

No provision has been made in the financial report for income tax on the basis that the Union is exempt under Section 50-15 of the Income Tax Assessment Act 1997.

(d) Fixed Assets

Fixed assets are stated in the accounts at historical cost less, where applicable, any accumulated depreciation.

Fixed assets, other than freehold land, are depreciated on a straight line or diminishing value basis over the period of their estimated effective lives.

**LIQUOR, HOSPITALITY & MISCELLANEOUS UNION
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2006 (CONTINUED)**

2. UNION RULES

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's policy is for assets and property acquired from Branch Funds to be accounted for in the Financial Statements 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 Statements of that Branch even though such income is the property of the Union.

3. WORKPLACE RELATIONS ACT 1996

In accordance with the requirements of the RAO Schedule of the Workplace Relations Act 1996, the attention of members is drawn to the provisions of sub-sections (1), (2) and (3) of section 272, which reads -

- (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).

4. CONTINGENT LIABILITIES

The members of the Branch Executive are unaware of any contingent liability, the effect of which may be material in relation to the financial reports.

**LIQUOR, HOSPITALITY & MISCELLANEOUS UNION
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2006 (CONTINUED)**

5. FIXED ASSETS

Land & Buildings

	<u>30/6/06</u>		<u>30/6/05</u>	
	<u>Cost</u>	<u>Provn for Depn</u>	<u>Cost</u>	<u>Provn for Depn</u>
117-131 Capel St., North Melbourne	3,801,169	1,601,685	3,801,169	1,520,314
50 Wilkinson St., Tootgarook	97,902	56,396	97,902	54,361
Lot 1, 60 Myer St., Lakes Entrance	265,412	70,736	265,412	66,283
22 Pride St., Torquay	118,756	53,464	118,756	51,280
62 Drummond St., Carlton	462,077	96,368	462,077	89,555
	<u>4,745,316</u>	<u>1,878,649</u>	<u>4,745,316</u>	<u>1,781,793</u>

6. EVENTS SUBSEQUENT TO BALANCE DATE

The Branch Executive is unaware of any events which have arisen subsequent to balance date, the effect of which may be material in relation to the financial report.

**LIQUOR, HOSPITALITY & MISCELLANEOUS UNION
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2006 (CONTINUED)**

**7. RECONCILIATION OF CASH INFLOW/(OUTFLOW) FROM OPERATING
ACTIVITIES WITH OPERATING SURPLUS/(DEFICIT) FOR YEAR**

	Year Ended 30/6/06 \$	Year Ended 30/6/05 \$
Operating Surplus/(Deficit) for Year	(476,803)	(150,419)
Add Back: Non Cash Flow Items:		
Depreciation - Buildings	96,856	97,032
Depreciation - Motor Vehicles	57,311	81,633
Depreciation - Furniture & Equipment	163,415	163,148
Provision for Long Service Leave	(16,379)	(44,448)
Provision for Accrued Annual Leave	29,052	(4,526)
Profit on Disposal of Non-Current Assets	(346)	(3,226)
Loss on Disposal of Non-Current Assets	7,627	12,015
	<u>(139,267)</u>	<u>151,209</u>
Change in Assets & Liabilities:		
(Increase)/Decrease in Sundry Debtors	(2,826)	(1,754)
(Increase)/Decrease in Debtor - LHMU Federal Office	49,176	(100,564)
(Increase)/Decrease in LHMU Clothing on Hand	8,770	264
(Increase)/Decrease in Interest Receivable	(4,280)	(1,749)
(Increase)/Decrease in Prepayments	416	(10,460)
(Increase)/Decrease in Input Tax Credits	44,796	(17,005)
Increase/(Decrease) in Sundry Creditors And Accruals	(46,095)	6,768
Increase/(Decrease) in Legal Fees Payable	(30)	2,791
Increase/(Decrease) in GST Payable	(134,886)	7,136
Net Cash Provided By/(Used In) Operating Activities	<u>(224,226)</u>	<u>36,636</u>

**LIQUOR, HOSPITALITY & MISCELLANEOUS UNION
VICTORIAN BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2006 (CONTINUED)**

8. RELATED PARTY DISCLOSURES

- (i) The following persons have held office in the Union during the financial period:

Vivian Duggan	-	Branch President	
Stephen McGhie	-	Deputy President	
Brian Daley	-	Branch Secretary	
Terry Breheny	-	Assistant Secretary	(Resigned 19/10/2005)
Jane Farrell	-	Assistant Secretary	
Veronica Ilias	-	Acting Assistant Secretary	(Elected 16/11/2005)
Jessica Walsh	-	Acting Assistant Secretary	(Elected 16/11/2005)
Dominic Fountain	-	Executive Member	
Peter Casey	-	"	
Bronwyn Jefferson	-	"	
Henry Li	-	"	
Greg Frederickson	-	"	
Margarita Stark	-	"	
Con Manavakis	-	"	
Brendan Murphy	-	"	
Kath Wilson	-	"	
Kerrie Dale	-	"	
Laurence Kane	-	"	
Jennifer Egan	-	"	

- (ii) The aggregate amount of remuneration paid to officers during the financial year is disclosed in the Statement of Financial Performance under Salaries & Allowances – Elected Officers.
- (iii) The aggregate amount paid during the financial year to a superannuation plan in connection with the retirement of officers is disclosed in the Statement of Financial Performance under Superannuation – Officers.
- (iii) There were no other transactions between the officers of the Union other than those relating to their membership of the Union and the reimbursement by the Union in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which it is reasonable to expect would have been adopted by parties at arm's length.

LIQUOR, HOSPITALITY & MISCELLANEOUS UNION VICTORIAN BRANCH

OPERATING REPORT

In accordance with Section 254 of the RAO Schedule of the Workplace Relations Act 1996 ("the Act") this Operating Report has been prepared to detail the activities of the Liquor Hospitality and Miscellaneous Union, Victorian Branch, for the financial year ended 30th June 2006, the results of those activities and any significant changes in the nature of those activities during the year.

1. Principal Activities of the Victorian Branch

The principal activities of the Victorian Branch of the LHMU, during the past year fell into the following categories:

- Implementation of the decisions of the Branch Executive and Branch Council.
- Implementation of the union's organising agenda, including strategic industry or site organising projects.
- Industrial support including representation of individual member, site and industry grievances, disputes and/or industrial matters, advice on legal and legislative matters and specific advice and support on Occupational Health and Safety and WorkCover matters and the training of Officials and Members on industrial matters, including dispute resolution.
- The administration of federal awards operating in the State of Victoria, the variation of awards following major test cases (such as living wage) and making applications to vary federal awards.
- Communications to members through members magazines, member newsletters and specific media releases and targeted publications.
- Administration of membership system to maintain member records including a history of payments made by individual members.
- Participation in broader union campaigns at times auspiced through Victorian Trades Hall Council.

2. Operating Result

The operating result of the Branch for the year ended 30th June 2006 was a deficit of \$476,803. No provision for tax was necessary as the Branch is considered exempt.

3. Significant Changes

The Victorian Branch has raised members dues to assist in paying for organising and other industrial activities. The Victorian Branch received monies from a National Organising Fund to implement mutually agreed growth projects. The Branch paid for a number of significant legal cases during the year.

LIQUOR, HOSPITALITY & MISCELLANEOUS UNION VICTORIAN BRANCH

OPERATING REPORT (CONTINUED)

4. Rights of Members

All members of the Union have the right to resign from the Union in accordance with Rule 10 of the Union Rules, (and Section 174 of the RAO Schedule); namely, by providing written notice addressed and delivered to the Secretary of the Branch, including via email.

5. Superannuation Office-holders

The following officers and/or members of the Branch are directors of companies that are trustees of superannuation funds which require one or more of their directors to be a member representative –

<u>Officer / Member:</u>	<u>Trustee Company:</u>	<u>Name of Entity / Scheme:</u>	<u>Position:</u>
Brian Daley	Australian Retirement Fund Pty Ltd	Australian Retirement Fund	Director
Brian Daley	HOSTPLUS Pty Ltd	HOSTPLUS	Director
Brian Daley	AustralianSuper Pty Ltd	AustralianSuper	Director
Brian Daley	Industry Fund Services Pty Ltd	Industry Fund Services	Director

6. Other Prescribed Information

In accordance with Regulation 159 of the Workplace Relations (Registration & Accountability of Organisations) Regulations –

- the number of persons that were at the end of the financial year recorded in the register of members for sec. 230 of the RAO Schedule and who are taken to be members of the Branch under sec. 244 of the RAO Schedule was 20,425;
- the number of persons who were at the end of the financial year employees of the Branch including both full-time and part-time employees measured on a full-time equivalent basis was 65;

**LIQUOR, HOSPITALITY & MISCELLANEOUS UNION
VICTORIAN BRANCH**

OPERATING REPORT (CONTINUED)

6. Other Prescribed Information

- (c) the names of those who have been members of the Committee of Management of the Branch at any time during the financial year and the periods for which he or she held office were -

Name:	Period:
Vivian Duggan	1/7/05 - 30/6/06
Stephen McGhie	1/7/05 - 30/6/06
Brian Daley	1/7/05 - 30/6/06
Terry Breheny	1/7/05 - 19/10/05
Jane Farrell	1/7/05 - 30/6/06
Veronica Ilias	16/11/05 - 30/6/06
Jessica Walsh	16/11/05 - 30/6/06
Dominic Fountain	1/7/05 - 30/6/06
Peter Casey	1/7/05 - 30/6/06
Bronwen Jefferson	1/7/05 - 30/6/06
Henry Li	1/7/05 - 30/6/06
Greg Frederickson	1/7/05 - 30/6/06
Margarita Stark	1/7/05 - 30/6/06
Con Manavakis	1/7/05 - 30/6/06
Brendan Murphy	1/7/05 - 30/6/06
Kath Wilson	1/7/05 - 30/6/06
Kerrie Dale	1/7/05 - 30/6/06
Laurence Kane	1/7/05 - 30/6/06
Jennifer Egan	1/7/05 - 30/6/06

7. Other Relevant Information

Nil

Signed for and on behalf of the Committee of Management -

Date: 16 AUGUST 2006

B. Daley

Branch Secretary

**LIQUOR, HOSPITALITY & MISCELLANEOUS UNION
VICTORIAN BRANCH**

BRANCH EXECUTIVE'S STATEMENT

I, Brian Daley being a designated officer of the Liquor, Hospitality & Miscellaneous Branch, report that the Branch Executive at a meeting of the Executive held that the following declarations, passed by the Executive at that meeting, in respect of the branch for the year ended 30th June 2006 be included in the financial report.

In the opinion of the Branch Executive:

- (a) the financial report complies with the Australian Accounting Standard;
- (b) the financial report complies with the reporting guidelines of the Industrial Relations Act 1996;
- (c) the financial report gives a true and fair view of the financial performance and cash flows of the branch for the financial year ended 30th June 2006;
- (d) there are reasonable grounds to believe that the branch will be able to pay its debts as they become due and payable; and
- (e) during the financial year ended 30 June 2006 and since the end of the financial year:
 - (i) meetings of the Branch Executive were held in accordance with the rules of the branch; and
 - (ii) the financial affairs of the branch have been managed in accordance with the rules of the branch; and
 - (iii) the financial records of the branch have been kept and maintained in accordance with Schedule 1B to the Workplace Relations Act 1996 and (Registration and Accountability of Organisations) Regulations 1996;
 - (iv) the financial records of the branch have been kept, as far as practicable, in a manner accessible to each of the other branches and national council of the union;
 - (v) the information sought in any request of a member of the branch under section 272 of Schedule 1B to the Workplace Relations Act 1996 has been provided to the member or Registrar; and
 - (vi) there has been compliance with any order for inspection of financial records issued by the Fair Work Commission under section 273 of Schedule 1B to the Workplace Relations Act 1996.

**LIQUOR, HOSPITALITY & MISCELLANEOUS UNION
VICTORIAN BRANCH**

BRANCH EXECUTIVE'S STATEMENT

I, Brian Daley being a designated officer of the Liquor, Hospitality & Miscellaneous Union – Victorian Branch, report that the Branch Executive at a meeting of the Executive held on 16 August 2006 resolved that the following declarations, passed by the Executive at that meeting, in relation to the financial report of the branch for the year ended 30th June 2006 be included in the financial report.

In the opinion of the Branch Executive:

- (a) the financial report complies with the Australian Accounting Standards;
- (b) the financial report complies with the reporting guidelines of the Industrial Registrar;
- (c) the financial report gives a true and fair view of the financial performance, financial position and cash flows of the branch for the financial year ended 30th June 2006;
- (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 ended 30 June 2006 and since the end of the financial year:
 - (i) meetings of the Branch Executive were held in accordance with the rules of the organisation and the rules of the branch; and
 - (ii) the financial affairs of the branch have been managed in accordance with the rules of the organisation and the rules of the branch; and
 - (iii) 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
 - (iv) 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 organisation; and
 - (v) 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
 - (vi) 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.

**LIQUOR, HOSPITALITY & MISCELLANEOUS UNION
VICTORIAN BRANCH**

BRANCH EXECUTIVE'S STATEMENT

(f) in relation to recovery of wages activity:

(i) there has been no such activity undertaken by the reporting unit.

**For the Branch Executive
[Brian Daley – Branch Secretary]**

Signature:

B. Daley.

Dated:

16 AUGUST 2006.

**LIQUOR, HOSPITALITY & MISCELLANEOUS UNION
VICTORIAN BRANCH**

INDEPENDENT AUDITOR'S REPORT

Scope

We have audited the accompanying general purpose financial report of the Liquor, Hospitality & Miscellaneous Union - Victorian Branch for the year ended 30th June 2006 comprising Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and Notes to the Financial Statements. The Union's Branch Executive is responsible for the preparation and presentation of the financial report and the information it contains. We have performed an independent audit of this financial report in order to express an opinion on it to the members of the Union.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with statutory requirements so as to present a view which is consistent with our understanding of the Union's financial position and performance as represented by the results of its operations and cash flows.

The audit opinion expressed in this report has been formed on the above basis.

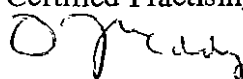
Audit Opinion

In our opinion -

- (a) the financial report is properly drawn up so as to present fairly the financial position of the Union as at 30th June 2006 and its performance for the year ended on that date; and
- (b) the financial report is in accordance with the provisions of the Workplace Relations Act 1996 and Australian Accounting Standards.

Signed at Melbourne, this 16th day of August, 2006.

Eddy Partners
8th Floor,
501 Latrobe Street
MELBOURNE, VIC, 3000
Tel: (03) 9602 5177
Fax: (03) 9602 5766

EDDY PARTNERS,
Certified Practising Accountants.

David James Eddy, CPA
Registered Company Auditor.



Australian Government
Australian Industrial Registry

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6686
Fax: (02) 9380 6990
Email: sydney@air.gov.au

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

Dear Mr Lawrence

**Re: Lodgement of Financial Statements and Accounts – Liquor, Hospitality and
Miscellaneous Union, Victorian Branch – for year ending 30 June 2006 (FR2006/517)**

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

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

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Stephen Kellett'.

Stephen Kellett
Statutory Services Branch

9 January 2007