



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: FR2004/572-[108V-WA1]

Mr Dave J Kelly
Branch Secretary
Liquor, Hospitality and Miscellaneous Union
Western Australian Branch
PO Box 414
SUBIACO WA 6904

Dear Mr Kelly

Financial Return - year ending 30 June, 2004

Our records show your 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*.

New legislation

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.

The legislation has changed since your last return. In May 2003 the Industrial Registrar wrote to all organisations forwarding a number of facts sheets outlining the major changes made by Schedule 1B of the Workplace Relations Act 1996 ('RAO' ¹). While the immediate changes affected the rules and elections in organisations, the changes affecting financial returns involve a longer lead time.

The key differences under the new legislation affecting financial returns are:

- a reduced financial reporting cycle (now maximum periods of 5 or 6 months depending on internal arrangements of organisation)
- a greater emphasis given to Australian Accounting Standards
- the introduction of a new report, known as an Operating Report (broadly similar in concept to a Director's Report under the corporations legislation)
- extensions of time are limited to one month
- restructured penalty provisions involving more extensive use of Civil Penalties
- the introduction of the Industrial Registrar's Reporting Guidelines
- organisations and their branches to report according to their financial structures, known as 'reporting units'.

We recommend you discuss the new requirements with your accountant or auditor.

¹ Registration and Accountability of Organisations Schedule (RAO) (Schedule 1B to the *Workplace Relations Act 1996*)

Reporting Unit

One of the new concepts of the RAO legislation is that 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 refer to your organisation as a 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:

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

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); and

Committee of Management Statement as required by the Registrar's Reporting Guidelines (a sample certificate for illustrative purposes is at *Attachment C*)

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 and the second meeting 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). When lodging the financial return please quote: **FR2004/572**.

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.

Reduced Reporting Requirements

If your reporting unit meets certain conditions, some of these reporting requirements can be reduced. Such conditions might be where the annual income of the reporting unit (where the reporting unit is the whole of the organisation) is less than \$100,000, or where the reporting unit has no financial affairs in the financial year, or where the financial affairs of the reporting unit are encompassed by the financial affairs of its counterpart State industrial association.

Contact the Registry

We encourage you to contact the Registry on (02) 8374 6666 or by e-mail at Peter.McKerrow@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 procedure but we cannot give you legal or accounting advice.

Information on AIRC Website

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

- [RAO Schedule and 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 new requirements of the RAO Schedule - many of them deal with financial reporting matters.

Yours sincerely

Deputy Industrial Registrar

9 August, 2004

TIMELINE/ PLANNER

Financial reporting period ending:	/ /	
FIRST MEETING: Prepare General Purpose Financial Report (including Committee of Management Statement in accordance with C of M resolution) and Operating Report - s253(1), s254(1)	/ /	<i>as soon as practicable after end of financial year</i>
Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /	<i>within a reasonable time of having received the GPFR</i>
Provide full report free of charge to members. (a) if the report is to be presented before a General Meeting (which must be held within 6 months after the end of the financial year), the report must be provided to members 21 days before the General Meeting, or (b) in any other case including where the report is presented to a Committee of Management meeting, the report must be provided to members within 5 months of end of financial year. <i>(obligation to provide full report may be discharged by provision of a concise report s265(1))</i>	/ / 	
SECOND MEETING: Present full report to: (a) General Meeting of Members - s266 (1),(2), or (b) where rules of organisation allow, a Committee of Management meeting - s266 (3)	/ / 	<i>within 6 months of end of financial year</i> <i>within 6 months of end of financial year</i>
Lodge full report (including any concise report) in the Industrial Registry together with secretary's certificate (or other officer authorised by the rules of the organisation) - s268	/ /	<i>within 14 days of meeting</i>

Note: The legislation makes limited provision for extensions of time concerning the provision of the full report to members and the presentation of the full report to a general meeting etc however the maximum extra time allowed can be no more than one month.

Documents Checklist

You can use this checklist as soon as possible after the financial year ends to ensure you have all the necessary documents prepared and that those documents contain all information required by RAO.

You can also use this checklist to ensure all documents in your financial return are complete before lodging them in the Registry.

No	Document	✓
1	General Purpose Financial Report	
	Does the report contain a Profit and Loss Statement?	
	Does the report contain a Balance Sheet?	
	Does the report contain a Statement of Cash Flows?	
	Does the report contain notes to the financial statements as required by AAS and the reporting guidelines?	
	Does the report contain all other information required by the reporting guidelines?	
2	Committee of Management Statement	
	Is the statement signed by the officer responsible for undertaking functions necessary to enable the reporting unit to comply with RAO?	
	Is the statement dated?	
	Is the statement in accordance with a resolution of the committee?	
	Does the statement specify the date of the resolution?	
	Does the statement contain declarations required by the reporting guidelines?	
3	Auditor's Report	
	Is the Report dated and signed by the auditor?	
	Is the name of the auditor clear?	
	Are the qualifications of the auditor on the report?	
	Has the auditor expressed an opinion on all matters required?	
4	Operating Report	
	Is the report signed and dated?	
	Does the report provide the number of members?	
	Does the report provide the number of employees?	
	Does the report contain a review of principal activities?	
	Does the report give details of significant changes?	
	Does the report give details of right of members to resign?	
	Does the report give details of superannuation trustees?	
	Does the report give details of membership of the committee of management?	
5	Concise report*	
6	Certificate of Secretary or other Authorised Officer	
	Is the certificate signed and dated?	
	Is the signatory the secretary or another officer authorised to sign the certificate?	
	Is the date that the report was provided to members stated?	
	Is the date of the Second Meeting at which the report was presented stated?	
	Does the certificate state that the documents are copies of those provided to members?	
	Does the certificate state that the documents are copies of those presented to the Second Meeting?	

* This is an optional way of providing documents to members (see RAO s265(3) and RAO Reg. 161).

Committee Of Management Statement

On *[date of meeting]* the Committee of Management of *[name of reporting unit]* passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended *[date]*:

The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply* with the Australian Accounting Standards;
- (b) the financial statements and notes comply* with the reporting guidelines of the Industrial Registrar;
- (c) the financial statements and notes give a true and fair view* of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds* to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (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 organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been* managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been* kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - #(iv) where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been* kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - #(v) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule 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 the RAO Schedule.

For Committee of Management: *[name of designated officer per section 243 of the RAO Schedule]*

Title of Office held:

Signature:

Date:

* Where compliance or full compliance has not been attained - set out details of non compliance instead.

Where not relevant these may be modified accordingly (e.g. in (vi) "No orders have been made by the Commission under section 273 of the RAO Schedule during the period."

Certificate of Secretary or other Authorised Officer¹

s268 of Schedule 1B *Workplace Relations Act 1996*

I *[name]* being the *[title of office]* of the *[name of the organisation]* certify:

- that the documents lodged herewith are copies of the full report, *[and the concise report]²*, referred to in s268 of the RAO Schedule; and
- that the *[full report OR concise report]³*, was provided to members on *[insert date]*; and
- that the full report was presented to *[a general meeting of members OR the last of a series of general meetings of members OR a meeting of the committee of management]³* of the reporting unit on *[insert date]*; in accordance with section 266 of the RAO Schedule.

Signature

Date:

¹*RAO regulation 162 prescribes the designated officer for the purpose of RAO schedule s268 as:*

(a) the secretary; or

(b) an officer of the organisation other than the secretary who is authorised by the organisation or by the rules of the organisation to sign the certificate mentioned in that paragraph.

²*Only applicable where a concise report is provided to members*

³*Insert whichever is applicable*



Australian Government
Australian Industrial Registry

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80 William Street, East Sydney, NSW 2011
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Fax: (02) 9380 6990

Mr Dave J Kelly
Branch Secretary
Liquor, Hospitality and Miscellaneous Union-Western Australian Branch
61 Thomas Street
SUBIACO WA 6008

Dear Mr Kelly

Financial Return - year ending 30 June 2004 Ref: FR2004/572

This letter is intended to remind you of your obligations to provide members with copies of your reporting unit's financial reports for year ended 30 June 2004 and to lodge the reports in the Industrial Registry by no later than 14 January 2005.

Over the past 18 months you would have received from us information about the major changes made by Schedule 1B of the *Workplace Relations Act 1996* ('RAO'²²).

Financial Reports

Your reporting unit must prepare or have prepared the following three reports as soon as practicable after its financial year:

1. A General Purpose Financial Report (GPFR);
2. An Operating Report; and
3. An Auditor's Report.

Informing Your Members

Your reporting unit must provide free of charge to the general membership, copies of the abovementioned reports (the "full report"). Under certain circumstances, your reporting unit can provide a more limited concise report. The report must be provided within 5 or 6 months from the end of the financial year, depending on the internal arrangements of the reporting unit for the presentation of its financial reports.

A reporting unit may make application to a Registrar to extend the period within which copies of the full report or concise report are to be provided to members by no more than one month.

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 (the *second meeting*). This meeting must be held within 6 months of the end of the financial year. You may make application to a Registrar to extend this time limit by no more than one month so that the time limit for providing to members copies of the full report or concise report may in turn be extended.

²² Registration and Accountability of Organisations Schedule (RAO) (Schedule 1B to the *Workplace Relations Act 1996*)

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 and the second meeting 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 your rules contain a provision that allows up to 5% of members to demand a general meeting to be held to consider the full report (see s266(3)), it is permissible to present the full report directly to a Committee of Management meeting. This meeting must be held within 6 months of the end of the financial year.

There is no provision for extending the time limit for presenting the full report 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. Your reporting unit's financial reports should, therefore, be lodged by no later than 14 January 2005.

Contact the Registry

We encourage you to contact the Registry on (02) 8374 6666 or by e-mail at peter.mckerrow@air.gov.au as early as possible if you have any queries. If you have already taken steps to ensure that your reporting unit complies with the time scale requirements of RAO, please ignore this letter.

Information on AIRC Website

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

- [RAO Schedule and RAO Regulations](#)
- [Registrar's Reporting Guidelines](#) - All GPFRs 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 new requirements of the RAO Schedule - many of them deal with financial reporting matters.

Yours sincerely



Peter McKerrow
for Deputy Industrial Registrar

23 November 2004

National Office
Level 9
187 Thomas Street
Haymarket NSW 2000

Locked Bag 9
Haymarket NSW 1240

Telephone: (02) 8204 7200
Facsimile: (02) 9281 4480
E-mail: lhmu@lhmu.org.au
Web address: www.lhmu.org.au

ABN: 5272 8088 684

Helen Creed
National President

Jeff Lawrence
National Secretary

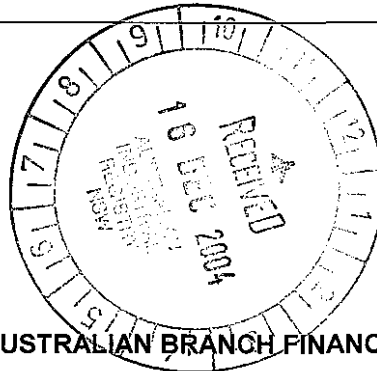
Tim Ferrari
Jo-anne Schofield
Louise Tarrant
Assistant National Secretaries

**Liquor, Hospitality
and Miscellaneous Union**



14 December 2004

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



Dear Mr Jenkins

re: **WESTERN AUSTRALIAN BRANCH FINANCIAL REPORTS**

I am writing to lodge the financial reports for the LHMU Western Australian Branch for the year ended 30 June 2004. Enclosed is the Branch Full Financial Report including:

- The Committee of Management Statement signed by the Branch Secretary.
- The Operating Report signed 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 18th September 2004. 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 Western Australian Branch Executive on 1st December and was adopted by that meeting. Also enclosed is a copy of the Branch Secretary's certificate dated 13th December 2004.

On the basis of the above and the enclosed documentation it would seem that the Western Australian Branch has complied with the audit and reporting requirements of the Act. If you have any questions please contact me.

Yours faithfully

JEFF LAWRENCE
NATIONAL SECRETARY

LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION
WA Branch

Registered Office 61 Thomas Street, Subiaco WA 6008
Postal Address PO Box 414, Subiaco WA 6904

President Rory Neal, JP
Secretary David Kelly
Assistant Secretaries Sue Lines, Carolyn Smith

ABN 82 525 323 080



16 DEC 2004

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

FINANCIAL REPORTS FOR THE YEAR ENDED 30 JUNE 2004

CERTIFICATE BY SECRETARY OR PRESCRIBED OFFICER

I DAVID JOSEPH KELLY being the Secretary of the Western 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 2004 and
- That the full report was presented to a meeting of the committee of management of the reporting unit on [insert date]; in accordance with section 266 of the RAO Schedule.

Signed :

Date:

13.12.04

LIQUOR, HOSPITALITY & MISCELLANEOUS UNION WA BRANCH

OPERATING REPORT

The principal activity of the Liquor, Hospitality & Miscellaneous Union, WA Branch, remains that of a Trade Union.

During the 2003/2004 financial year there was a significant increase in the number of organisers employed in order to grow the membership base of the Union. As a consequence the overall number of employees of the Union as at 30th June 2004 was 77 (2003: 63) and the total membership at that date was 21,274 (2003: 18,811).

Largely because of the additional employee expense not yet offset by the benefit of the full twelve month additional member fee collection and because of one-off unfunded redundancy payments, the financial year ended with a deficit of \$131,103 (2003 surplus: \$153,327).

Assets

- There has been a significant increase in the value of the Property, Plant and Equipment this year due to the renovation project nearly being completed for the Branch office located at 61 Thomas Street, Subiaco.

Liabilities

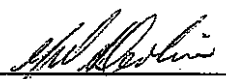
- Interest Bearing Liabilities have also increased almost in proportion to the increase in Non-Current Assets due to a loan being taken out from the Victorian Branch of the LHMU.
- Current payables have risen also in relation to the renovation expenses as at the end of the year two major invoices were still payable.

Equity

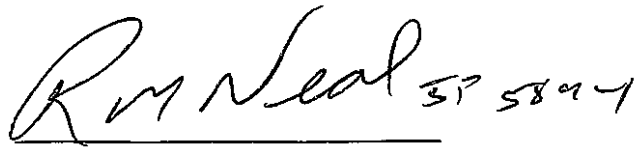
- No significant movement in equity has occurred in the financial year ended 30 June 2004.

Signed on behalf of the Committee of Management

Signed at.....~~Saras~~.....this....18th.....day of...August...2004



GEORGINA WENDY DEVLIN



RORY MICHAEL NEAL JP

LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION

WA BRANCH

(FORMALLY AUSTRALIAN LIQUOR, HOSPITALITY AND MISCELLANEOUS
WORKERS' UNION WA BRANCH)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2004

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

TABLE OF CONTENTS

	Page
Independent Audit Report	2 -3
Statement of the Committee of Management	4
Statement by the Accounting Officers	5
FINANCIAL STATEMENTS	
Statement of Financial Performance	6
Statement of Financial Position	7
Statement of Cash Flows	8
Notes to the Financial Statements	9 – 22
Compilation Report	23
Income & Expenditure Statement	24



**Independent audit report to members of Liquor,
Hospitality & Miscellaneous Union – WA Branch.**

Scope

The financial report and committee members' responsibility

The financial report comprises the statement of financial performance, statement of financial position, statement of cash flows, accompanying notes to the financial statements, and the committee members' statement for Liquor, Hospitality & Miscellaneous Union – WA Branch ("**the union**"), for the year ended 30 June 2004.

The union's committee of management and the accounting officer of the union are responsible for the preparation and true and fair presentation of the financial report. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Audit approach

We conducted an independent audit in order to express an opinion to the members of the union. Our audit was conducted in accordance with Australian Auditing Standards and the Workplace Relations Act 1996, in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the union's financial position, and of its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the committee members.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

Horwath Perth

ABN 13 412 308 092

Chartered Accountants

A member of Horwath International

128 Hay Street Subiaco WA 6008

PO Box 700 West Perth WA 6872

Email horwath@perth.horwath.com.au

Telephone (08) 9380 8400

Facsimile (08) 9380 8499



Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Audit Opinion

In our opinion the financial report presents fairly, in accordance with applicable Accounting Standards, the Workplace Relations Act 1996 and other mandatory financial reporting requirements in Australia, the financial position of the Liquor, Hospitality & Miscellaneous Union WA Branch as at 30 June 2004 and the results of its operations and its cash flows for the year then ended.

Signed at SUBIACO on the 18th day of August 2004

HORWATH PERTH
Chartered Accountants

A handwritten signature in black ink, appearing to read "A G BEVAN", written over a horizontal line.

A G BEVAN
Partner

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

STATEMENT OF THE COMMITTEE OF MANAGEMENT


The Committee of Management have determined that the organisation is a reporting entity. In accordance with a resolution of the Committee of Management, we state that in the opinion of the Committee:

- (a) The accompanying financial statements and notes comply with the Australian Accounting Standards;
- (b) The financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- (c) The financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the branch for the financial year to which they relate;
- (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 general purpose financial report relates and since the end of that year:
 - (i) Meetings of the committee of management were held in accordance with the rules of the organisation including the rules of the branch concerned; and
 - (ii) The financial affairs of the branch have been managed in accordance with the rules of the organisation including the rules of the branch concerned; and
 - (iii) The financial records of the branch have been kept and maintained in accordance with Schedule 1B of the Workplace Relations Act 1986 (The RAO Schedule) and the Workplace Relations Regulations 2003 (The RAO Regulations); and
 - (iv) The information sought in any request of a member of the branch or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
 - (v) There has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

Signed on behalf of the Committee of Management.

Signed At Subiaco this 18th day of August 2004.


GEORGINA WENDY DEVLIN


RORY NEAL

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

STATEMENT BY THE ACCOUNTING OFFICER

I, DAVID JOSEPH KELLY, being the officer responsible for keeping the accounting records of the Liquor, Hospitality & Miscellaneous Union - WA Branch, certify that as at 30 June 2004 the number of members of the Union was 21,274 (2003: 18,811).

In my opinion,

- (i) The attached accounts show a true and fair view of the financial affairs of the organisation as at 30 June 2004 and the result of operations for the period then ended;
- (ii) A register of members has, during the immediately preceding calendar year, been kept and maintained as required by section 230(1)(a) and section 230(2) of the Workplace Relations Act 1996;
- (iii) A copy of the records required to be kept under sections 230(1)(b), (c) and (d) of the Workplace Relations Act 1996, have been provided to the Industrial Registry as required by section 233 of the Workplace Relations Act 1996.

Signed at Shiraco this 17th day of August 2004.



DAVID JOSEPH KELLY
ACCOUNTING OFFICER

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

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED
30 JUNE 2004**

		2004 \$	2003 \$
Revenues from ordinary activities	3	5,689,021	4,717,416
Affiliation Fees		(114,309)	(113,129)
Employee costs		(3,477,296)	(2,587,659)
Depreciation		(102,180)	(89,535)
Occupancy costs		(82,162)	(80,311)
Other property expenses		(80,515)	(77,431)
Organisers Expenses		(555,504)	(365,245)
Sustentation fees		(765,972)	(676,457)
Other expenses from ordinary activities		(642,186)	(493,931)
Net surplus (deficit) from operating activities		----- (131,103)	----- 233,718
Prior period errors	4	-	(80,391)
Net surplus (deficit) attributable to the Branch		----- <u>(131,103)</u>	----- <u>153,327</u>

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

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2004**

	Note	2004 \$	2003 \$
Current Assets			
Cash Assets	6	557,292	363,904
Receivables	7	65,216	65,171
Prepayments		53,975	31,300
Stock		1,683	818
		-----	-----
Total Current Assets		678,166	461,193
		-----	-----
Non-current Assets			
Property, Plant and Equipment	8	2,872,112	1,977,846
		-----	-----
Total Non-Current Assets		2,872,112	1,977,846
		-----	-----
Total Assets		3,550,278	2,439,039
		-----	-----
Current Liabilities			
Payables	9	904,361	614,519
Interest Bearing Liabilities	10	80,888	-
Provisions	11	116,495	138,854
		-----	-----
Total Current Liabilities		1,101,744	753,373
		-----	-----
Non-current Liabilities			
Interest Bearing Liabilities	10	867,494	-
Provisions	11	132,070	105,593
		-----	-----
		999,564	105,593
		-----	-----
Total Liabilities		2,101,308	858,966
		-----	-----
Net Assets		1,448,970	1,580,073
		=====	=====
Equity			
Retained Profits	12	1,448,970	1,580,073
		-----	-----
Total Equity		1,448,970	1,580,073
		=====	=====

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED
30 JUNE 2004**

	Note	2004 \$	2003 \$
Cash flows from operating activities			
Contributions		4,961,815	4,238,934
Interest Received		33,787	8,389
Rent Received		130,792	113,290
Grants		35,000	22,500
Other Income		539,393	344,271
Payments to Suppliers & Employees		(5,493,543)	(4,488,571)
Net cash provided by operating activities	13(a)	207,244	238,813
Cash flows from investing activities			
Proceeds from Sale of Property, Plant & Equipment		7,050	-
Payment for Property, Plant & Equipment		(969,286)	(87,509)
Net cash provided (used) by investing activities		(962,236)	(87,509)
Cash flows from financing activities			
Proceeds from borrowings		1,000,000	-
Repayment of borrowings		(51,619)	-
Net cash used in financing activities		948,381	-
Net increase/(decrease) in cash held		193,389	151,304
Cash at beginning of the financial year		363,904	212,600
Cash at the end of the financial year	6	557,292	363,904

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2004**

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a general purpose financial report that has been prepared in accordance with applicable Accounting Standards, Urgent Issues Group Consensus View and other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Workplace Relations Act, 1996.

The financial report is prepared for the Liquor, Hospitality & Miscellaneous Union - WA Branch. The organisation is the State Branch of a federally registered union, domiciled in Australia.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money valuations. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the organisation in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Rules of the Union

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 are 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 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.

(b) Membership Contributions

Membership contributions are accounted for on a cash receipts basis.

(c) Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

(d) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivable and payables in the Statement of Financial Position are shown inclusive of GST.

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2004**

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(e) Income tax

No provision for income tax is necessary as "Trade Unions" are exempt from income tax under Section 50-15 of the *Income Tax Assessment Act 1997*.

(f) Cash

For the purposes of the statement of cash flows, the organisation considers cash to include cash on hand, at banks or financial institutions and on deposit.

(g) Receivables

All sundry debtors are recognised at the amounts receivable, as they are due for settlement no more than 30 days. Collectibility of debtors is reviewed on an ongoing basis. Debts, which are known to be uncollectible, are written off.

(h) Property, plant and equipment

Each class of property, plant and equipment are carried at cost or fair value less, where applicable, any accumulated depreciation.

Plant and Equipment

The carrying amount of plant and equipment is reviewed annually by the organisation to ensure it is not in excess of the recoverable amount from those 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 net cash flows have not been discounted to present values in determining recoverable amounts.

(i) Depreciation

The depreciation amount of all fixed assets is depreciated using the straight-line basis in order to write off the net cost of each fixed asset during its expected useful life to the organisation.

The depreciation rates used for each class of depreciable assets are:

<u>Class of fixed asset</u>	<u>Depreciation rate</u>
Buildings	2 to 5%
Chattels, furniture, fittings and office equipment	15 to 20%
Motor vehicles	22.5%

(j) Creditors and Accrued Changes

These amounts represent liabilities for goods and services provided to the entity prior to the end of the financial year and which are unpaid. These amounts are unsecured and are usually paid within 30 days of recognition.

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2004**

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(k) Employee entitlements

Provision is made for the organisation'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 and annual 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 the present value of the estimated future cash outflows to be made for those entitlements.

Provision for employee entitlements have been measured to include salary on-costs including superannuation, payroll tax and workers compensation.

(l) Superannuation

Contributions are made by the organisation to an employee superannuation fund and are charged as expenses when incurred.

(m) Interest rate risk

The organisation's exposure to interest rate risk, which is the risk that financial instruments value will fluctuate as a result of changes in market interest rates, is considered negligible.

(n) Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements. The organisation does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the organisation.

(o) Comparatives

Where required, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(p) International Financial Reporting Standards

The Australian Accounting Standards Board (AASB) is adopting the International Financial Reporting Standards (IFRS) for application to reporting periods beginning on or after 1 January 2005 (effective for the 30 June 2006 financial report). This requires the production of accounting data for future comparative purposes at the end of the current financial year.

The Committee of Management are assessing the significance of these changes and preparing for their implementation.

The Committee are of the opinion that the key differences in the Union's accounting policies which will arise from the adoption of IFRS are:

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2004**

NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(p) International Financial Reporting Standards (Continued)

Impairment of Assets

The Union currently applies the recoverable amount test to its non current assets carried at cost with the recoverable amount usually based on the amount that is expected to be recovered through its continued use and subsequent disposal. The pending AASB 136 Impairment of Assets (IFRS standard) has wider application and is more prescriptive in its approach to impairment testing of assets. It is likely that this change will lead to impairments (write-downs) being recognised more often than under the existing policy.

The above should not be regarded as a complete list of changes in accounting policies that will result from the transition to IFRS, as not all standards have yet been analysed as yet and some decisions have not yet been made where choices of accounting policies are available. For these reasons it is not yet possible to quantify the impact of the transition to IFRS on the Association's financial position and reported results.

NOTE 2. INFORMATION TO BE PROVIDED TO THE MEMBERS OR REGISTRAR

In accordance with the requirements of Section 272(5) of the Workplace Relations Act 1996, the attention of members is drawn to the provisions of Sections 272(1) to Section 272(3) of the Act, which reads as, follows:

- (1) A member of the branch, or a Registrar, may apply to the branch for specified prescribed information in relation to the branch to be made available to the person making the application.
- (2) The application must be 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 branch.
- (3) The branch must comply with an application made under subsection (1).

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2004**

NOTE 3. REVENUE	2004	2003
	\$	\$
Operating activities		
Contributions	4,827,899	4,228,064
Building Fund Levy	138,295	-
Rent received	119,282	114,760
Award service fees	9,692	14,149
Salary reimbursements	463,178	323,689
Members distress fund	5,213	-
Sale of caps/badges/clothing	4,711	99
Shark bay booking fee	936	936
Delegates Convention	41,040	-
Grants - Award Updating	27,733	3,937
Other income	4,620	4,863
Sundry income	5,585	18,531
Non-operating activities		
Interest	33,787	8,389
Profit on sale of assets	7,050	-
	-----	-----
	5,689,021	4,717,416
	-----	-----

NOTE 4. PRIOR PERIOD ERRORS

The following adjustments to correct prior period errors were included in the Statement of Financial Performance in the prior year:

Adjustment for on-costs on provision for annual leave	-	30,959
Adjustment for on-costs on provision for long service leave	-	26,651
Adjustment for prior year accrued wages	-	39,834
To recognise members distress fund balance at 30 June 2002.	-	(17,053)
	-----	-----
	-	80,391
	-----	-----

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2004**

	2004	2003
	\$	\$
NOTE 5. SURPLUS (DEFICIT) FROM ORDINARY ACTIVITIES		
The net surplus (deficit) from ordinary activities has been determined after the following:		
Expenses		
Affiliation Fees:		
ALP	53,431	53,119
Trades & Labor Council of WA	60,878	60,010
	114,309	113,129
Depreciation		
Office Equipment	24,491	19,769
Furniture & Fittings	30,163	19,247
Library	1,083	403
Motor Vehicles	5,155	13,756
Buildings	41,288	36,360
	102,180	89,535
Sustentation Fees – Federal Office*	765,972	676,457
*Sustentation Fees are paid to the Federal Office of the Liquor, Hospitality and Miscellaneous Union in support of the Federal Offices' activities and oversight of the branches of the Union.		
Legal Costs	21,671	11,788
Meeting and Conference Expenses	77,151	17,496
Remuneration of Auditor		
Audit Services	13,220	11,100

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2004**

NOTE 6. CASH ASSETS	2004	2003
	\$	\$
Cash on Hand		
Petty Cash	950	950
Cash at Bank		
General Fund	(18,250)	(9,033)
Secretary's Advance Account	17,477	22,634
Augusta Account	3,319	2,746
Investment Account	109,786	79,345
Motor Vehicle Expense Account at Call	10,781	10,775
GST Account	81,404	57,023
Members Equity Account	194,396	180,688
Members Distress Fund	16,267	18,776
Building Fund	141,162	-
	-----	-----
	557,292	363,904
	-----	-----

NOTE 7. RECEIVABLES

Current		
Sundry Debtors	60,753	65,171
Loan Receivable	4,463	-
	-----	-----
	65,216	65,171
	-----	-----

NOTE 8. PROPERTY, PLANT & EQUIPMENT

61 Thomas Street, Subiaco		
Land – at Cost	127,944	127,944
Buildings – at Cost	1,641,764	1,002,826
Accumulated Depreciation	(401,149)	(376,461)
	-----	-----
	1,368,559	754,309
	-----	-----
61 Thomas Street, Subiaco		
Work In Progress (WIP) Building Renovations – at cost	198,346	-
	-----	-----
	198,346	-
	-----	-----

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2004**

NOTE 8. PROPERTY, PLANT & EQUIPMENT (Continued)

	2004	2003
	\$	\$
55 Sweeney Street, Bunbury		
Land – at Cost	16,500	16,500
Buildings – at Cost	69,899	69,900
Accumulated Depreciation	(24,287)	(22,889)
	62,112	63,511
Riverside Cottages, Molloy Street, Augusta		
Land – at Cost	269,855	269,855
Buildings – at Cost	418,914	418,944
Accumulated Depreciation	(122,499)	(114,121)
	566,270	574,648
Lot 80 Mortimer Street, Kalbarri		
Land – at Cost	128,903	128,903
Buildings – at Cost	173,084	173,084
Accumulated Depreciation	(47,870)	(44,408)
	254,117	257,579
Lot 100 Dhu Street, Guilderton		
Land – at Cost	37,129	37,129
Buildings – at Cost	131,542	131,542
Accumulated Depreciation	(36,562)	(33,931)
	132,109	134,740
Unit 2, 101 Spencer Street, Bunbury		
Land – at Cost	20,000	20,000
Buildings – at Cost	36,543	36,543
Accumulated Depreciation	(3,781)	(3,050)
	52,762	53,493

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2004**

NOTE 8. PROPERTY, PLANT & EQUIPMENT (Continued)

	2004	2003
	\$	\$
Chattels – Bunbury Property		
Cost	19,890	19,390
Accumulated Depreciation	(18,506)	(15,491)
	1,384	3,899
Chattels – Augusta Property		
Cost	41,183	38,204
Accumulated Depreciation	(23,774)	(16,755)
	17,409	21,449
Chattels – Kalbarri Property		
Cost	35,373	31,077
Accumulated Depreciation	(16,576)	(9,767)
	18,796	21,310
Chattels – Guilderton Property		
Cost	5,139	5,139
Accumulated Depreciation	(3,110)	(2,273)
	2,029	2,866
Furniture & Fittings, Thomas Street		
Cost	144,523	26,466
Accumulated Depreciation	(23,459)	(10,975)
	121,064	15,491
Office Equipment		
Cost	140,680	110,107
Accumulated Depreciation	(85,287)	(60,796)
	55,393	49,311

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2004**

NOTE 8. PROPERTY, PLANT & EQUIPMENT (Continued)

	2004	2003
	\$	\$
Library		
Cost	92,055	89,295
Accumulated Depreciation	(76,588)	(75,505)
	15,467	13,790
 Motor Vehicles		
Cost	44,537	71,698
Accumulated Depreciation	(38,242)	(60,248)
	6,295	11,450
 Total Property, Plant and Equipment	2,872,112	1,977,846

Title to all properties, except for Unit 2, 101 Spencer Street, Bunbury are held by the Liquor, Hospitality and Miscellaneous Union, New South Wales (Federal Union) in accordance with Federal Policy concerning all new acquisitions of property.

A mortgage to the value of \$80,000 registered with the Commonwealth Bank of Australia is secured over the property situated at 61 Thomas Street, Subiaco.

Reconciliations

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year are set out below:

	Carrying Amount at 1 July 2003	Additions	Disposals	Depreciation	Carrying Amount at 30 June 2003
Land & Buildings	1,838,280	638,937	-	(41,288)	2,435,929
WIP Renovations	-	198,346	-	-	198,346
Chattels	49,524	7,774	-	(17,680)	39,618
Furniture & Fittings	15,491	118,056	-	(12,483)	121,064
Office Equipment	49,311	30,573	-	(24,491)	55,393
Library	13,790	2,760	-	(1,083)	15,467
Motor Vehicles	11,450	-	-	(5,155)	6,295
TOTAL	1,977,846	996,446	-	(102,180)	2,872,112

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2004**

NOTE 9. PAYABLES	2004	2003
	\$	\$
Current		
Sundry Creditors	3,163	31,344
Accrued Expenses	331,276	174,455
Rent received in advance	29,220	17,710
Delegates Convention	-	4,196
GST	64,304	68,685
Group Tax Payable	84,806	-
Unexpended DOCEP Grant	25,830	18,563
Accrued Annual Leave	365,762	299,566
	<u>904,361</u>	<u>614,519</u>

NOTE 10. INTEREST BEARING LIABILITIES

Current		
Unsecured		
Loan from Victorian Branch LHMU	80,888	-
	<u>80,888</u>	<u>-</u>
Non-current		
Unsecured		
Loan from Victorian Branch LHMU	867,494	-
	<u>867,494</u>	<u>-</u>

NOTE 11. PROVISIONS

Current		
Long Service Leave	116,495	138,854
	<u>116,495</u>	<u>138,854</u>
Non-current		
Long Service Leave	132,070	105,593
	<u>132,070</u>	<u>105,593</u>

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2004**

NOTE 12. RETAINED PROFITS

Retained profits at the beginning of the financial year	1,580,073	1,426,746
Net Surplus/(Deficit) attributable to the Branch	(131,103)	153,327
	<u>1,448,970</u>	<u>1,580,073</u>

NOTE 13. CASH FLOW INFORMATION

**(a) Reconciliation of profit from ordinary activities to net
Cash flows from operating activities**

Profit from ordinary activities	(131,103)	153,327
Depreciation	75,019	89,535
Profit on sale of assets	(7,050)	-
Change in assets and liabilities		
(Increase) decrease in stock on hand	(864)	(818)
(Increase) decrease in sundry debtors	4,418	(36,458)
(Increase) decrease in prepayments	(27,138)	(3,698)
Increase (decrease) in sundry creditors & accruals	204,871	(83,562)
Increase (decrease) in provision for employee entitlements	70,314	103,394
Increase (decrease) in unexpended grants	7,267	18,563
Increase (decrease) in rent received in advance	11,510	(1,470)
Net cash inflow from operating activities	<u>207,244</u>	<u>238,813</u>

(b) Credit Stand-By Arrangements

The branch has a bank overdraft facility of \$20,000 (2003: \$20,000). At 30 June 2004 and 30 June 2003 this facility was not in use.

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2004**

NOTE 14. RELATED PARTY TRANSACTIONS

The following persons have held office in the WA Branch of the Union during the year:

	Office Held
NEAL, Rory Michael	President
LIEDEL, Barbara Joy	Vice President
CLOVER, Phillip James	Vice President
KELLY, David Joseph	Secretary
LINES, Susan	Assistant Secretary
SMITH, Caroline	Assistant Secretary
DEVLIN, Georgina Wendy	Executive Member
GEORGE, Diane Isabella	Executive Member
GODFREY, Brian George	Executive Member
HOWELLS, Angela	Executive Member
JONES, Lynda	Executive Member
MANN, Leila Dawn	Executive Member
O'MAHONEY, Paul	Executive Member
SNOW, Irene Edith	Executive Member
WRIGHT, Brian	Executive Member

There were no other transactions between the officers and the Union other than those relating to their membership in 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.

NOTE 15. REMUNERATION OF OFFICERS

	2004	2003
	\$	\$
Income paid or payable to officers during the year.	<u>288,970</u>	<u>250,160</u>

NOTE 16. SEGMENT REPORTING

The Union operates predominantly in one business and geographical segment, in its capacity to provide services to members of the Union throughout Western Australia.

NOTE 17. CAPITAL COMMITMENTS

At the date of signing this report there are no known outstanding capital commitments.

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2004**

NOTE 18. CONTINGENT LIABILITIES

At the date of signing this report there are no known contingent liabilities that would have a material effect on the presentation of the annual financial statements.

NOTE 19. GEOGRAPHICAL LOCATIONS

The Union operates from 61 Thomas Street, Subiaco in the State of Western Australia.

NOTE 20. EMPLOYEE NUMBERS

	2004 Numbers	2003 Numbers
Number of employees at the end of the financial year	77	63



Horwath Perth

ABN 13 412 308 092

Chartered Accountants

A member of Horwath International

128 Hay Street Subiaco WA 6008

PO Box 700 West Perth WA 6872

Email horwath@perth.horwath.com.au

Telephone (08) 9380 8400

Facsimile (08) 9380 8499

**COMPILATION REPORT
TO LIQUOR, HOSPITALITY & MISCELLANEOUS UNION
WA BRANCH**

Scope

On the basis of information provided by the members of the Committee of Management of the Union, we have compiled in accordance with APS 9 "Statement of Compilation of Financial Reports" the special purpose financial report of Liquor, Hospitality and Miscellaneous Union – WA Branch for the year ended 30 June 2004 comprising the attached Income and Expenditure Statement.

The specific purpose for which the special purpose financial report has been prepared is to provide financial information to the members. Accounting Standards and other mandatory professional reporting requirements have not been adopted in the preparation of the special purpose financial report.

The Committee of Management and Accounting Officer are solely responsible for the information contained in the special purpose financial report.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the Committee of Management provided into a financial report. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

To the extent permitted by law, we do not accept liability for any loss or damage which any person, other than the Union, may suffer arising from any negligence on our part. No person should rely on the special purpose financial report without having an audit or review conducted.

The special purpose financial report was prepared exclusively for the benefit of the members of the union. We do not accept responsibility to any other person for the contents of the special purpose financial report.

Dated this 18th day of August 2004

HORWATH PERTH
Chartered Accountants

A handwritten signature in black ink, appearing to be "A.G. Bevan", written over a horizontal line.

A.G. BEVAN
Partner

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

**INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 JUNE 2004**

	2004	2003
	\$	\$
Revenue		
Members – Contributions	4,827,899	4,228,064
Building Fund Levy	138,295	-
Interest Received	33,787	8,389
Rent Received	119,282	114,760
Award Service Fees	9,692	14,149
Members Distress Fund	5,213	4,861
Grants- Award Updating	27,733	3,938
Salary reimbursements	463,178	323,689
Sale of Caps/Badges/Clothing	4,711	99
Shark Bay Booking Fee	936	936
Sundry Income	10,205	18,531
Surplus on Disposal of Assets	7,050	-
Delegates Convention	41,040	-
	<hr/>	<hr/>
Total Revenue	5,689,021	4,717,416
	<hr/>	<hr/>
Expenditure		
Advertising	13,261	15,787
Affiliation Fees		
ALP	53,431	53,119
Trades & Labor Council of WA	60,878	60,010
Airfares	32,290	23,997
Arbitration	2,813	2,160
Attendance Fees	11,657	10,855
Audit Fees	13,020	11,100
Badges/Caps/Union History	22,701	2,487
Bank Charges	40,790	35,758
Campaigns	5,948	3,249
Cleaning Expenses	1,235	1,649
Commissions	46,313	43,898
Computer Charges	6,930	10,906
Consultancy Expenses	-	10,305
Depreciation	102,180	89,535
Donations	1,090	1,997
Electricity	32,681	34,668
Freight	755	419
Fringe Benefits Tax	5,518	6,150
Honorarium	2,060	2,000
	<hr/>	<hr/>
	455,551	420,049

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

**INCOME AND EXPENDITURE STATEMENT (Continued)
FOR THE YEAR ENDED 30 JUNE 2004**

	2004	2003
	\$	\$
Total Brought Forward	455,551	420,049
Insurance - Excluding Vehicles	59,891	43,920
Interest on Loan	34,215	-
Journals & Papers Issued (inc. Postage)	54,087	71,235
Lease Payments	8,515	2,790
Legal Costs	21,671	11,788
Meeting & Conference Expenses	77,151	17,496
Members Distress Fund	5,972	3,147
Motor Vehicle Expenses	382,105	270,048
Organising Expenses	39,535	39,567
Payroll Tax	167,814	100,840
Peal Health Dispute	14,994	-
Postage	61,699	38,429
Printing & Stationery	73,898	60,442
Property		
Augusta	36,566	36,462
Bunbury	15,933	12,886
Guilderton	8,499	7,737
Kalbarri	19,516	20,317
Thomas Street	3,438	29
Publications & Subscriptions	13,265	6,437
Rates	21,952	21,067
Repairs & Maintenance	22,857	22,927
Salaries – Elected Officers	266,801	239,305
Salaries – Employees	2,535,681	1,873,409
Salaries – Annual leave provision	66,196	27,433
Salaries – Long service leave provision	4,118	18,353
Staff Amenities	7,655	6,839
Staff Relocation Costs	9,073	-
Sundry Expenses (include Office Costs)	27,474	27,022
Superannuation	419,931	321,480
Sustentation Fees - Federal Office	765,972	676,457
Telephone	91,973	71,650
Training & Education	26,126	14,137
Total Expenditure	5,820,124	4,483,698
Net Profit from ordinary activities	(131,103)	233,718

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

**INCOME AND EXPENDITURE STATEMENT (Continued)
FOR THE YEAR ENDED 30 JUNE 2004**

	2004	2003
	\$	\$
Net Profit from ordinary activities	(131,103)	233,718
Prior Period Errors		
Adjustment for on-costs on provision for annual leave	-	(30,959)
Adjustment for on-costs on provision for long service leave	-	(26,651)
Adjustment for prior year accrued wages	-	(39,834)
To recognise members distress fund balance at 30 June 2002.	-	17,053
Operating Profit for the year	(131,103)	153,327



Australian Government
Australian Industrial Registry

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6666
Fax: (02) 9380 6990
Email: sydney@air.gov.au

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

Dear Mr Lawrence

Re: Lodgement of Financial Statements and Accounts for the LHMU Western Australian Branch for the year ending 30 June 2004 (FR2004/572)

Receipt is acknowledged of the abovementioned financial statements and accounts which were lodged in the Registry on 16 December 2004.

Before the documents can be filed some further action is required.

Operating Report

The documents included an "operating report" which however does not meet the requirements of s254 of the RAO Schedule. Specifically, it omitted:

- details of the right of members to resign from the reporting unit (s254 (2)(c));
- the name of each person who has been a member of the committee of management of the reporting unit at any time during the reporting period, and the period for which he or she held such position (s254(2)(c) and RAO regulation 159(c)).

No reference was made in this document to whether any officer or member of the reporting unit is a trustee or director of a superannuation entity etc. as required by s254(2)(d). If an officer or member is, this should be stated in the operating report.

In the absence of a complete operating report, it appears the Branch's reporting obligations under s265 have not been met. The Branch should prepare a complete operating report, provide a copy to its members and lodge a copy of the report in the Registry. When lodging the report, please advise the date and method of provision to members.

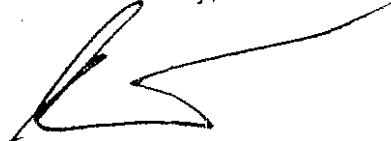
Other Issues

Please note these matters for future financial returns:

- The Committee of Management Statement omits to state the opinion of the Committee on whether the reporting unit's financial records have been kept in a consistent manner to each of the other reporting unit's of the Union (see paragraph 17(e)(iv) of the s253 Reporting Guidelines of the Industrial Registrar ("the Guidelines").
- The Committee of Management statement should specify the date of the resolution (see paragraph 18(b) of the Guidelines).
- No Accounting Officer's certificate is required

Please contact me if you have any queries about these matters or if I can be of any assistance.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Peter McKerrow', with a long horizontal stroke extending to the right.

Peter McKerrow
for Deputy Industrial Registrar

25 January 2005

**LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION
WA Branch**

Registered Office 61 Thomas Street, Subiaco WA 6008
Postal Address PO Box 414, Subiaco WA 6904

Phone (08) 9388 5400 **Toll Free** 1800 199 890 **Fax** (08) 9382 3986
Email lhmuwa@lhmu.org.au **Internet** www.lhmu.org.au

President Rory Neal, JP
Secretary Dave Kelly
Assistant Secretaries Sue Linea, Carolyn Smith

ABN 82 625 323 080



Ref:

FAX COVER SHEET

To: PETER MCKERROW	From: CHERYL HAMS
Organisation: AIR	Organisation: LHMU
Phone:	Phone: 9388 5400
Fax: 02) 9380 6990	Fax: 9382 3986
Date: 7/2/05	Pages (including cover)

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Hi Peter,

As DISCUSSED.

CHERYL

LIQUOR, HOSPITALITY & MISCELLANEOUS UNION WA BRANCH

OPERATING REPORT

The principal activity of the Liquor, Hospitality & Miscellaneous Union, WA Branch, remains that of a Trade Union.

During the 2003/2004 financial year there was a significant increase in the number of organisers employed in order to grow the membership base of the Union. As a consequence the overall number of employees of the Union as at 30th June 2004 was 77 (2003: 63) and the total membership at that date was 21,274 (2003: 18,811).

Largely because of the additional employee expense not yet offset by the benefit of the full twelve month additional member fee collection and because of one-off unfunded redundancy payments, the financial year ended with a deficit of \$131,103 (2003 surplus: \$153,327).

Assets

- There has been a significant increase in the value of the Property, Plant and Equipment this year due to the renovation project nearly being completed for the Branch office located at 61 Thomas Street, Subiaco.

Liabilities

- Interest Bearing Liabilities have also increased almost in proportion to the increase in Non-Current Assets due to a loan being taken out from the Victorian Branch of the LHMU.
- Current payables have risen also in relation to the renovation expenses as at the end of the year two major invoices were still payable.

Equity

- No significant movement in equity has occurred in the financial year ended 30 June 2004.

Resignation of Membership

- As per section 174 of the Workplace Relations Act 1996 a member of the union may resign from membership by written notice or by electronic message to the Branch to which the member is attached. Resignation from membership of the union takes effect:
 - on the day on which the notice is received by the union
 - on the day specified in the notice
 - at the end of two (2) weeks after the notice is received by the union
 whichever is later.

The union has two staff members who sit on the Board of a superannuation entity. They are:

- Peter Edward Thomson, Union Administrator, who is a Director of the Government Employees Superannuation Board, Western Australia, which is an exempt public sector superannuation scheme.
- Neil Charles Saxton JP, Union Organiser, who is a Director of H.E.S.T. Australia Ltd. which is a company that is a trustee of a superannuation fund.

The Executive of the union is also the committee of management. As at the 30th June 2004 the members of the committee of management were:

- | | |
|--------------------------|---------------------|
| • NEAL, Rory Michael | President |
| • LIEDEL, Barbara Joy | Vice President |
| • CLOVER, Phillip James | Vice President |
| • KELLY, David Joseph | Secretary |
| • LINES, Susan | Assistant Secretary |
| • SMITH, Carolyn | Assistant Secretary |
| • DEVLIN, Georgina Wendy | Executive Member |
| • GEORGE, Diane Isabella | Executive Member |
| • GODFREY, Brian George | Executive Member |
| • HOWELLS, Angela | Executive Member |
| • JONES, Lynda | Executive Member |
| • MANN, Leila Dawn | Executive Member |
| • O'MAHONEY, Paul | Executive Member |
| • SNOW, Irene Edith | Executive Member |
| • WRIGHT, Brian | Executive Member |

Signed on behalf of the Committee of Management

Signed at SUBIACO this 15TH day of AUGUST 2004



GEORGINA WENDY DEVLIN



RORY MICHAEL NEAL JP



Australian Government
Australian Industrial Registry

Level 8, Terrace Towers
80 William Street, East Sydney, NSW 2011
Telephone: (02) 8374 6666
Fax: (02) 9380 6990
Email: sydney@air.gov.au

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

Dear Mr Lawrence

Re: Lodgement of Financial Statements and Accounts for the LHMU Western Australian Branch for the year ending 30 June 2004 (FR2004/572)

I refer to our previous letter of 25 January 2005 requesting that further information be lodged. I note that the copy of the Operating Report as originally lodged omitted page 2. The complete report was lodged in the Registry on 8 February 2005.

The documents have now been filed, however please note the following for your future reference:

Operating Report - Committee of Management Members

The complete operating report included the names of members of the committee of management. Regulation 159(c) of the RAO Regulations requires the operating report include the name of any person who has been a member of the committee and the period for which he or she held that position.

Please ensure that in future financial returns the period that each person has held a position on the committee of management is specified.

Please contact me on 02 8374 6618 if you have any queries about these matters or if I can be of any assistance.

Yours sincerely,

A handwritten signature in cursive script that reads 'Belinda Penna'.

Belinda Penna
for Deputy Industrial Registrar

9 February 2005

cc Mr Dave Kelly
LHMU WA Branch Secretary