



**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: FR2007/269-[108V-WA1]**

Mr David 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, 2007**

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](http://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](http://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".

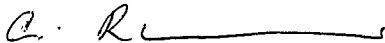
### **Extensions of Time**

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 6618 or by e-mail at [belinda.penna@air.gov.au](mailto:belinda.penna@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



For Deputy Industrial Registrar...  
18 July, 2007

**TIMELINE/ PLANNER**

Financial reporting period ending:	/ /	
<b>FIRST MEETING:</b> Prepare General Purpose Financial Report (including Committee of Management Statement in accordance with C of M resolution) and Operating Report - s253(1), s254(1)	/ /	as soon as practicable after end of financial year
Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /	within a reasonable time of having received the GPFR
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>	/ /          / /	
<b>SECOND MEETING:</b> 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)	/ /   / /	within 6 months of end of financial year  within 6 months of end of financial year
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	/ /	within 14 days of meeting

**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	✓
<b>1</b>	<b>General Purpose Financial Report</b>	
	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?	
<b>2</b>	<b>Committee of Management Statement</b>	
	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?	
	Does the statement contain declarations relating to any recovery of wages activity?	
<b>3</b>	<b>Auditor's Report</b>	
	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?	
<b>4</b>	<b>Operating Report</b>	
	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?	
<b>5</b>	<b>Concise report*</b>	
<b>6</b>	<b>Certificate of Secretary or other Authorised Officer</b>	
	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.

*[Add the following if any recovery of wages activity has been undertaken during the financial year]*

- (f) in relation to recovery of wages activity:
  - (i) the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of the Industrial Registrar; and
  - (ii) the committee of management caused the auditor to include in the scope of the audit required under subsection 257(1) of the RAO Schedule all recovery of wages activity by the reporting unit in which revenues had been derived for the financial year in respect of such activity; and
  - (iii) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and
  - (iv) that prior to engaging in any recovery of wages activity, the organization has disclosed to members by way of a written policy all fees to be charged or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and

- (v) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers until distributions of recovered money were made to the workers.

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 Officer<sup>1</sup>**

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]<sup>2</sup>, referred to in s268 of the RAO Schedule; and
- that the [full report **OR** concise report]<sup>3</sup>, 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]<sup>3</sup> of the reporting unit on [insert date]; in accordance with section 266 of the RAO Schedule.

Signature

Date:

<sup>1</sup>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.

<sup>2</sup>Only applicable where a concise report is provided to members

<sup>3</sup>Insert whichever is applicable

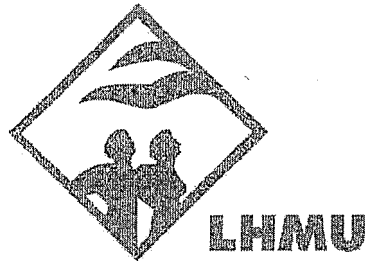
**National Office**  
Level 9  
187 Thomas Street  
Haymarket NSW 2000

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

**Louise Tarrant**  
National Secretary

**Brian Daley**  
National President

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



Organising for the future

Please address all correspondence to the National Secretary

ABN: 5272 8088 684

17 December, 2007

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

Dear Mr Jenkins

**Re: WA BRANCH FINANCIAL REPORTS**

I am writing to lodge the financial reports for the LHMU WA Branch for the year ended 30 June 2007. Enclosed is the Full Financial Report including:

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

The financial reports were sent to the Branch Executive on 22<sup>nd</sup> October 2007. The Executive resolved:

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

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

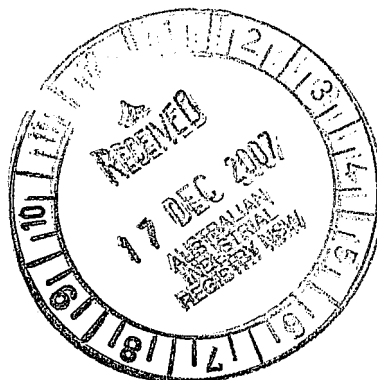
A full report was provided to the Committee of Management on 28 November 2007 and was adopted. Also enclosed is a copy of the Branch Secretary's certificate dated 6 December 2007.

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

If you have any questions please contact me.

Yours faithfully

**LOUISE TARRANT**  
**NATIONAL SECRETARY**



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

**FINANCIAL REPORTS FOR THE YEAR ENDED 30 JUNE 2007**

**CERTIFICATE BY SECRETARY OR PRESCRIBED OFFICER**

I, Dave Kelly being the Branch Secretary of the Liquor, Hospitality and Miscellaneous Union, Western Australia 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 15 November 2007 and
- That the full report was presented to a meeting of the committee of management of the reporting unit on 28 November 2007 in accordance with section 266 of the RAO Schedule.

Signed: \_\_\_\_\_

Date: 6/12/07.

**LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION  
BRANCH**


**FINANICAL REPORTS FOR THE YEAR ENDED 30 JUNE 2007**

**CERTIFICATE BY SECRETARY OR PRESCRIBED OFFICER**

I, David J Kelly, being the Branch Secretary of the Liquor, Hospitality and Miscellaneous Union, WA 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 2007; and
- That the full report was presented to a meeting of the committee of management of the reporting unit on 28 November 2007 in accordance with section 266 of the RAO Schedule.

**Signed:**

  
\_\_\_\_\_

**Date:**

28 November 2007



BDO Kendalls

BDO Kendalls Audit & Assurance (WA) Pty Ltd  
128 Hay St  
Subiaco WA 6008  
PO Box 700 West Perth WA 6872  
Phone 61 8 9380 8400  
Fax 61 8 9380 8499  
aa.perth@bdo.com.au  
www.bdo.com.au

14 November 2007

ABN 79 112 284 787

The Executive Committee  
Liquor, Hospitality & Miscellaneous Union WA Branch  
PO Box 414  
SUBIACO WA 6904

Dear Sirs

**RE: LIQUOR, HOSPITALITY & MISCELLANEOUS UNION – WA BRANCH**

During the course of our audit of Liquor, Hospitality & Miscellaneous Union WA Branch for the year ended 30 June 2007, we identified matters that may be of interest to management. The objective of an audit is to obtain reasonable assurance whether the financial report is free of any material misstatement and it is not designed to identify matters that may be of interest to management in discharging its responsibilities. Accordingly an audit would not usually identify all such matters.

The responsibility for producing the financial statements and ensuring adequate internal controls and sound business practices is the responsibility of the management and is a part of management's overall responsibility for the ongoing activities of the company. Policies and procedures developed by the company to safeguard its assets and to provide reasonable assurance that errors and irregularities or illegal acts are promptly identified, must be properly monitored to ensure that all staff are complying with the guidelines provided. Where we determined, from our testing, that there exists a need for improvement in existing systems of internal control or if we detected that the company's staff are not complying with the critical accounting policies and procedures provided by management, we increased our year-end testing of account balances to ensure that audit risk was kept to an appropriate low level.

The comments and concerns expressed herein did not have a material effect on the company's financial report and, as such, our opinion thereon was without reservation. However, in order for the company to ensure the safeguarding of its assets and the accuracy of its records, we believe our comments and concerns should be taken into consideration by management. Our comments are not intended to reflect upon the honesty or competence of the company's employees.

The matters we have identified are discussed at the Appendix 1.

This communication is prepared solely for the information of the Executive Committee and is not intended for any other purposes. We accept no responsibility to a third party who uses this communication.

We would like to express our appreciation for the cooperation and assistance which we received during the course of our audit from all the staff at Liquor, Hospitality & Miscellaneous Union.

We shall be pleased to discuss with you further any matters mentioned in this report at your convenience.

Yours faithfully  
**BDO Kendalls Audit & Assurance (WA) Pty Ltd**

BDO Kendalls

**C. Burton**  
Director

**Appendix 1****LONG OUTSTANDING DEBTORS***Observation*

During our review of the debtors of the union, we have noticed that there are debtors outstanding as at 30 June 2007 that were also outstanding as at 30 June 2006.

*Implications*

This is a considerable time for a debtor not to have paid their account, and it raises the issue as to whether the debtor is recoverable and hence a valid asset of the union. We also highlight that long outstanding debtors have an adverse impact on the union's cash flow.

*Recommendation*

We recommend that a review of long outstanding debtors be undertaken and appropriate action to recover the amounts that are greater than 6 months old be taken.

**CLIENT COMMENT**

*Agree and a full review of debtor management is scheduled for early 2008.*

**VALUATION OF LAND AND BUILDINGS***Observation*

The Union has in the past adopted the fair value measurement of land and buildings in accordance with AASB 116: 'Property, Plant and Equipment'. Paragraph 31 of AASB 116 requires that when the fair value basis of measurement has been adopted "*revaluations must be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date*".

*Implications*

The fair value of land and buildings is usually determined from market-based evidence by appraisal that is normally undertaken by professionally qualified valuer. The value of land in Perth and surrounding areas has increased significantly in the past few years. This indicates that carrying amount may materially differ from the fair value and we note that the standard requires revaluations to be performed at a minimum of every 3 years to ensure adequate representation of "fair value".

*Recommendation*

As the last valuation was performed in 2001, we recommend that an expert valuation be obtained in relation to land and buildings for the financial year ending 30 June 2008.

**CLIENT COMMENT**

*No comment provided.*



## **BANK SIGNATORIES**

### *Observation*

It was noted when conducting a review of the signatories on the Secretary's Advance bank account that Helen Creed, Rory Neal, Keryn Podger and Emline Howells are listed as authorised signatories with the Commonwealth bank as at 30 June 2007, even though they resigned as Branch Elected Officials.

### *Implications*

It is important that only current signatories are on the bank account as this ensures that former authorised signatories are unable to process transactions. While we have noted no issues during our audit in relation to this matter, allowing this level of authorisation to exist for a member who has left the Union exposes the Union to potential acts of fraud.

### *Recommendation*

We recommend that the bank is notified of any changes in approved signatories as soon as they occur.

## **CLIENT COMMENT**

*Agree and will advise the bank as a matter of priority. However, the normal advice that is supplied to the bank indicates the new office bearer of the person they are replacing.*

## **BANK RECONCILIATIONS**

### *Observation*

During our review of the Union's bank reconciliations we noted there were entries described as 'deposits not on statement' that dated as far back as 15<sup>th</sup> September 2006 that had not been cleared from the reconciliation. Further investigation highlighted that the entries occurred due to an I.T. problem with the software.

### *Implications*

Where I.T. problems occur with the accounting system they create uncertainty as to the reliability of the information generated and can be used, in extreme cases, to perpetrate fraud. We note that we have not found evidence of fraud during the audit.

### *Recommendation*

We recommend that the problem with the Attache system be addressed so that error-free reports can be produced.

## **CLIENT COMMENT**

*Agree and will address the problem with software vendors. This occurred at the time of the software upgrade to the latest version.*

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

## **OPERATING REPORT 2007**

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

During the 2006/2007 financial year there was an increase in the number of staff employed in order to grow the membership base of the Union. As a consequence the overall number of employees of the Union (full time, part time & casual) as at 30<sup>th</sup> June 2007 was 98 (2006: 94) and the total membership at that date was 23,914 (2006: 23,625).

The financial year ended with an operating surplus of \$291,277 (2006 surplus: \$702,504).

### **Assets**

- There has been an increase in the value of the cash & cash equivalents and prepayments held by the Branch. Depreciation has been applied to property, plant & equipment.

### **Liabilities**

- Interest bearing liabilities have reduced, due to the loan taken out from the Victorian Branch of the LHMU, being reduced.
- Current payables have risen in relation to trade creditors, accrued annual leave expenses as at the end of the year. However, overall current payables have reduced slightly in value.
- Leave Provisions have increased due to the increase in staffing.

### **Equity**

- The movement in equity is proportionate to the surplus for year ended 30 June 2007 \$291,277.

### **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.

During 2006/07 the union had three staff members who sat on the Board of a superannuation entity. They are:

- Robert Lewtas, Finance and Administration Manager, 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 was a Director of H.E.S.T. Australia Ltd. which is a company that is a trustee of a superannuation fund. Neil resigned on 3 November 2006.
- Neil Saxton was also appointed as a Director of the Government Employees Superannuation Board, but was replaced by Robert Lewtas
- Janine Freeman, Industrial Officer, replaced Neil Saxton as a Director of H.E.S.T. Australia Ltd which is a company that is a trustee of a superannuation fund.

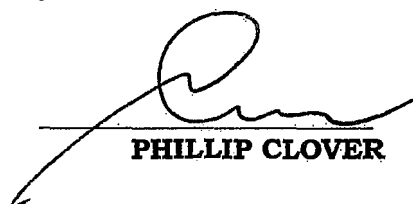
The Executive of the union is also the committee of management. As at the 30<sup>th</sup> June 2007 the members of the committee of management were:

• DEVLIN, Georgina Wendy	President
• CLOVER, Phillip James	Vice President
• SNOW, Irene Edith	Vice President
• KELLY, David Joseph	Secretary
• LINES, Susan	Assistant Secretary
• SMITH, Carolyn	Assistant Secretary
• ARTHUR, Susan	Executive Member
• DE GOIS, Phyllis	Executive Member
• D'ONOFRIO, Maria	Executive Member
• ELLIS, Steven	Executive Member
• GODFREY, Brian George	Executive Member
• MANN, Leila Dawn	Executive Member
• MAYBERRY, Susan	Executive Member
• O'DONNELL, Patrick	Executive Member
• O'MAHONY, Paul	Executive Member
• POOL, Janice	Executive Member
• WRIGHT, Brian	Executive Member

Signed on behalf of the Committee of Management

Signed at Subiaco this 28<sup>th</sup> day of November 2007

  
**GEORGINA WENDY DEVLIN**

  
**PHILLIP CLOVER**

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

**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 JUNE 2007**

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

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BDO Kendalls

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ABN 79 112 284 787

## INDEPENDENT AUDITOR'S REPORT

To the members of Liquor, Hospitality & Miscellaneous Union – WA Branch

We have audited the accompanying financial report of Liquor, Hospitality & Miscellaneous Union – WA Branch, which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes.

### *Directors' Responsibility for the Financial Report*

The committee of management of the Union is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Workplace Relations Act 1996. This responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the committee of management of the Union also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

### *Auditor's Responsibility*

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

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

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

### *Independence*

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.



BDO Kendalls

*Auditor's Opinion*

In our opinion the financial report presents fairly, in all material respects, the financial position of Liquor, Hospitality & Miscellaneous Union – WA Branch as of 30 June 2007 and of its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards (including the Accounting Interpretations) and the Workplace Relations Act 1996. The financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

**BDO Kendalls Audit & Assurance (WA) Pty Ltd**

BDO kendalls

**Chris Burton**  
Director

Subiaco, 28<sup>th</sup> November 2007



BDO Kendalls

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www.bdo.com.au

ABN 79 112 284 787

The Branch Executive Committee  
Liquor, Hospitality and Miscellaneous Union  
PO Box 414  
SUBIACO WA 6904

Dear Sirs

**DECLARATION OF INDEPENDENCE BY BDO KENDALLS TO THE BRANCH  
EXECUTIVE COMMITTEE OF LIQUOR, HOSPITALITY & MISCELLANEOUS  
UNION – WA BRANCH**

As lead auditor of Liquor, Hospitality and Miscellaneous Union for the year ended 30 June 2007, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Liquor, Hospitality and Miscellaneous Union.

Yours faithfully  
BDO Kendalls Audit & Assurance (WA) Pty Ltd,

*BDO Kendalls*

**Chris Burton**  
Director

Subiaco, *28 November* 2007

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

**STATEMENT OF THE COMMITTEE OF MANAGEMENT**

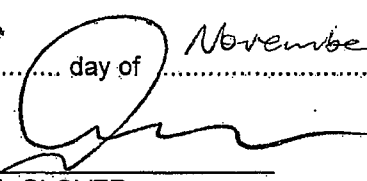
The Committee of Management have determined that the organisation is a reporting entity. In accordance with a resolution of the Committee of Management, we state that in the opinion of the Committee:

- (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 Amendment 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 28<sup>th</sup> day of November 2007.

  
\_\_\_\_\_  
GEORGINA WENDY DEVLIN

  
\_\_\_\_\_  
PHIL CLOVER

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

**STATEMENT BY SECRETARY**

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 2007 the number of members of the Union was 23,914 (2006: 23,625).

In my opinion,

- (i) The attached accounts show a true and fair view of the financial affairs of the organisation as at 30 June 2007 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 Subiaco this 28<sup>th</sup> day of November 2007.

  
\_\_\_\_\_  
DAVID JOSEPH KELLY  
WA BRANCH SECRETARY



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

**INCOME STATEMENT  
FOR THE YEAR ENDED  
30 JUNE 2007**

	Notes	2007 \$	2006 \$
Revenues from continuing operations	3	8,851,225	8,043,960
Affiliation Fees		(132,282)	(131,953)
Employee costs		(5,754,652)	(4,557,174)
Depreciation	4	(217,252)	(199,161)
Election Fund		-	-
Occupancy costs		(172,967)	(135,651)
Other property expenses		(139,204)	(84,029)
Organisers Expenses		(146,602)	(617,117)
Sustentation fees	4	(928,995)	(912,612)
Other expenses from ordinary activities		(1,067,994)	(703,758)
Profit from continuing operations		291,277	702,504
<b>Profit attributable to the Branch</b>		<b>291,277</b>	<b>702,504</b>
<b>Attributable to:</b>			
General Fund		124,496	496,328
Building Fund		56,874	38,545
Election Fund		109,907	166,631
		291,277	702,504

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

**BALANCE SHEET  
AS AT 30 JUNE 2007**

	Note	2007 \$	2006 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5	1,315,355	1,096,116
Trade and other receivables	6	131,261	140,873
Inventories		3,769	1,682
<b>Total Current Assets</b>		<b>1,450,385</b>	<b>1,238,671</b>
<b>Non-current Assets</b>			
Property, plant and equipment	7	1,979,630	2,008,538
Investment properties	8	1,013,029	1,030,138
<b>Total Non-Current Assets</b>		<b>2,992,659</b>	<b>3,038,677</b>
<b>Total Assets</b>		<b>4,443,044</b>	<b>4,277,348</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	9	1,048,605	1,066,957
Interest bearing liabilities	10	128,750	82,649
Provisions	11	124,052	182,951
<b>Total Current Liabilities</b>		<b>1,301,407</b>	<b>1,332,557</b>
<b>Non-current Liabilities</b>			
Interest bearing liabilities	10	581,585	706,760
Provisions	11	64,499	33,755
<b>Total Non-current Liabilities</b>		<b>646,084</b>	<b>740,515</b>
<b>Total Liabilities</b>		<b>1,947,491</b>	<b>2,073,072</b>
<b>Net Assets</b>		<b>2,495,553</b>	<b>2,204,276</b>
<b>Equity</b>			
Retained profits	12	2,495,553	2,204,276
<b>Total Equity</b>		<b>2,495,553</b>	<b>2,204,276</b>

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

**STATEMENT OF CHANGE IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2007**

	2007 \$	2006 \$
<b>Total Equity at the beginning of the financial year</b>		
General Fund	1,902,363	1,405,035
Building Fund	135,282	96,737
Election Fund	166,631	-
	<u>2,204,276</u>	<u>1,501,772</u>
<b>Profit for the Year</b>		
General Fund	124,496	496,328
Building Fund	56,874	38,545
Election Fund	109,907	166,631
	<u>291,277</u>	<u>702,504</u>
<b>Total equity at the end of the Financial year</b>	12 <u><u>2,495,553</u></u>	<u><u>2,204,276</u></u>

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

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED  
30 JUNE 2007**

	Note	2007 \$	2006 \$
<b>Cash flows from operating activities</b>			
Contributions (including Goods and Services Tax)		8,083,994	8,086,178
Interest Received		81,517	42,840
Rent Received (including Goods and Services Tax)		145,428	164,411
Grants (including Goods and Services Tax)		8,000	90,062
Other Income (including Goods and Services Tax)		381,566	494,294
Payments to Suppliers & Employees (including Goods and Services Tax)		(8,230,959)	(8,115,713)
<b>Net cash inflow from operating activities</b>	13(a)	<u>469,546</u>	<u>762,072</u>
<b>Cash flows from investing activities</b>			
Proceeds from Sale of Property, Plant & Equipment		-	3,100
Payment for Property, Plant & Equipment		(171,233)	(111,841)
<b>Net cash (outflow) from investing activities</b>		<u>(171,233)</u>	<u>(108,741)</u>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		-	-
Repayment of borrowings		(79,074)	(78,057)
<b>Net cash (outflow) from financing activities</b>		<u>(79,074)</u>	<u>(78,057)</u>
<b>Net increase/(decrease) in cash held</b>		219,239	575,274
Cash at beginning of the financial year		1,096,116	520,842
<b>Cash at the end of the financial year</b>	5	<u>1,315,355</u>	<u>1,096,116</u>

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2007**

---

**NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

This general purpose financial report has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRSs), other authoritative pronouncements of the Australian Accounting Standards Boards, Urgent Issues Group Interpretations 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.

*Compliance with IFRSs*

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards. Compliance with AIFRSs ensures that the financial statements and notes of the Liquor, Hospitality & Miscellaneous Union - WA Branch comply with International Financial Reporting Standards (IFRSs).

*Historical Cost Convention*

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.

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2007**

---

**NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)**

**(b) Membership Contributions**

Membership contributions are accounted for on a cash receipts basis, except for memberships received in advance, which are recognised as revenue when the service has been provided.

**(c) Revenue Recognition**

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.

**(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 and Cash Equivalents**

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

**(g) Trade and Other 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.

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2007**

---

**NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)**

**(l) 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%

**(i) Impairment of Assets**

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

**(k) Trade and Other Creditors**

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.

**(l) 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.

**(m) Superannuation**

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

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2007**

---

**NOTE 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT)**

**(n) Interest rate risk**

With the exception of the loan from the Victorian Branch (disclosed in Note 9), 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.

**(o) 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.

**(p) Net fair values**

The net fair value of assets and liabilities approximate their carrying values. No financial assets and financial liabilities are readily traded on organised markets in standardised form. Financial assets where the carrying amount exceeds net fair values have not been written down as the union intends to hold these assets to maturity.

The aggregate net fair value and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to and forming part of the financial report.

**(q) Comparatives**

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

**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 2007**

<b>NOTE 3.</b>	<b>REVENUE</b>	<b>2007</b>	<b>2006</b>
		<b>\$</b>	<b>\$</b>
<b>Operating activities</b>			
Contributions		8,061,381	7,160,340
Building Fund		-	168,922
Rent received		146,998	156,131
Award service fees		-	15
Salary reimbursements		330,551	423,986
Members distress fund		-	-
Sale of caps/badges/clothing		-	2,921
Shark bay booking fee		-	936
Delegates Convention		31,800	31,950
Grants - Award Updating		113,720	37,694
Other income		4,799	14,559
Sundry income		80,459	565
<b>Non-operating activities</b>			
Interest		81,517	42,840
Profit on sale of assets		-	3,100
		<u>8,851,225</u>	<u>8,043,960</u>

**NOTE 4. SURPLUS/(DEFICIT) FROM ORDINARY ACTIVITIES**

The net surplus/(deficit) from ordinary activities has been determined after the following:

**Expenses**

<b>Affiliation Fees:</b>			
ALP		58,815	57,054
Trades & Labor Council of WA		73,467	74,899
<b>Total Affiliation Fees</b>		<u>132,282</u>	<u>131,953</u>
<b>Depreciation</b>			
Office Equipment		60,409	40,594
Furniture & Fittings		42,685	44,473
Library		4,370	3,039
Motor Vehicles		5,136	6,369
Buildings		104,652	104,686
<b>Total Depreciation</b>		<u>217,252</u>	<u>199,161</u>

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2007**

**NOTE 4. SURPLUS/(DEFICIT) FROM ORDINARY ACTIVITIES (Continued)**

	2007 \$	2006 \$
Sustentation Fees – Federal Office*	928,995	912,612
*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	22,298	4,827
Meeting and Conference Expenses	45,187	16,977
Remuneration of Auditor - Audit Services	19,106	13,997

**NOTE 5. CURRENT ASSETS – CASH AND CASH EQUIVALENTS**

**Cash on Hand**  
**Petty Cash**

**Cash at Bank**

General Fund	(298,327)	(241,379)
Secretary's Advance Account	34,108	45,448
Augusta Account	22,280	42,294
Investment Account	72,596	49,546
Motor Vehicle Expense Account at Call	11,056	10,787
GST Account	148,642	230,166
Members Equity Account	684,206	542,638
Members Distress Fund	12,433	11,894
Building Fund	192,156	135,282
Election Fund	276,538	166,631
Excess Funds	159,667	102,808
	<u>1,315,355</u>	<u>1,096,116</u>

**NOTE 6. CURRENT ASSETS – TRADE AND OTHER RECEIVABLES**

Sundry Debtors	126,332	60,508
Other Debtors	218	-
Prepayments	4,711	80,365
	<u>131,261</u>	<u>140,873</u>

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2007**

<b>NOTE 7.</b>	<b>PROPERTY, PLANT &amp; EQUIPMENT</b>	<b>2007</b>	<b>2006</b>
			<b>\$        \$</b>
	<b>61 Thomas Street, Subiaco</b>		
	Land – at Cost	127,944	127,944
	Buildings – at Cost	2,079,325	2,079,319
	Accumulated Depreciation	(647,609)	(559,557)
		<u>1,559,661</u>	<u>1,647,706</u>
	<b>Unit 2, 101 Spencer Street, Bunbury</b>		
	Land – at Cost	20,000	20,000
	Buildings – at Cost	36,543	36,543
	Accumulated Depreciation	(5,973)	(5,243)
		<u>50,569</u>	<u>51,300</u>
	<b>Chattels – Bunbury Property</b>		
	Cost	22,615	22,615
	Accumulated Depreciation	(20,878)	(20,113)
		<u>1,737</u>	<u>2,502</u>
	<b>Furniture &amp; Fittings, Thomas Street</b>		
	Cost	210,926	195,739
	Accumulated Depreciation	(88,189)	(64,260)
		<u>122,737</u>	<u>131,479</u>
	<b>Office Equipment</b>		
	Cost	422,032	290,494
	Accumulated Depreciation	(220,203)	(159,793)
		<u>201,829</u>	<u>130,701</u>
	<b>Library</b>		
	Cost	111,398	103,647
	Accumulated Depreciation	(85,989)	(81,620)
		<u>25,408</u>	<u>22,027</u>

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2007**

**NOTE 7. PROPERTY, PLANT & EQUIPMENT (Continued)**

	2007 \$	2006 \$
<b>Motor Vehicles</b>		
Cost	46,854	46,854
Accumulated Depreciation	(29,166)	(24,030)
	<u>17,688</u>	<u>22,824</u>
<b>Total Property, Plant and Equipment</b>	<u><u>1,979,630</u></u>	<u><u>2,008,538</u></u>

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 \$20,000 is 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 2006	Additions	Disposals	Depreciation	Carrying Amount at 30 June 2007
Land & Buildings	1,699,006	-	-	(88,791)	1,610,223
Chattels	2,502	-	-	(765)	1,737
Furniture & Fittings	131,479	15,178	-	(23,920)	122,737
Office Equipment	130,701	131,553	-	(60,409)	201,829
Library	22,027	7,751	-	(4,370)	25,408
Motor Vehicles	22,824	-	-	(5,136)	17,688
<b>TOTAL</b>	<b>2,008,538</b>	<b>154,482</b>	<b>-</b>	<b>(183,391)</b>	<b>1,979,630</b>

**NOTE 8. INVESTMENT PROPERTIES**

**55 Sweeney Street, Bunbury**

Land – at Cost	16,500	16,500
Buildings – at Cost	69,900	69,900
Accumulated Depreciation	(28,481)	(27,082)
	<u>57,919</u>	<u>59,318</u>

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2007**

<b>NOTE 8. INVESTMENT PROPERTIES (Continued)</b>			
		<b>2007</b>	<b>2006</b>
		<b>\$</b>	<b>\$</b>
<b>Riverside Cottages, Molloy Street, Augusta</b>			
Land – at Cost		269,854	269,854
Buildings – at Cost		420,234	420,234
Accumulated Depreciation		(147,660)	(139,282)
		<u>542,428</u>	<u>550,806</u>
<b>Lot 80 Mortimer Street, Kalbarri</b>			
Land – at Cost		128,903	128,903
Buildings – at Cost		173,084	173,084
Accumulated Depreciation		(58,255)	(54,793)
		<u>243,732</u>	<u>247,194</u>
<b>Lot 100 Dhu Street, Guilderton</b>			
Land – at Cost		37,129	37,129
Buildings – at Cost		131,542	131,542
Accumulated Depreciation		(44,454)	(41,824)
		<u>124,217</u>	<u>126,847</u>
<b>Chattels – Augusta Property</b>			
Cost		89,625	75,682
Accumulated Depreciation		(55,489)	(44,414)
		<u>34,137</u>	<u>31,268</u>
<b>Chattels – Kalbarri Property</b>			
Cost		41,806	41,806
Accumulated Depreciation		(36,619)	(30,902)
		<u>5,187</u>	<u>10,902</u>
<b>Chattels – Guilderton Property</b>			
Cost		12,326	9,511
Accumulated Depreciation		(6,916)	(5,708)
		<u>5,410</u>	<u>3,803</u>
<b>Total Investment Properties</b>		<u><b>1,013,029</b></u>	<u><b>1,030,138</b></u>

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2007**

**NOTE 8. INVESTMENT PROPERTIES (Continued)**

**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 2006	Additions	Disposals	Depreciation	Carrying Amount at 30 June 2007
Land & Buildings	984,165	-	-	(15,861)	968,304
Chattels	45,973	16,752	-	(18,000)	44,725
<b>TOTAL</b>	<b>1,030,138</b>	<b>16,752</b>	<b>-</b>	<b>(33,861)</b>	<b>1,013,029</b>

2007                      2006  
\$                              \$

**(a) Amounts recognised in profit and loss for investment properties**

Rental Income	157,140	156,710
Direct operating expenses from properties that generated rental income	(87,846)	(84,582)
	<u>69,294</u>	<u>72,128</u>

**NOTE 9. CURRENT LIABILITIES - TRADE AND OTHER PAYABLES**

**Current**

Sundry Creditors	142,668	98,585
Accrued Expenses	-	-
Rent received in advance	33,180	34,750
GST	153,608	123,462
Group Tax Payable	39,477	70,123
Unexpended DOCEP Grant	-	105,720
Accrued Annual Leave	522,182	469,295
Memberships Paid in Advance	157,490	165,022
	<u>1,048,605</u>	<u>1,066,957</u>

**NOTE 10. BORROWINGS**

**Current**

**Unsecured**

Loan from Victorian Branch LHMU	128,750	82,649
	<u>128,750</u>	<u>82,649</u>

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2007**

**NOTE 10. BORROWINGS (Continued)**

	2007 \$	2006 \$
<b>Non-current</b>		
<b>Unsecured</b>		
Loan from Victorian Branch LHMU	581,585	706,760
	<u>581,585</u>	<u>706,760</u>

The above loan is for a period of 10 years, and commenced on the 15 October 2003. Repayments are made monthly, interest is reviewed annually on the 15<sup>th</sup> October and aligned to 0.5% above the Bank Bill Swap Rate. The interest rate applicable as at 30 June 2007 was 6.76% (2006: 6.13%). The loan is underwritten by National Office.

Amount repaid on the loan:

Principal	68,345	79,590
Interest	60,405	49,160
	<u>128,750</u>	<u>128,750</u>

**NOTE 11. PROVISIONS**

<b>Current</b>		
Employee benefits - Long Service Leave	124,052	182,951
	<u>124,052</u>	<u>182,951</u>
<b>Non-current</b>		
Employee benefits - Long Service Leave	64,499	33,755
	<u>64,499</u>	<u>33,755</u>

**NOTE 12. EQUITY**

	Total Equity at the beginning of the financial year	Movement	Total Equity at the end of the financial year
General Fund	1,902,363	124,496	2,026,859
Building Fund	135,282	56,874	192,156
Election Fund	166,631	109,907	276,538
<b>TOTAL</b>	<u>2,204,279</u>	<u>291,277</u>	<u>2,495,553</u>

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2007**

**NOTE 13. CASH FLOW INFORMATION**

	2007 \$	2006 \$
<b>(a) Reconciliation of profit from ordinary activities to net Cash flows from operating activities</b>		
Profit from ordinary activities	291,277	702,504
Depreciation	217,252	199,161
Profit on sale of assets	-	(3,100)
Change in assets and liabilities		
(Increase) decrease in stock on hand	(2,087)	-
(Increase) decrease in sundry debtors	(66,042)	(1,695)
(Increase) decrease in prepayments	75,654	(43,216)
Increase (decrease) in sundry creditors & accruals	85,514	(162,712)
Increase (decrease) in provision for employee entitlements	(24,732)	18,667
Increase (decrease) in unexpended grants	(105,720)	44,182
Increase (decrease) in rent received in advance	(1,570)	8,281
Net cash inflow from operating activities	<u>469,546</u>	<u>762,072</u>

**(b) Credit Stand-By Arrangements**

The branch has a bank overdraft facility of \$20,000 (2006: \$20,000). At 30 June 2007 and 30 June 2006 this facility was not in use.

**NOTE 14. RELATED PARTY TRANSACTIONS**

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

	<b>Office Held</b>
DEVLIN, Georgina Wendy	Branch President
CLOVER, Phillip James	Vice President
SNOW, Irene Edith	Vice President
KELLY, David Joseph	Secretary
LINES, Susan	Assistant Secretary
SMITH, Caroline	Assistant Secretary
ARTHUR, Susan	Executive Member
DE GOIS, Phyllis	Executive Member
D'ONOFRIO, Maria	Executive Member
ELLIS, Steven	Executive Member



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

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2007**

**NOTE 14. RELATED PARTY TRANSACTIONS (CONT)**

GODFREY, Brian George	Executive Member
MANN, Leila Dawn	Executive Member
MAYBERRY, Susan	Executive Member
O'DONNELL, Patrick	Executive Member
O'MAHONEY, Paul	Executive Member
POOL, Janice	Executive Member
WRIGHT, Brian	Executive Member

There were no 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.

(b) LHMU WA Branch has a loan payable to the Victorian Branch of the LHMU. Details of this loan can be found at Note 10.

(c) The following transactions occurred with related parties:

	2007 \$	2006 \$
Sustentation fees	928,995	912,612

**NOTE 15. REMUNERATION OF OFFICERS**

Income paid or payable to officers during the year.	239,320 =====	342,305 =====
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**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.

**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.

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

**NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 30 JUNE 2007**

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**NOTE 20.**

**EMPLOYEE NUMBERS**

	<b>2007 Numbers</b>	<b>2006 Numbers</b>
Number of employees at the end of the financial year	98	94



BDO Kendalls

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

**DISCLAIMER**

The additional financial data presented on the pages 26 – 28 is in accordance with the books and records of the union, which have been subjected to the auditing procedures applied in our statutory audit of the company for the year ended 30 June 2007. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than the Liquor, Hospitality & Miscellaneous Union – WA Branch) in respect of such data, including any errors or omissions therein however caused.

Dated this 28<sup>th</sup> day of November 2007.

**BDO Kendalls Audit & Assurance (WA) Pty Ltd**

BDO Kendalls

**Chris Burton**  
Director

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

**INCOME AND EXPENDITURE STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2007**

	2007 \$	2006 \$
<b>Revenue</b>		
Members – Contributions	8,061,381	7,160,340
Building Fund Levy	-	168,922
Interest Received	81,517	42,480
Rent Received	146,998	156,131
Award Service Fees	-	15
Members Distress Fund	-	-
Grants- Award Updating	113,720	37,694
Salary reimbursements	330,551	423,986
Sale of Caps/Badges/Clothing	4,799	2,921
Shark Bay Booking Fee	-	936
Sundry Income	80,459	15,125
Surplus on Disposal of Assets	-	3,100
Delegates Convention	31,800	31,950
<b>Total Revenue</b>	<u>8,851,225</u>	<u>8,043,960</u>
<b>Expenditure</b>		
Advertising	42,944	852
Affiliation Fees		
ALP	58,815	57,054
Trades & Labour Council of WA	73,467	74,899
Airfares	23,567	15,796
Arbitration	3,341	6,042
Attendance Fees	1,122	10,076
Audit Fees	19,106	13,997
Badges/Caps/Union History	-	401
Bank Charges	59,827	51,463
Campaigns	48,701	90,723
Cleaning Expenses	7,412	6,189
Clothing – LHMU	3,520	3,051
Commissions	44,037	52,220
Computer Charges	29,214	19,734
Delegate Conference	23,818	22,217
Depreciation	217,252	199,161
Donations	53,370	700
Election Fund	-	-
	<u>709,513</u>	<u>624,575</u>

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

**INCOME AND EXPENDITURE STATEMENT (Continued)  
FOR THE YEAR ENDED 30 JUNE 2007**

	2007 \$	2006 \$
<b>Total Brought Forward</b>	709,513	624,575
Electricity	42,410	36,931
Freight	-5,582	2,648
Fringe Benefits Tax	4,193	2,634
Honorarium	4,042	2,205
Insurance - Excluding Vehicles	93,937	66,146
Interest on Loan	60,405	49,160
Journals & Papers Issued (inc. Postage)	90,996	46,667
Lease Payments	57,776	16,767
Legal Costs	18,956	4,827
Meeting & Conference Expenses	88,866	16,976
Motor Vehicle Expenses	-3,960	510,575
Organising Expenses	-	41,868
Payroll Tax	269,662	207,728
Postage	41,457	42,850
Printing & Stationery	69,131	55,235
Property	67,753	85,252
Publications & Subscriptions	-	12,802
Rates	63,388	35,544
Repairs & Maintenance	13,327	33,212
Salaries - Elected Officers	211,979	320,705
Salaries - Employees	4,819,201	3,364,340
Salaries - Annual leave provision	115,909	37,636
Salaries - Long service leave provision	13,509	56,302
Staff Amenities	50,700	21,268
Staff Relocation Costs	-	2,000
Sundry Expenses (include Office Costs)	30,924	93,641
	<u>6,928,492</u>	<u>5,807,970</u>

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

**INCOME AND EXPENDITURE STATEMENT (Continued)  
FOR THE YEAR ENDED 30 JUNE 2007**

	2007 \$	2006 \$
Total Brought Forward	6,928,492	5,804,970
Superannuation	594,054	513,266
Sustentation Fees - Federal Office	928,995	912,613
Telephone	70,277	75,705
Training & Education	38,130	31,902
<b>Total Expenditure</b>	<u>8,559,948</u>	<u>7,341,456</u>
<b>Net Profit from ordinary activities</b>	<u>291,277</u>	<u>702,504</u>