



# Fair Work Australia

28 January 2010

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



Dear Ms Tarrant

**Lodgment of Financial Statements and Accounts – Liquor, Hospitality and  
Miscellaneous Union, Western Australian Branch - for year ended 30 June 2009  
(FR2009/250)**

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

The documents have been filed.

Yours sincerely,

Stephen Kellett  
Statutory Services Branch  
Fair Work Australia

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303 Cleveland Street  
Redfern NSW 2016

**Louise Tarrant**  
National Secretary

**Brian Daley**  
National President

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



Organising for the future

ABN: 5272 8088 684

18 December 2009

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



Dear Mr Jenkins

**Re: WESTERN AUSTRALIA BRANCH FINANCIAL REPORTS**

I am writing to lodge the financial reports for the LHMU Western Australia Branch for the year ended 30 June 2009. Enclosed is the Full Financial Report including:

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

The financial reports were sent to the Branch Executive on 18 November 2009. The Executive resolved:

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

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

A full report was provided to the Committee of Management on 9 December 2009 and was adopted. Also enclosed is a copy of the Branch Secretary's certificate dated 16 December 2009.

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

If you have any questions please contact me.

Yours faithfully

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

**LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION  
Western Australian Branch**


**FINANCIAL REPORTS FOR THE YEAR ENDED 30 JUNE 2009**

**CERTIFICATE BY SECRETARY OR PRESCRIBED OFFICER**

I, Dave Kelly, being the Branch Secretary of the Liquor, Hospitality and Miscellaneous Union, 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 24 November 2009 and
- That the full report was presented to a meeting of the committee of management of the reporting unit on 9 December, 2009 in accordance with section 266 of the RAO Schedule.

Signed

  
\_\_\_\_\_

Date:

16.12.09

# LIQUOR, HOSPITALITY & MISCELLANEOUS UNION

## WA BRANCH

### OPERATING REPORT

2009

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

During the 2008/2009 financial year there was an increase in the number of staff employed. As a consequence the overall number of employees of the Union (full time, part time & casual) as at 30th June 2009 was 100 (2008: 94) and the total membership at that date was 21,031 (2008: 21,136).

The financial year ended with an operating surplus of \$1,022,129 (2008 surplus: \$609,354).

#### 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 increased, due to the loan taken out from the Victorian Branch of the LHMU, for motor vehicles.
- Current payables have reduced in relation to trade creditors, accrued annual leave expenses as at the end of the year. Overall current payables have reduced slightly in value.
- Leave Provisions have slightly decreased.

#### Equity

- The movement in equity is proportionate to the surplus for year ended 30 June 2009 \$1,022,129.

#### 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 2008/09 the union had two 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.
- Janine Freeman, Industrial Officer, is a Director of H.E.S.T.A Australia Ltd which is a company that is a trustee of a superannuation fund.

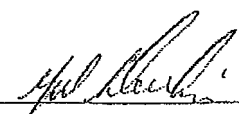
The Executive of the union is also the Committee of Management. As at the 30th June 2009 the members of the committee of management were:


**Office Held**

- |                          |   |
|--------------------------|---|
| • DEVLIN, Georgina Wendy | Branch President                          |
| • CLOVER, Phillip James  | Vice President                            |
| • GATICA-LARA, Leopold   | Vice President                            |
| • KELLY, David Joseph    | Secretary                                 |
| • SMITH, Caroline        | Assistant Secretary                       |
| • SHAY, Kelly            | Assistant Secretary                       |
| • SNOW, Irene Edith      | Executive Member                          |
| • ELLIS, Steven          | Executive Member                          |
| • MANN, Leila Dawn       | Executive Member                          |
| • POOL, Janice           | Executive Member                          |
| • WRIGHT Brian           | Executive Member                          |
| • ARTHUR, Susan          | Executive Member                          |
| • DE GOIS, Phyllis       | Executive Member                          |
| • GODFREY, Brian George  | Executive Member                          |
| • D'ONOFRIO, Maria       | Executive Member                          |
| • O'DONNELL, Patrick     | Executive Member (Resigned 21 July 2008)  |
| • O'MAHONEY Paul         | Executive Member (Suspended 19 June 2009) |

Signed on behalf of the Committee of Management

Signed at SUBIACO this 20th day of November 2009

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

  
\_\_\_\_\_  
PHILLIP CLOVER

**LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION**

**WA BRANCH**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**30 JUNE 2009**

**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 the Liquor, Hospitality & Miscellaneous Union – WA Branch

We have audited the accompanying financial report of the Liquor, Hospitality & Miscellaneous Union – WA Branch ("the Union"), which comprises the balance sheet as at 30 June 2009, 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 controls 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.

### *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 Union'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 Union's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee of Management, as well as evaluating the overall presentation of the financial report.

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





BDO Kendalls

*Independence*

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

*Auditor's Opinion*

In our opinion the financial report presents fairly, in all material respects, the financial position of the Liquor, Hospitality & Miscellaneous Union – WA Branch as of 30 June 2009 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.

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

*BDO Kendalls*

**Chris Burton**  
Director

Perth, Western Australia

18 November 2009



BDO Kendalls

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ABN 79 112 284 787

18 November 2009

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

Dear Sirs

**DECLARATION OF INDEPENDENCE BY CHRIS BURTON TO THE BRANCH  
EXECUTIVE COMMITTEE OF THE LIQUOR, HOSPITALITY & MISCELLANEOUS  
UNION – WA BRANCH.**

As lead auditor of the Liquor, Hospitality and Miscellaneous Union – WA Branch for the year ended 30 June 2009, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Australia professional accounting bodies in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

This declaration is in respect of the Liquor, Hospitality and Miscellaneous Union – WA Branch.

Chris Burton  
Director

*BDO kendalls*  
BDO Kendalls Audit & Assurance (WA) Pty Ltd  
Perth, Western Australia.

**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;
- (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 Perth Western  
this ..... day of ..... 2009.

  
\_\_\_\_\_  
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 2009 the number of members of the Union was 21,031 (2008: 21,136).

In my opinion,

- (i) The attached accounts show a true and fair view of the financial affairs of the organisation as at 30 June 2009 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 18<sup>th</sup> day of November 2009.

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

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

**INCOME STATEMENTS  
FOR THE YEAR ENDED  
30 JUNE 2009**

	Notes	2009 \$	2008 \$
<b>Movements in Value:</b>			
Revenues from continuing operations	4	9,999,717	9,293,359
Administration expenses		(695,831)	(677,331)
Affiliation fees	5	(153,729)	(146,370)
Employee costs		(5,619,016)	(5,614,811)
Campaigns		(53,790)	(63,602)
Depreciation	5	(358,083)	(207,762)
Donations		(155,445)	(102,012)
Interest paid		(74,483)	(61,824)
Occupancy costs		(272,133)	(283,618)
Other property expenses		(79,064)	(96,286)
Organisers expenses		(203,865)	(154,599)
Sustentation fees	5	(1,067,451)	(999,496)
Other expenses from ordinary activities		(244,698)	(276,294)
Surplus from continuing operations		<u>1,022,129</u>	<u>609,354</u>
<b>Surplus attributable to the Branch</b>		<u><b>1,022,129</b></u>	<u><b>609,354</b></u>
<b>Attributable to:</b>			
General Fund		1,017,200	531,724
Building Fund		30,592	51,440
Election Fund		(25,663)	26,190
		<u>1,022,129</u>	<u>609,354</u>

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

**BALANCE SHEETS AS AT 30 JUNE 2009**

	Note	2009 \$	2008 \$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	6	3,251,901	2,285,868
Trade and other receivables	7	340,796	66,808
Inventories		3,769	3,769
Assets Held for Sale	9	913,948	-
<b>Total Current Assets</b>		<b>4,510,414</b>	<b>2,356,445</b>
<b>Non-current Assets</b>			
Property, plant and equipment	8	2,291,123	2,122,527
Investment properties		-	992,448
<b>Total Non-Current Assets</b>		<b>2,291,123</b>	<b>3,114,975</b>
<b>Total Assets</b>		<b>6,801,537</b>	<b>5,471,420</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	10	1,218,259	1,222,979
Interest bearing liabilities	11	128,750	128,750
Provisions	12	95,410	124,636
<b>Total Current Liabilities</b>		<b>1,442,419</b>	<b>1,476,365</b>
<b>Non-current Liabilities</b>			
Interest bearing liabilities	11	1,129,423	787,898
Provisions	12	102,730	102,230
<b>Total Non-current Liabilities</b>		<b>1,232,153</b>	<b>890,128</b>
<b>Total Liabilities</b>		<b>2,674,572</b>	<b>2,366,493</b>
<b>Net Assets</b>		<b>4,126,965</b>	<b>3,104,927</b>
<b>Equity</b>			
Retained surplus	13	4,126,965	3,104,927
<b>Total Equity</b>		<b>4,126,965</b>	<b>3,104,927</b>

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

**STATEMENTS OF CHANGE IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2009**

	2009	2008
	\$	\$
<b>Total Equity at the beginning of the financial year</b>		
General Fund	2,558,602	2,026,859
Building Fund	243,596	192,156
Election Fund	<u>302,729</u>	<u>276,538</u>
<b>Total Recognised Surplus for the Year</b>	3,104,927	2,495,553
 Surplus for the Year		
General Fund	1,017,200	531,724
Building Fund	30,592	51,440
Election Fund	<u>(25,663)</u>	<u>26,190</u>
<b>Total Recognised Surplus for the Year</b>	1,022,129	609,354
 <b>Total equity at the end of the Financial year</b>	 13 <u>4,126,965</u>	 <u>3,104,927</u>

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

**STATEMENTS OF CASH FLOWS  
FOR THE YEAR ENDED  
30 JUNE 2009**

	Note	2009 \$	2008 \$
<b>Cash flows from operating activities</b>			
Contributions (including Goods and Services Tax)		9,109,065	8,674,697
Interest Received		156,694	139,391
Rent Received (including Goods and Services Tax)		157,403	165,321
Grants (including Goods and Services Tax)		-	-
Other Income (including Goods and Services Tax)		338,852	376,844
Interest Paid		(74,483)	(61,824)
Payments to Suppliers & Employees (including Goods and Services Tax)		(8,917,265)	(8,200,857)
		-----	-----
<b>Net cash inflow from operating activities</b>	14(a)	<b>770,266</b>	<b>1,093,572</b>
		-----	-----
<b>Cash flows from investing activities</b>			
Proceeds from Sale of Investment Property		357,544	14,091
Payment for Property, Plant & Equipment		(503,302)	(311,750)
Payment for Investment property			(32,191)
		-----	-----
<b>Net cash (outflow) from investing activities</b>		<b>(145,758)</b>	<b>(329,850)</b>
		-----	-----
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		428,950	286,490
Repayment of borrowings		(87,425)	(79,699)
		-----	-----
<b>Net cash (outflow) from financing activities</b>		<b>341,525</b>	<b>206,791</b>
		-----	-----
<b>Net increase/(decrease) in cash held</b>		<b>966,033</b>	<b>970,513</b>
Cash at beginning of the financial year		2,285,868	1,315,355
		-----	-----
<b>Cash at the end of the financial year</b>	6	<b>3,251,901</b>	<b>2,285,868</b>
		-----	-----



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

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

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**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 2009**

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**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.

An allowance account (provision bad debts) is established when there is objective evidence that the Union will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short term receivables are not discounted if the effect of the discounting is immaterial.

**(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

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

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

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

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 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%

Motor Vehicles purchased as of July 2007 have an estimated useful life of 2 years and are depreciated at \$1,875 per annum based on the anticipated value of the motor vehicles after 2 years.

**(j) 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.

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

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

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

**(m) Superannuation**

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

**(n) Investment Property**

Investment property, principally comprising freehold buildings, is held for long-term rental yields and is not occupied by the Union. Investment property is carried at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the properties.

**(o) Assets Held for Sale**

These amounts represent investment properties which the Branch Executive has decided to dispose of. The investment properties are available for immediate sale in their present condition.

**(p) Inventories**

Finished goods are stated at the lower of cost and net realisable value. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**(q) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and redemption amount is recognised in the income statement over the period of the borrowing using the effective interest method.

**(r) Borrowing costs**

Borrowing costs are directly attributable to the refurbishment of the building at 61 Thomas Street and the acquisition of the motor vehicles. All borrowing costs are expensed as they are incurred.

**(s) Interest Rate Risk**

With the exception of the loans 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.

**(t) 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.

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

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

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

**(u) 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.

**(v) 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 2009**

**NOTE 3. FINANCIAL RISK MANAGEMENT**

The Union's activities expose it to a variety of financial risks: interest rate risk, credit risk and liquidity risk. The Union's overall risk management program seeks to minimise potential adverse effects on the financial performance of the Union. The Union uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks, and aging analysis for credit risk.

The Union holds the following financial instruments:

	2009	2008
	\$	\$
<b>Financial Assets</b>		
Cash and cash equivalents	3,251,901	2,285,868
Trade and other receivables	340,796	86,018
	<b>3,592,697</b>	<b>2,371,886</b>
<b>Financial Liabilities</b>		
Trade and other payables	1,218,259	1,222,979
Borrowings	1,258,173	916,648
	<b>2,476,432</b>	<b>2,139,627</b>

**(a) Interest Rate Risk**

The Union's main interest rate risk arises from borrowings, which are at fixed and variable rates and denominated in Australian dollars.

As at the year end, the Union had the following fixed and variable rate financial instruments outstanding:

	Weighted average interest rates	Floating interest rate	Fixed interest maturing within one year	Non- interest bearing	Total
<b>As at 30 June 2009</b>					
<b>(i) Financial assets</b>					
Cash	3.69%	3,380,331	-	26,718	3,407,049
Receivables		-	-	340,796	340,796
<b>Total financial assets</b>		<b>3,380,331</b>	-	<b>367,514</b>	<b>3,747,845</b>
<b>(ii) Financial liabilities</b>					
Payables		-	-	91,266	91,266
Business loans	4.59%	541,993	-	716,180	1,258,173
<b>Total financial liabilities</b>		<b>541,993</b>	-	<b>807,446</b>	<b>1,349,439</b>

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

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

**NOTE 3. FINANCIAL RISK MANAGEMENT (CONT)**

	Weighted average interest rates	Floating interest rate	Fixed interest maturing within one year	Non- interest bearing	Total
<b>As at 30 June 2008</b>					
<b>(i) Financial assets</b>					
Cash	6.76%	2,502,776	-	22,997	2,525,753
Receivables		-	-	86,018	86,018
<b>Total financial assets</b>		<b>2,502,776</b>	<b>-</b>	<b>108,995</b>	<b>2,611,771</b>
<b>(ii) Financial liabilities</b>					
Payables		-	-	64,968	64,968
Business loan	7.51%	630,158	-	286,490	916,648
<b>Total financial liabilities</b>		<b>630,158</b>	<b>-</b>	<b>351,908</b>	<b>981,616</b>

An analysis by maturities is provided at (c) below.

**(b) Credit Risk**

Credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. The credit quality of customers is assessed based on past experience, trading history, and other factors. Individual credit limits are set.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets as summarised above.

**(c) Liquidity Risk**

Prudent liquidity risk management involves maintaining sufficient cash reserves. The Union manages liquidity risk by continuously monitoring forecast and actual cash flows. Surplus funds are generally only deposited in savings accounts with high interest rates.

The table below analyses the Union's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contract maturity date.

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

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

**NOTE 3. FINANCIAL RISK MANAGEMENT (CONT)**

At 30 June 2009	Between 0 – 12 months	Between 2 and 5 years
Borrowings – variable rate	128,750	1,129,423
At 30 June 2008		
Borrowings – variable rate	128,750	787,898

**(d) Sensitivity Analysis**

The following table summarises the sensitivity of the Union's financial assets and financial liabilities to interest rate risk.

30 June 2009	Carrying Amount	Interest Rate Risk			
		-100 bps		+100 bps	
		Profit	Equity	Profit	Equity
	\$	\$	\$	\$	\$
<b>Financial Assets</b>					
Cash and cash equivalents	3,251,901	(32,519)	(32,519)	32,519	32,519
<b>Financial Liabilities</b>					
Borrowings	1,258,173	12,582	12,582	(12,582)	(12,582)
<b>Total increase/ (decrease)</b>		(19,937)	(19,937)	19,937	19,937

**(e) Capital Risk Management**

The Union's objectives when managing capital are to safeguard their ability to continue as a going concern, so they can continue to provide benefits to members and to maintain an optimal capital structure to reduce the cost of capital.

	<b>2009</b>	<b>2008</b>
	\$	\$
Total borrowings	1,258,173	916,648



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

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

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Less: Cash and cash equivalents	(3,251,901)	(2,285,868)
	-----	-----
Net assets	1,993,728	1,369,220
Total equity	4,126,965	3,104,927
	-----	-----
Total Capital	(2,133,237)	(1,735,707)
	-----	-----

As cash exceeds borrowings the gearing ratio would be negative and, therefore, has not been calculated.

**(f) Impaired Trade Receivables**

Due to the size and nature of debtors, analysis in relation to impaired trade receivables and debtors past due and not impaired is not considered to be material. As such, we have not disclosed these items in the financial report.

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

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

<b>NOTE 4.</b>	<b>REVENUE</b>	<b>2009</b>	<b>2008</b>
		\$	\$
	<b>Operating activities</b>		
	Contributions	9,116,098	8,665,501
	Rent received	155,986	164,426
	Salary reimbursements	154,511	172,130
	Sponsorship	50,000	81,500
	Delegates Convention	40,783	11,800
	Other income	4,365	5,899
	Sundry income	18,859	52,722
	<b>Non-operating activities</b>		
	Interest	156,694	139,391
	Profit on sale of assets	302,421	-
		<u>9,999,717</u>	<u>9,293,359</u>

**NOTE 5. SURPLUS/(DEFICIT) FROM ORDINARY ACTIVITIES**

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

**Expenses**

<b>Affiliation Fees:</b>			
	ALP	67,193	61,540
	Trades & Labor Council of WA	86,536	84,830
	<b>Total Affiliation Fees</b>	<u>153,729</u>	<u>146,370</u>
<b>Depreciation</b>			
	Office Equipment	70,185	69,140
	Furniture & Fittings	48,803	39,394
	Library	4,391	5,003
	Motor Vehicles	60,663	40,969
	Buildings	174,041	53,256
	<b>Total Depreciation</b>	<u>358,083</u>	<u>207,762</u>

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

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

**NOTE 5. SURPLUS/(DEFICIT) FROM ORDINARY ACTIVITIES (Continued)**

	2009	2008
	\$	\$
Sustentation Fees – Federal Office*	1,067,451	999,496
<p>*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.</p>		
Legal Costs	16,460	18,799
Meeting and Conference Expenses	46,183	39,191
Remuneration of Auditor - Audit Services	27,035	21,916

**NOTE 6. CURRENT ASSETS – CASH AND CASH EQUIVALENTS**

**Cash on Hand**  
Petty Cash

**Cash at Bank**

General Fund	289,299	(87,157)
Secretary's Advance Account	7,494	440
Augusta Account	-	22,904
Investment Account - GESB	4,120	99,499
Motor Vehicle Expense Account at Call	27	11,853
GST Account	1,317	2
Members Equity Account - General Reserve	1,409,833	1,084,206
Members Distress Fund	(1,569)	11,160
Building Fund	274,188	243,596
Election Fund	277,066	302,729
Excess Funds	988,324	595,468
National Park Rangers Trust Account	1,802	1,168
	3,251,901	2,285,868

**NOTE 7. CURRENT ASSETS – TRADE AND OTHER RECEIVABLES**

Sundry Debtors	287,526	55,439
Other Debtors	-	-
Prepayments	53,270	11,369
	340,796	66,808

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

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

<b>NOTE 8. PROPERTY, PLANT &amp; EQUIPMENT</b>	<b>2009</b>	<b>2008</b>
		\$ \$
<b>61 Thomas Street, Subiaco</b>		
Land – at Cost	127,944	127,944
Buildings – at Cost	2,079,326	2,079,326
Accumulated Depreciation	(826,505)	(667,666)
	<u>1,380,765</u>	<u>1,539,604</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	(8,166)	(7,435)
	<u>48,377</u>	<u>49,108</u>
 <b>Chattels – Bunbury Property</b>		
Cost	23,800	23,800
Accumulated Depreciation	(22,388)	(21,101)
	<u>1,412</u>	<u>2,699</u>
 <b>Furniture &amp; Fittings, Thomas Street</b>		
Cost	234,359	224,528
Accumulated Depreciation	(130,381)	(101,751)
	<u>103,978</u>	<u>122,777</u>
 <b>Office Equipment</b>		
Cost	482,529	451,317
Accumulated Depreciation	(357,365)	(288,209)
	<u>125,164</u>	<u>163,108</u>
 <b>Library</b>		
Cost	113,110	112,924
Accumulated Depreciation	(95,384)	(90,993)
	<u>17,726</u>	<u>21,931</u>

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

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

<b>NOTE 8. PROPERTY, PLANT &amp; EQUIPMENT (Continued)</b>	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>Motor Vehicles</b>		
Cost	744,499	293,436
Accumulated Depreciation	(130,798)	(70,135)
	<u>613,701</u>	<u>223,301</u>
<b>Total Property, Plant and Equipment</b>	<u><u>2,291,123</u></u>	<u><u>2,122,527</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 credit facility of \$270,000 is registered with the Commonwealth Bank of Australia. Security for the loan is an existing mortgage over the property 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

	<b>Carrying Amount at 1 July 2008</b>	<b>Additions</b>	<b>Disposals</b>	<b>Depreciation</b>	<b>Carrying Amount at 30 June 2009</b>
Land & Buildings	1,588,712	-	-	(159,570)	1,429,142
Chattels	2,699	-	-	-	2,699
Furniture & Fittings	122,777	9,831	-	(29,917)	102,691
Office Equipment	163,108	31,212	-	(69,155)	125,165
Library	21,930	186	-	(4,391)	17,725
Motor Vehicles	223,301	451,063	-	(60,663)	613,701
<b>TOTAL</b>	<b>2,122,527</b>	<b>492,292</b>	<b>-</b>	<b>(323,696)</b>	<b>2,291,123</b>

**NOTE 9. INVESTMENT PROPERTIES**

**55 Sweeney Street, Bunbury**

Land – at Cost	-	16,500
Buildings – at Cost	-	69,900
Accumulated Depreciation	-	(31,277)
	<u>-</u>	<u>55,123</u>

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

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

<b>NOTE 9.</b>	<b>INVESTMENT PROPERTIES (Continued)</b>	<b>2009</b>	<b>2008</b>
		<b>\$</b>	<b>\$</b>
	<b>Riverside Cottages, Molloy Street, Augusta</b>		
	Land – at Cost	269,854	269,854
	Buildings – at Cost	418,914	418,914
	Accumulated Depreciation	(171,475)	(163,097)
		<u>517,293</u>	<u>525,671</u>
	<b>Lot 80 Mortimer Street, Kalbarri</b>		
	Land – at Cost	128,903	128,903
	Buildings – at Cost	173,084	173,084
	Accumulated Depreciation	(68,640)	(65,178)
		<u>233,347</u>	<u>236,809</u>
	<b>Lot 100 Dhu Street, Guilderton</b>		
	Land – at Cost	37,129	37,129
	Buildings – at Cost	131,542	131,542
	Accumulated Depreciation	(52,347)	(49,716)
		<u>116,324</u>	<u>118,955</u>
	<b>Chattels – Augusta Property</b>		
	Cost	115,265	105,927
	Accumulated Depreciation	(83,731)	(69,646)
		<u>31,534</u>	<u>36,281</u>
	<b>Office Equipment</b>		
	Cost	1,365	1365
	Accumulated depreciation	(545)	(545)
		<u>820</u>	<u>820</u>
	<b>Chattels – Kalbarri Property</b>		
	Cost	53,802	52,780
	Accumulated Depreciation	(44,215)	(40,599)
		<u>9,588</u>	<u>12,181</u>

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

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

**NOTE 9. INVESTMENT PROPERTIES (Continued)**

	2009 \$	2008 \$
<b>Chattels – Guilderton Property</b>		
Cost	16,526	15,876
Accumulated Depreciation	(11,485)	(9,269)
	5,041	6,607
<b>Total Investment Properties</b>	<b>913,948</b>	<b>992,448</b>

**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 2008	Additions	Disposals	Depreciation	Carrying Amount at 30 June 2009
Land & Buildings	936,559	-	(55,123)	(14,471)	866,965
Chattels	55,889	11,010	-	(19,916)	46,983
<b>TOTAL</b>	<b>992,448</b>	<b>11,010</b>	<b>(55,123)</b>	<b>(34,387)</b>	<b>913,948</b>

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

Rental Income	155,986	164,426
Direct operating expenses from properties that generated rental income	(90,805)	(96,286)
	65,181	68,140

**NOTE 10. CURRENT LIABILITIES - TRADE AND OTHER PAYABLES**

<b>Current</b>		
Sundry Creditors	360,545	329,963
Accrued Expenses	-	-
Rent received in advance	35,492	34,075
GST	176,069	178,958
Group Tax Payable	31,939	40,633
Unexpended DOCEP Grant	-	-
Accrued Annual Leave	477,022	498,014
Memberships Paid in Advance	137,192	141,336
	1,218,259	1,222,979

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

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

**NOTE 11. BORROWINGS**

	2009	2008
	\$	\$
<b>Current</b>		
<b>Unsecured</b>		
Loan from Victorian Branch LHMU	128,750	128,750
	128,750	128,750
<b>Non-current</b>		
<b>Unsecured</b>		
Loans from Victorian Branch LHMU		
Renovation Loan	413,243	501,408
Motor Vehicle Loan	716,180	286,490
	1,129,423	787,898

The branch has two loans from the Victorian Branch of the LHMU.

- (a) The first is for the renovation of the WA branch's headquarters. The 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 2009 was 6.57% (2008: 7.42%). The loan is underwritten by National Office.
- (b) The second loan is for a maximum of \$420,000 for the purpose of purchasing staff motor vehicles. The loan is for a period of 2 years, and commenced on the 6<sup>th</sup> July 2007. The loan is repayable in 2 years from the drawdown date. The branch pays interest only on the amount advanced calculated at the interest rate monthly in arrears from the drawdown date. An interest rate of 7.5% is applicable on loans advanced prior to November 2007. Loans advanced after the 1<sup>st</sup> November 2007 have an interest rate of 8%.

Amount repaid on the loans:

Principal	74,483	79,699
Interest	88,166	62,300
	162,649	141,999



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

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

**NOTE 12. PROVISIONS**

	2008	2007
	\$	\$
<b>Current</b>		
Employee benefits - Long Service Leave	95,410	124,636
	<u>          </u>	<u>          </u>
<b>Non-current</b>		
Employee benefits - Long Service Leave	102,730	102,230
	<u>          </u>	<u>          </u>

**NOTE 13. EQUITY**

	Total Equity at the beginning of the financial year	Movement	Total Equity at the end of the financial year
General Fund	2,558,583	1,017,200	3,575,783
Building Fund	243,596	30,592	274,188
Election Fund	302,728	(25,663)	277,065
<b>TOTAL</b>	<u>3,104,927</u>	<u>1,022,129</u>	<u>4,127,036</u>

**NOTE 14. CASH FLOW INFORMATION**

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

Profit from ordinary activities	1,022,129	609,354
Depreciation	358,083	207,762
Profit on sale of assets	(302,421)	
Change in assets and liabilities		
(Increase) decrease in stock on hand	-	-
(Increase) decrease in sundry debtors	(232,087)	51,901
(Increase) decrease in prepayments	(41,901)	(6,658)
Increase (decrease) in sundry creditors & accruals	18,908	192,003
Increase (decrease) in provision for employee entitlements	(49,718)	38,315
Increase (decrease) in rent received in advance	(2,727)	895
	<u>          </u>	<u>          </u>
Net cash inflow from operating activities	770,266	1,093,572
	<u>          </u>	<u>          </u>

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

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

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

The branch has a bank overdraft facility of \$20,000 (2008: \$20,000). At 30 June 2009 and 30 June 2008 this facility was not in use. Overdraft facility currently with the Commonwealth Bank.

The branch also has a contingent liability facility of \$250,000 (2008: \$250,000). As at 30 June 2009 and 30 June 2008 \$50,000 of this facility was unused. There is no interest charge on the contingent liability facility. The purpose of the facility is to guarantee the funds for direct debit in relation to Membership Fees.

**NOTE 15. RELATED PARTY TRANSACTIONS**

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

	Office Held
DEVLIN, Georgina Wendy	Branch President
CLOVER, Phillip James	Vice President
GATICA-LARA, Leo	Vice President
KELLY, David Joseph	Secretary
SMITH, Caroline	Assistant Secretary
SHAY, Kelly	Assistant Secretary
SNOW, Irene Edith	Executive Member
ELLIS, Steven	Executive Member
MANN, Leila Dawn	Executive Member
POOL, Janice	Executive Member
WRIGHT, Brian	Executive Member
ARTHUR, Susan	Executive Member
DE GOIS, Phyllis	Executive Member
GODFREY, Brian George	Executive Member
D'ONOFRIO, Maria	Executive Member
O'DONNELL, Patrick	Executive Member (Resigned 21 July 2008)
O'MAHONEY, Paul	Executive Member (Suspended 19 June 2009)

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:

	2009	2008
	\$	\$
Sustentation fees	1,067,451	999,496

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

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

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**NOTE 16. REMUNERATION OF ELECTED OFFICIALS**

Income paid or payable to officers during the year.	274,230	258,991
	<u>          </u>	<u>          </u>

**NOTE 17. 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 18. CAPITAL COMMITMENTS**

The Union has set up a capital budget of approximately \$417,000 for projects and other requirements as needed.

**NOTE 19. 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 20. EVENTS OCCURRING AFTER BALANCE SHEET DATE**

**Sale of investment property**

In July 2009 the sale of Lot 80 Mortimer Street in Kalbarri was finalised. The property was sold for \$660,000.

**NOTE 21. GEOGRAPHICAL LOCATIONS**

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

**NOTE 22. EMPLOYEE NUMBERS**

	2009 Numbers	2008 Numbers
Number of employees at the end of the financial year	100	94



BDO Kendalls

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ABN 79 112 284 787

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

**DISCLAIMER**

The additional financial data presented on the pages 31 – 33 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 Union for the year ended 30 June 2009. 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 18 November 2009.

**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 2009**

	2009	2008
	\$	\$
<b>Revenue</b>		
Members – Contributions	9,116,098	8,665,501
Building Fund Levy	-	-
Interest Received	156,694	139,391
Rent Received	155,986	164,426
Sponsorship	50,000	81,500
Members Distress Fund	-	-
Grants- Award Updating	-	-
Salary reimbursements	154,511	172,130
Sale of Caps/Badges/Clothing	4,365	5,889
Shark Bay Booking Fee	-	-
Sundry Income	18,859	52,722
Surplus on Disposal of Assets	302,421	-
Delegates Convention	40,783	11,800
	-----	-----
<b>Total Revenue</b>	<b>9,999,717</b>	<b>9,293,359</b>
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<b>Expenditure</b>		
Advertising	40,617	40,830
Affiliation Fees		
ALP	67,193	61,540
Trades & Labour Council of WA	86,536	84,830
Airfares	55,376	15,592
Arbitration	4,146	3,793
Attendance Fees	3,056	3,894
Audit Fees	27,035	21,916
Badges/Caps/Union History	-	-
Bank Charges	92,836	103,749
Campaigns	53,790	63,602
Cleaning Expenses	9,257	7,519
Clothing – LHMU	-	-
Commissions	22,307	34,452
Computer Charges	15,783	17,904
Delegate Conference	16,821	227
Depreciation	358,082	197,361
Donations	155,445	102,012
Election Fund	-	-
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	<b>1,008,280</b>	<b>759,221</b>
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**LIQUOR, HOSPITALITY & MISCELLANEOUS UNION  
WA BRANCH**

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

	2009	2008
	\$	\$
<b>Total Brought Forward</b>	1,008,280	759,221
Electricity	53,199	55,760
Freight	1,124	1,901
Fringe Benefits Tax	833	13,849
Honorarium	3,716	3,573
Insurance - Excluding Vehicles	14,642	65,521
Interest on Loan	74,484	61,824
Journals & Papers Issued (inc. Postage)	114,184	72,848
Lease Payments	58,179	54,525
Legal Costs	12,314	15,005
Meeting & Conference Expenses	105,021	91,787
Motor Vehicle Expenses	133,557	33,161
Organising Expenses	-	-
Payroll Tax	268,524	267,708
Postage	54,336	41,882
Printing & Stationery	95,401	75,821
Property	67,769	98,169
Publications & Subscriptions	-	-
Rates	57,157	65,296
Repairs & Maintenance	3,208	6,156
Salaries – Elected Officers	244,848	226,991
Salaries – Employees	4,379,179	4,566,851
Salaries – Annual leave provision	267,144	148,575
Salaries – Long service leave provision	45,682	62,991
Staff Amenities	96,192	22,449
Staff Relocation Costs	-	-
Sundry Expenses (include Office Costs)	56,662	137,722
	<u>7,215,635</u>	<u>6,949,586</u>

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

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

	2009	2008
	\$	\$
Total Brought Forward	7,215,635	6,949,586
Superannuation	533,926	609,403
Sustentation Fees - Federal Office	1,067,451	999,496
Telephone	102,428	92,437
Training & Education	58,148	33,083
<b>Total Expenditure</b>	<b>8,977,588</b>	<b>8,684,005</b>
<b>Net Profit from ordinary activities</b>	<b>1,022,129</b>	<b>609,354</b>