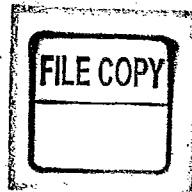




FAIR WORK
AUSTRALIA

24 January 2011

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



Dear Ms Tarrant

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

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

The documents have been filed.

Yours sincerely,


Stephen Kellett
Statutory Services Branch
Fair Work Australia

National Office
303 Cleveland Street
Redfern NSW 2010

Locked Bag 9
Haymarket NSW 1240
Telephone: (02) 8204 3000
Facsimile: (02) 8201 4400
Email: lnmu@lhmua.org.au
Web address: www.lhmua.org.au

ANR: 8272 8600 084

Louise Tarrant
National Secretary

Brian Daley
National President

Sue Lines
Troy Burton
Assistant National Secretaries



Organising for the future

20 December, 2010

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

Dear Mr Jenkins

RE: WESTERN AUSTRALIAN BRANCH FINANCIAL REPORTS

I am writing to lodge the financial reports for the LHMU WA Branch for the year ended 30 June 2010. Enclosed is the full Financial Report including:

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

The financial reports were sent to the Branch Executive on 17 November. The Executive resolved:

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

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

A full report was provided to the Committee of Management on 15 December, 2010 and was adopted. Also enclosed is a copy of the Branch Secretary's certificate dated 16 December, 2010.

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 Fair Work Australia Act 2009.

Yours faithfully



LOUISE TARRANT
NATIONAL SECRETARY

LIQUOR, HOSPITALITY AND MISCELLANEOUS UNION

WA BRANCH

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 2010

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

OPERATING REPORT

2010

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

During the 2009/2010 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 2010 was 100 (2008: 94) and the total membership at that date was 21,676 (2009: 21,031).

The financial year ended with an operating surplus of \$198,046 (2009 surplus: \$1,022,129).

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 2010 \$198,046.

Resignation of Membership

- As per the Fair Work (Registered Organisations) Act 2009 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 2009/10 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 2010 the members of the committee of management were:

Office Held

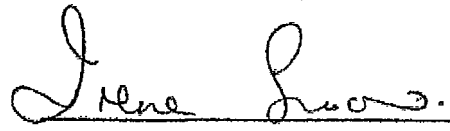
DEVLIN, Georgina Wendy	Branch President
CLOVER, Phillip James	Vice President
GATICA-LARA, Leo	Vice President
KELLY, David Joseph	Secretary
SMITH, Caroline	Assistant Secretary
SHAY, Kelly	Assistant Secretary
SNOW, Irene Edith	Executive Member
ELLIS, Steven	Executive Member
MANN, Lella Dawn	Executive Member
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

Signed on behalf of the Committee of Management

Signed atthis.....day of2010



GEORGINA WENDY DEVLIN



IRENE SNOW

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

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38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

**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 statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows 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.

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 2010 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 Audit (WA) Pty Ltd

BDO Audits

A handwritten signature in black ink, appearing to read 'C Burton'.

Chris Burton
Director

Perth, Western Australia
Dated this 17th day of November 2010



Tel: +8 6382 4600
Fax: +8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

17 November 2010

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 2010, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Australian 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 Audit (WA) Pty Ltd
Perth, Western Australia.

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

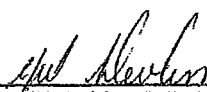
STATEMENT OF THE COMMITTEE OF MANAGEMENT

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 General Manager of Fair Work Australia;
- (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 Fair Work (Registered Organisations) Act 2009 (The RAO Schedule) and the Fair Work (Registered Organisations) Regulations (The RAO Regulations); and
 - (iv) The information sought in any request of a member of the branch or the General Manager of Fair Work Australia duly made under section 272 of the RAO Schedule has been furnished to the member or General Manager of Fair Work Australia; 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 PERTH this 18th day of NOVEMBER 2010.



GEORGINA WENDY DEVLIN



IRENE SNOW

**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 2010 the number of members of the Union was 21,676 (2009: 21,031).

In my opinion,

- (i) The attached accounts show a true and fair view of the financial affairs of the organisation as at 30 June 2010 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 Fair Work (Registered Organisations) Act 2009;
- (iii) A copy of the records required to be kept under sections 230(1)(b), (c) and (d) of the Fair Work (Registered Organisations) Act 2009, have been provided to the Industrial Registry as required by section 233 of the Fair Work (Registered Organisations) Act 2009.

Signed at Shraw this 18th day of November 2010.



DAVID JOSEPH KELLY
WA BRANCH SECRETARY

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED
30 JUNE 2010**

	Notes	2010 \$	2009 \$
Movements in Value:			
Revenues from continuing operations	4	10,597,485	9,999,717
Administration expenses		(642,611)	(695,831)
Affiliation fees	5	(148,612)	(153,729)
Employee costs		(6,437,346)	(5,619,016)
Campaigns		(610,311)	(53,790)
Depreciation	5	(318,764)	(358,083)
Donations		(101,776)	(155,445)
Interest paid		(108,132)	(74,483)
Occupancy costs		(282,545)	(272,133)
Other property expenses		(60,516)	(79,064)
Organisers expenses		(117,975)	(203,865)
Sustentation fees	5	(1,198,968)	(1,067,451)
Other expenses from ordinary activities		(371,882)	(244,698)
Surplus from continuing operations		<u>198,046</u>	<u>1,022,129</u>
Surplus attributable to the Branch		<u><u>198,046</u></u>	<u><u>1,022,129</u></u>

Other Comprehensive Income for the Year

Total comprehensive income for the year attributable to the members of Liquor Hospitality and Miscellaneous Union WA Branch

Attributable to:

General Fund	85,691	1,017,200
Building Fund	56,930	30,592
Election Fund	55,425	(25,663)
	<u>198,046</u>	<u>1,022,129</u>

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

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2010

	Note	2010 \$	2009 \$
Assets			
Current Assets			
Cash and cash equivalents	6	2,530,278	3,251,901
Trade and other receivables	7	677,551	340,796
Inventories		3,769	3,769
Assets Held for Sale	9	647,735	913,948
Total Current Assets		3,859,333	4,510,414
Non-current Assets			
Property, plant and equipment	8	4,888,918	2,291,123
Investment properties		-	-
Total Non-Current Assets		4,888,918	2,291,123
Total Assets		8,748,251	6,801,537
Liabilities			
Current Liabilities			
Trade and other payables	10	1,344,333	1,218,259
Interest bearing liabilities	11	128,750	128,750
Provisions	12	104,258	95,410
Total Current Liabilities		1,577,341	1,442,419
Non-current Liabilities			
Interest bearing liabilities	11	2,713,693	1,129,423
Provisions	12	132,205	102,730
Total Non-current Liabilities		2,845,898	1,232,153
Total Liabilities		4,423,239	2,674,572
Net Assets		4,325,012	4,126,965
Equity			
Retained surplus	13	4,325,012	4,126,965
Total Equity		4,325,012	4,126,965

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

**STATEMENTS OF CHANGE IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2010**

	2010 \$	2009 \$
Total Equity at the beginning of the financial year		
General Fund	3,575,712	2,558,602
Building Fund	274,188	243,596
Election Fund	<u>277,066</u>	<u>302,729</u>
Total Recognised Surplus for the Year	4,126,966	3,104,927
Surplus for the Year		
General Fund	85,691	1,017,200
Building Fund	56,930	30,592
Election Fund	<u>55,425</u>	<u>(25,663)</u>
Total Recognised Surplus for the Year	<u>198,046</u>	<u>1,022,129</u>
Total equity at the end of the Financial year	13 <u><u>4,325,012</u></u>	<u><u>4,126,965</u></u>

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

**STATEMENT OF CASH FLOW
FOR THE YEAR ENDED
30 JUNE 2010**

	Note	2010 \$	2009 \$
Cash flows from operating activities			
Contributions (including Goods and Services Tax)		9,246,490	9,109,065
Interest Received		157,184	156,694
Rent Received (including Goods and Services Tax)		117,140	157,403
Other Income (including Goods and Services Tax)		336,755	338,852
Interest Paid		(108,132)	(74,483)
Payments to Suppliers & Employees (including Goods and Services Tax)		(9,808,146)	(8,917,265)
		<hr/>	<hr/>
Net cash inflow from operating activities	14(a)	(58,709)	770,266
		<hr/>	<hr/>
Cash flows from Investing activities			
Proceeds from Sale of Investment Property		758,809	357,544
Payment for Property, Plant & Equipment		(3,005,994)	(503,302)
Payment for Investment property			
		<hr/>	<hr/>
Net cash (outflow) from investing activities		(2,247,185)	(145,758)
		<hr/>	<hr/>
Cash flows from financing activities			
Proceeds from borrowings		1,760,300	428,950
Repayment of borrowings		(176,030)	(87,425)
		<hr/>	<hr/>
Net cash (outflow) from financing activities		1,584,270	341,525
		<hr/>	<hr/>
Net increase/(decrease) in cash held		(721,623)	966,033
Cash at beginning of the financial year		3,251,901	2,285,868
		<hr/>	<hr/>
Cash at the end of the financial year	6	2,530,278	3,251,901
		<hr/>	<hr/>

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

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

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.

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 2010**

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 2010**

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 profit or loss.

(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 2010**

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 profit or loss 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 3), 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 2010**

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 2010**

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:

	2010	2009
	\$	\$
Financial Assets		
Cash and cash equivalents	2,530,278	3,251,901
Trade and other receivables	677,551	340,796
	3,207,829	3,592,697
Financial Liabilities		
Trade and other payables	1,344,333	1,218,259
Borrowings	2,842,443	1,258,173
	4,186,776	2,476,432

(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
As at 30 June 2010					
(i) Financial assets					
Cash	5.65%	2,706,937	-	1,280	2,708,217
Receivables		-	-	677,551	677,551
Total financial assets		2,706,937	-	678,831	3,385,768
(ii) Financial liabilities					
Payables		-	-	91,266	91,266
Business loans	4.60%	437,788	-	666,012	1,103,800
Total financial liabilities		437,788	-	757,278	1,195,066

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

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

NOTE 3. FINANCIAL RISK MANAGEMENT (CONT)

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

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 2010**

NOTE 3. FINANCIAL RISK MANAGEMENT (CONT)

At 30 June 2010	Between 0 – 12 months	Between 2 and 5 years
Borrowings – variable rate	128,750	2,713,693

At 30 June 2009

Borrowings – variable rate	128,750	1,129,423
----------------------------	---------	-----------

(d) Sensitivity Analysis

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

30 June 2010	Carrying Amount	Interest Rate Risk			
		-100 bps		+100 bps	
		Profit	Equity	Profit	Equity
	\$	\$	\$	\$	\$
Financial Assets					
Cash and cash equivalents	2,530,278	(25,303)	(25,303)	25,303	25,303
Financial Liabilities					
Borrowings	2,842,443	28,424	28,424	(28,424)	(28,424)
Total increase/ (decrease)		3,121	3,121	(3,121)	(3,121)

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

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

(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.

	2010	2009
	\$	\$
Total borrowings	2,842,443	1,258,173
Less: Cash and cash equivalents	(2,530,278)	(3,251,901)
	-----	-----
Net assets	312,165	1,993,728
Total equity	(4,325,012)	4,126,965
	-----	-----
Total Capital	(4,012,847)	(2,133,237)
	-----	-----

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

(f) Impaired Trade Receivables

As at 30 June 2010 current trade receivables of the organisation with a nominal value of \$624,641 (2009: 246,552) were past due but not impaired. These relate to a number of independent clients for whom there is no history of default. The ageing analysis of these trade debtors is as follows:

	2010	2009
	\$	\$
1 to 3 months	125,751	127,250
3 to 6 months	498,890	119,302
	-----	-----
	624,641	246,552
	-----	-----

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

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

NOTE 4.	REVENUE	2010	2009
		\$	\$
Operating activities			
	Contributions	9,710,064	9,116,098
	Rent received	117,140	155,986
	Salary reimbursements	148,670	154,511
	Sponsorship	6,455	50,000
	Delegates Convention	34,600	40,783
	Other income	6,128	4,365
	Sundry income	14,083	18,859
Non-operating activities			
	Interest	157,184	156,694
	Profit on sale of assets	403,161	302,421
		<u>10,597,485</u>	<u>9,999,717</u>

NOTE 5. SURPLUS/(DEFICIT) FROM ORDINARY ACTIVITIES

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

Expenses

Affiliation Fees:			
	ALP	70,047	67,193
	Trades & Labor Council of WA	78,565	86,536
	Total Affiliation Fees	<u>148,612</u>	<u>153,729</u>
Depreciation			
	Office Equipment	79,333	70,185
	Furniture & Fittings	44,286	48,803
	Library	3,497	4,391
	Motor Vehicles	91,062	60,663
	Buildings	100,587	174,041
	Total Depreciation	<u>318,765</u>	<u>358,083</u>

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

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

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

	2010	2009
	\$	\$
Sustentation Fees – Federal Office*	1,198,968	1,067,451
*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	23,910	16,460
Meeting and Conference Expenses	32,371	46,183
Remuneration of Auditor - Audit Services	22,901	27,035

NOTE 6. CURRENT ASSETS – CASH AND CASH EQUIVALENTS

Cash on Hand
Petty Cash

Cash at Bank

General Fund	(259,879)	289,299
Secretary's Advance Account	21,024	7,494
Investment Account - GESB	-	4,120
Motor Vehicle Expense Account at Call	-	27
GST Account	1,279	1,317
Members Equity Account - General Reserve	1,734,833	1,409,833
Members Distress Fund	-	(1,569)
Building Fund	331,118	274,188
Election Fund	332,491	277,066
Excess Funds	18,953	988,324
National Park Rangers Trust Account	-	1,802
Property Sold	350,459	-
	-----	-----
	2,530,278	3,251,901
	-----	-----

NOTE 7. CURRENT ASSETS – TRADE AND OTHER RECEIVABLES

Sundry Debtors	646,594	287,526
Other Debtors	-	-
Prepayments	30,957	53,270
	-----	-----
	677,551	340,796
	-----	-----

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

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

NOTE 8.	PROPERTY, PLANT & EQUIPMENT	2010	2009
		\$	\$
	61 Thomas Street, Subiaco		
	Land – at Cost	127,944	127,944
	Buildings – at Cost	2,079,326	2,079,326
	Accumulated Depreciation	(914,574)	(826,505)
		<u>1,292,696</u>	<u>1,380,765</u>
	Cheriton Street, East Perth		
	Land – at Cost	2,645,567	-
	Buildings – at Cost	76,000	-
	Accumulated Depreciation	-	-
		<u>2,721,567</u>	<u>-</u>
	Unit 2, 101 Spencer Street, Bunbury		
	Land – at Cost	20,000	20,000
	Buildings – at Cost	36,543	36,543
	Accumulated Depreciation	(8,897)	(8,166)
		<u>47,646</u>	<u>48,377</u>
	Chattels – Bunbury Property		
	Cost	24,488	23,800
	Accumulated Depreciation	(22,496)	(22,388)
		<u>1,992</u>	<u>1,412</u>
	Furniture & Fittings, Thomas Street		
	Cost	243,967	234,359
	Accumulated Depreciation	(157,813)	(130,381)
		<u>86,154</u>	<u>103,978</u>
	Office Equipment		
	Cost	553,721	482,529
	Accumulated Depreciation	(435,916)	(357,365)
		<u>117,805</u>	<u>125,164</u>

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

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

NOTE 8. PROPERTY, PLANT & EQUIPMENT (Continued)	2010	2009
	\$	\$
Library		
Cost	113,110	113,110
Accumulated Depreciation	(98,880)	(95,384)
	<u>14,230</u>	<u>17,726</u>
Motor Vehicles		
Cost	754,736	744,499
Accumulated Depreciation	(147,907)	(130,798)
	<u>606,829</u>	<u>613,701</u>
Total Property, Plant and Equipment	<u><u>4,888,918</u></u>	<u><u>2,291,123</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:

	Carrying Amount at 1 July 2009	Additions	Disposals	Depreciation	Carrying Amount at 30 June 2010
Land & Buildings	1,429,142	2,721,567	-	(88,800)	4,061,909
Chattels	1,412	688	-	(108)	1,992
Furniture & Fittings	103,978	9,608	-	(27,432)	86,154
Office Equipment	125,164	71,192	-	(78,551)	117,805
Library	17,726	-	-	(3,496)	14,230
Motor Vehicles	613,700	197,263	(113,072)	(91,063)	606,829
TOTAL	2,291,124	3,000,318	(113,072)	(289,450)	4,888,918

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

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

NOTE 9. INVESTMENT PROPERTIES (Continued)

	2010	2009
	\$	\$
55 Sweeney Street, Bunbury		
Land – at Cost	-	16,500
Buildings – at Cost	-	69,900
Accumulated Depreciation	-	(31,277)
	-----	-----
	-	55,123
	-----	-----
Riverside Cottages, Molloy Street, Augusta		
Land – at Cost	269,854	269,854
Buildings – at Cost	418,914	418,914
Accumulated Depreciation	(179,854)	(171,475)
	-----	-----
	508,915	517,293
	-----	-----
Lot 80 Mortimer Street, Kalbarri		
Land – at Cost	-	128,903
Buildings – at Cost	-	173,084
Accumulated Depreciation	-	(68,640)
	-----	-----
	-	233,347
	-----	-----
Lot 100 Dhu Street, Guilderton		
Land – at Cost	37,129	37,129
Buildings – at Cost	131,542	131,542
Accumulated Depreciation	(54,978)	(52,347)
	-----	-----
	113,693	116,324
	-----	-----
Chattels – Augusta Property		
Cost	118,106	115,265
Accumulated Depreciation	(96,518)	(83,731)
	-----	-----
	21,588	31,534
	-----	-----
Office Equipment		
Cost	1,750	1,365
Accumulated depreciation	(1,327)	(545)
	-----	-----
	423	820
	-----	-----

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

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

NOTE 9.	INVESTMENT PROPERTIES (Continued)	2010 \$	2009 \$
	Chattels – Kalbarri Property		
	Cost	-	53,802
	Accumulated Depreciation	-	(44,215)
		-	9,588
	Chattels – Guilderton Property		
	Cost	16,526	16,526
	Accumulated Depreciation	(13,410)	(11,485)
		3,116	5,041
	Total Investment Properties	647,735	913,948

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 2009	Additions	Disposals	Depreciation	Carrying Amount at 30 June 2010
Land & Buildings	922,087	-	(287,692)	(11,787)	622,608
Chattels	46,983	5,676	(10,005)	(17,527)	25,127
TOTAL	969,070	5,676	(297,697)	(29,314)	647,735

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

Rental Income	117,139	155,986
Direct operating expenses from properties that generated rental income	(84,690)	(90,805)
	32,449	65,181

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

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

NOTE 10. CURRENT LIABILITIES - TRADE AND OTHER PAYABLES

	2010	2009
	\$	\$
Current		
Sundry Creditors	573,973	360,545
Accrued Expenses	-	-
Rent received in advance	1,535	35,492
GST	177,370	176,069
Group Tax Payable	16,256	31,939
Accrued Annual Leave	432,303	477,022
Memberships Paid in Advance	142,896	137,192
	1,344,333	1,218,529

NOTE 11. BORROWINGS

	2010	2009
	\$	\$
Current		
Unsecured		
Loan from Victorian Branch LHMU	128,750	128,750
	128,750	128,750
Non-current		
Unsecured		
Loans from Victorian Branch LHMU		
Renovation Loan	309,038	413,243
Motor Vehicle Loan	666,752	716,180
	975,790	1,129,423
Non-current		
Secured		
Loan from Members Equity (Cheriton St, East Perth)		
Renovation Loan	1,737,903	-
	1,737,903	-

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

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

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 15th October and aligned to 0.5% above the Bank Bill Swap Rate. The interest rate applicable as at 30 June 2010 was 6.57% (2009: 7.42%). The loan is underwritten by National Office.
- (b) The second loan is for a maximum of \$715,000 for the purpose of purchasing staff motor vehicles. The loan is for a period of 2 years, and commenced on the 6th 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 1st November 2007 have an interest rate of 8%.

The branch has a loan from Members Equity for the purchase of land at 42 & 46 Cheriton Street, East Perth.

The loan is for a period of 20 years and commenced on the 24 December 2009. Repayments are made monthly and are interest only for 2 years, reverting to Principal and Interest for a period of 18 years. The interest rate applicable as at 30 June 2010 was 7.58%.

Amount repaid on the loans:

Principal	108,132	74,483
Interest	104,205	88,166
	<u>212,337</u>	<u>162,649</u>

NOTE 12. PROVISIONS

	2010	2009
	\$	\$
Current		
Employee benefits - Long Service Leave	104,258	95,410
	<u>104,258</u>	<u>95,410</u>
Non-current		
Employee benefits - Long Service Leave	132,207	102,730
	<u>132,207</u>	<u>102,730</u>

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

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

NOTE 13. EQUITY

	Total Equity at the beginning of the financial year	Movement	Total Equity at the end of the financial year
General Fund	3,575,713	85,691	3,661,404
Building Fund	274,188	56,930	331,118
Election Fund	277,065	55,425	332,490
TOTAL	4,126,966	198,046	4,325,012

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

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

NOTE 14. CASH FLOW INFORMATION

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

Profit from ordinary activities	198,407	1,022,129
Depreciation	318,764	358,083
Profit on sale of assets	(403,161)	(302,421)
Change in assets and liabilities		
(Increase) decrease in stock on hand	-	-
(Increase) decrease in sundry debtors	(359,068)	(232,087)
(Increase) decrease in prepayments	22,313	(41,901)
Increase (decrease) in sundry creditors & accruals	126,074	18,908
Increase (decrease) in provision for employee entitlements	(38,323)	(49,718)
Increase (decrease) in rent received in advance	-	(2,727)
	-----	-----
Net cash inflow from operating activities	(58,709)	770,266
	-----	-----

(b) Credit Stand-By Arrangements

The branch has a bank overdraft facility of \$20,000 (2009: \$20,000). At 30 June 2010 and 30 June 2009 this facility was not in use. Overdraft facility currently with the Commonwealth Bank.

The branch also has a contingent liability facility of \$300,000 (2009: \$250,000). As at 30 June 2010 and 30 June 2009 \$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.

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

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

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

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:

	2010	2009
	\$	\$
Sustentation fees	1,198,968	1,067,451

NOTE 16. REMUNERATION OF ELECTED OFFICIALS

Income paid or payable to officers during the year.	294,143	274,230
	=====	=====

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.

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

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

NOTE 18. CAPITAL COMMITMENTS

The Union has set up a capital budget of \$117,240 for projects and other requirements as needed. In addition the Union has also set up a capital budget for the Building Project at Cheriton Street, East Perth.

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 2010 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

	2010 Numbers	2009 Numbers
Number of employees at the end of the financial year	107	100



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

DISCLAIMER

The additional financial data presented on the pages 34 - 35 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 2010. 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 17th day of November 2010.

BDO Audit (WA) Pty Ltd

BDO Audit


Chris Burton
Director

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

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

	2010	2009
	\$	\$
Revenue		
Members -- Contributions	9,710,062	9,116,098
Building Fund Levy	-	-
Interest Received	157,184	156,694
Rent Received	117,140	155,986
Sponsorship	6,455	50,000
Salary reimbursements	148,670	154,511
Sale of Caps/Badges/Clothing	6,128	4,365
Sundry Income	14,083	18,859
Surplus on Disposal of Assets	403,161	302,421
Delegates Convention	34,600	40,783
	<u>10,597,483</u>	<u>9,999,717</u>
Total Revenue		
Expenditure		
Advertising	22,212	40,617
Affiliation Fees		
ALP	70,047	67,193
Unions WA	78,565	86,536
Airfares	19,443	55,376
Arbitration	2,361	4,146
Attendance Fees	4,536	3,056
Audit Fees	22,901	27,035
Bank Charges	95,660	92,836
Campaigns	610,311	53,790
Cleaning Expenses	9,963	9,257
Commissions	15,069	22,307
Computer Charges	64,810	15,783
Delegate Conference	27,055	16,821
Depreciation	318,764	358,082
Donations	101,776	155,445
	<u>1,463,493</u>	<u>1,008,280</u>

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

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

	2010	2009
	\$	\$
Total Brought Forward	1,463,493	1,008,280
Electricity	53,154	53,199
Freight	2,009	1,124
Fringe Benefits Tax	-	833
Honorarium	3,865	3,716
Insurance - Excluding Vehicles	85,488	14,642
Interest on Loan	108,132	74,484
Journals & Papers Issued (inc. Postage)	106,932	114,184
Lease Payments	53,711	58,179
Legal Costs	21,549	12,314
Meeting & Conference Expenses	69,429	105,021
Motor Vehicle Expenses	201,813	133,557
Organising Expenses	-	-
Payroll Tax	290,710	268,524
Postage	37,468	54,336
Printing & Stationery	70,045	95,401
Property	59,727	67,769
Publications & Subscriptions	-	-
Rates	51,198	57,157
Repairs & Maintenance	4,225	3,208
Salaries – Elected Officers	262,627	244,848
Salaries – Employees	5,017,153	4,347,679
Salaries – Annual leave provision	209,366	267,144
Salaries – Long service leave provision	60,825	45,682
Staff Amenities	85,000	96,192
Sundry Expenses (includes Office Costs)	110,199	56,662
Superannuation	603,334	533,926
Sustentation Fees - Federal Office	1,198,968	1,067,451
Telephone	111,080	102,428
Training & Education	57,937	58,148
Total Expenditure	<u>10,399,437</u>	<u>8,977,588</u>
Net Profit from ordinary activities	<u>198,046</u>	<u>1,022,129</u>

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

FINANCIAL REPORTS FOR THE YEAR ENDED 30 JUNE 2010

CERTIFICATE BY SECRETARY OR PRESCRIBED OFFICER

I, Carolyn Smith, being the acting 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 Fair Work (Registered Organisations) Act 2009; and
- That the full report was provided to members on 24 November 2010 and
- That the full report was presented to a meeting of the committee of management of the reporting unit on 15th December, 2010 in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.

Signed

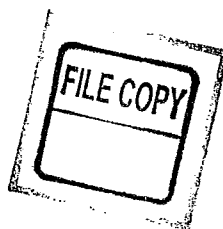
Carolyn Smith

Date:

16/12/10

27 July 2010

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



Dear Ms Tarrant,

Re: Lodgement of Financial Statements and Accounts – Liquor, Hospitality and Miscellaneous Union – for year ending 30 June 2010 - National Office (FR2010/2547), Victorian Branch (FR2010/2545), Western Australian Branch (FR2010/2546), NSW Branch (FR2010/2548), Northern Territory Branch (FR2010/2549), Queensland Branch (FR2010/2556), South Australian Branch (FR2010/2557), Tasmanian Branch (FR2010/2558)

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

The documents you must lodge include:

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

I draw your particular attention to

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

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

Yours sincerely,

Stephen Kellett

Statutory Services Branch

Terrace Towers
80 William Street
East Sydney NSW 2011

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