



26 September 2022

Bernard Smith  
Branch Secretary-Treasurer  
Shop, Distributive and Allied Employees Association-New South Wales Branch

Sent via email: [secretary@sdansw.asn.au](mailto:secretary@sdansw.asn.au)  
CC: [daniel@gsbaccounting.com.au](mailto:daniel@gsbaccounting.com.au)

Dear Bernard Smith,

**Shop, Distributive and Allied Employees Association-New South Wales Branch  
Financial Report for the year ended 30 June 2022 – (FR2022/97)**

I acknowledge receipt of the financial report for the year ended 30 June 2022 for the Shop, Distributive and Allied Employees Association-New South Wales Branch. The documents were lodged with the Registered Organisations Commission (the ROC) on 16 September 2022.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009 (RO Act)* have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that next year's financial report may be subject to an advanced compliance review.

**Reporting Requirements**

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 reporting guidelines and a model set of financial statements.

The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 reporting guidelines and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any queries regarding this letter, please contact me on (03) 9603 0988 or by email at [Madeleine.Hurrell@roc.gov.au](mailto:Madeleine.Hurrell@roc.gov.au).

Yours sincerely

*Madeleine Hurrell*

**Madeleine Hurrell  
Financial Reporting Officer  
Registered Organisations Commission**

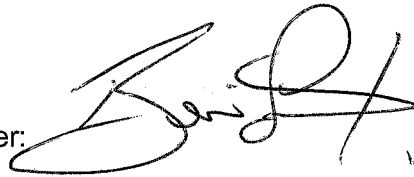
**CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER**

Certificate for the period ended 30 June 2022

I Bernard Joseph Smith being the Branch Secretary-Treasurer of the Shop, Distributive and Allied Employees' Association NSW Branch certify:

- That the documents lodged herewith are copies of the full report for Shop, Distributive and Allied Employees' Association NSW Branch for the period ended 30 June 2022 referred to in s.268 of the Fair Work (Registered Organisations) Act 2009;
- That the financial accounts and statements were presented to the Branch Council meeting held on Tuesday 16 August 2022;
- The financial accounts and statements were signed by the auditor on 17 August 2022;
- That the full report of the financial accounts and statements was provided to members of the reporting unit on 15 September 2022; and
- That the full report of the financial accounts and statements was presented to a meeting of the committee of management of the reporting unit on 13 September 2022 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.

Signature of prescribed designated officer:



Name of prescribed designated officer:

Bernard Joseph Smith

Title of prescribed designated officer:

Branch Secretary-Treasurer

Dated:

16 September 2022

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION  
N.S.W. BRANCH**

**A.B.N. 74 415 123 375**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED  
30 JUNE 2022**

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W. BRANCH**

**A.B.N. 74 415 123 375**

**FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2022**

**CONTENTS**

<b>INDEPENDENT AUDITOR'S REPORT.....</b>	<b>2</b>
<b>AUDITOR'S INDEPENDENCE DECLARATION .....</b>	<b>5</b>
<b>REPORT REQUIRED UNDER SUBSECTION 255(2A).....</b>	<b>6</b>
<b>OPERATING REPORT.....</b>	<b>7</b>
<b>COMMITTEE OF MANAGEMENT STATEMENT.....</b>	<b>10</b>
<b>STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME.....</b>	<b>11</b>
<b>STATEMENT OF FINANCIAL POSITION.....</b>	<b>12</b>
<b>STATEMENT OF CHANGES IN EQUITY.....</b>	<b>13</b>
<b>STATEMENT OF CASH FLOWS .....</b>	<b>14</b>
<b>INDEX TO THE NOTES OF THE FINANCIAL STATEMENTS.....</b>	<b>15</b>
<b>NOTES TO THE FINANCIAL STATEMENTS.....</b>	<b>16</b>

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W. BRANCH**

**Opinion**

I have audited the financial report of the Shop, Distributive and Allied Employees' Association N.S.W. Branch (the reporting unit), which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity, and statement of cash flows for the year ended 30 June 2022, notes to the financial statements, including a summary of significant accounting policies; the Committee of Management Statement, the subsection 255(2A) report and the Officers Declaration Statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Shop, Distributive and Allied Employees' Association N.S.W. Branch as at 30 June 2022 and its financial performance and its cash flows for the year ended on that date in accordance with:

- a) the Australian Accounting Standards; and
- b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

I declare that management's use of the going concern basis in the preparation of the financial statements of the reporting unit is appropriate.

**Basis for Opinion**

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the reporting unit in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

**Other Matter**

The financial report of the reporting unit for the year ended 30 June 2021, was audited by another auditor who expressed an unmodified opinion on that report on 18<sup>th</sup> August 2021.

**Information Other than the Financial Report and Auditor's Report Thereon**

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

## **Responsibilities of Committee of Management for the Financial Report**

The Committee of Management of the reporting unit is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee of Management is responsible for assessing the reporting unit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee of Management either intend to liquidate the reporting unit or to cease operations, or have no realistic alternative but to do so.

## **Auditor's Responsibilities for the Audit of the Financial Report**

My objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 reporting unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the reporting unit's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the reporting unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the reporting unit to express an opinion on the financial report. I am responsible for the direction, supervision, and performance of the reporting unit audit. I remain solely responsible for my audit opinion.

I communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

### **Recovery of Wages**

The reporting unit does not charge for the recovery of wages activity.

The reporting unit assists members in the recovery of wages activity, but there is no charge to the members for that assistance.



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**Daniel Marando**

Auditor

Registration Number: AA2022/3

(as registered by the RO Commissioner  
under the RO Act)

Member of the Chartered Accountants

Australia and New Zealand Number 566211



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**Grech Smith Bridle**

Chartered Accountants

Dated at Sydney this 17<sup>th</sup> day of August 2022

**AUDITOR'S INDEPENDENCE DECLARATION  
FOR THE YEAR ENDED 30 JUNE 2022**

**TO THE COMMITTEE OF MANAGEMENT OF  
SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W. BRANCH**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022 there has been:

- (i) no contraventions of the auditor independence requirements in relation to the audit; and
- (ii) no contravention of any applicable code of professional conduct in relation to the audit.



**Daniel Marando**

Auditor

Registration Number: AA2022/3

(as registered by the RO Commissioner  
under the RO Act)

Member of the Chartered Accountants

Australia and New Zealand Number 566211



**Grech Smith Bridle**

Chartered Accountants

Dated at Sydney this 17<sup>th</sup> day of August 2022



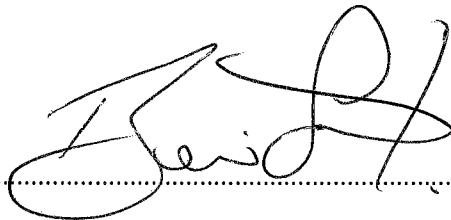
**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W. BRANCH**

**REPORT REQUIRED UNDER SUBSECTION 255(2A)  
FOR THE YEAR ENDED 30 JUNE 2022**

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the reporting unit for the year ended 30 June 2022.

	2022	2021
	\$	\$
<b>Categories of expenditures</b>		
Remuneration and other employment-related costs and expenses – employees	8,683,771	8,570,094
Advertising	718,556	389,144
Operating costs	7,457,929	8,038,198
Donations to political parties	72,482	9,230
Legal costs	272,473	192,203

Signature of designated officer: .....



Name and title of designated officer: .....

Bernie Smith - Branch Secretary - Treasurer

Dated: .....

16 August 2022

## SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W. BRANCH

### OPERATING REPORT FOR THE YEAR ENDED 30 JUNE 2022

The Committee of Management presents its operating report on the reporting unit for the financial year ended 30 June 2022.

#### **Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year**

The principal activities of the Association are preserving and enhancing the wages and working conditions of its members, and the promotion of the interests and rights of workers. In addition to industrial representation, members are also provided with a range of services and benefits.

New enterprise agreements were negotiated with employers during the year. These agreements all resulted in improved wages and working conditions for the employees covered by them.

In 2022 during the COVID-19 pandemic, the focus of the union has been on measures to ensure the health and safety of members at work who have continued to serve the community and also measures to ensure the economic wellbeing of members. On Workplace Health and Safety (WHS), the union has implemented a series of 10-point COVID safety plans; taken up disputes on the efficiency of hand sanitisers; advocated for masks & use of QR codes; secured public health orders that created offences of spitting or coughing on a worker during the pandemic; and advocated for priority access to age-appropriate vaccines for members of the Association undertaking essential work. In working for members' economic wellbeing, the union has been instrumental in winning increases to wage subsidies/Government support payments like the Covid Disaster Payment for members in lockdown; essential worker recognition payments continued to be paid from a range of employers; campaigned for pay rises to not be delayed; and advocated for measures to protect members jobs during Covid related downturns.

Our members have served our community well during the pandemic, our union has strived to serve and support our members at this time and be with them at work.

#### **Significant changes in financial affairs**

There were no significant changes in the nature of the activities and financial affairs in the Association during the financial year.

#### **Rights of members to resign**

Persons eligible to do so under the rules of the Association were actively encouraged to join the Association. Pursuant to s174 of the *Fair Work (Registered Organisations) Act 2009* (RO Act), members could resign from the Association by written notice to the appropriate Branch of the Association.

#### **Officers and employees who are superannuation fund trustees or director of a company that is a superannuation fund trustee**

Representatives of the Branch hold a position as the Alternative Directors of the Retail Employees' Superannuation Trust ("REST"). Gerard Dwyer and Aliscia Di Mauro act as the alternative director for Dr Adam Walk and Michael Tehan

##### **Directors**

Dr Adam Walk  
Mr Michael Tehan

##### **Alternates**

Mr Gerard Dwyer  
Ms Aliscia Di Mauro

## SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W. BRANCH

### OPERATING REPORT (CONT.) FOR THE YEAR ENDED 30 JUNE 2022

#### Number of Members

Membership as at 30 June 2022 was 58,116 (2021: 59,044).

#### Number of employees

At 30 June 2022, there were 88 persons (full time equivalent), employed by the N.S.W. Branch of the Association.

#### Affiliations and Directorships

Detailed below are the affiliations of the N.S.W. Branch of the Association:

- Australian Labor Party, N.S.W. Branch
- Australian Labor Party, A.C.T. Branch
- Unions N.S.W.
- South Coast Labor Council
- Unions A.C.T.

The N.S.W. Branch Secretary-Treasurer is on the Administrative Committee of the Australian Labor Party N.S.W. Branch.

The N.S.W. Branch Secretary-Treasurer of the Association is an Executive Member of Unions N.S.W.

A representative of the N.S.W. Branch of the Association is a member of the Service Skills NSW Wholesale, Retail and Personal Services Committee.

#### Names of Committee of Management members and period positions held during the financial year

The following members held positions on the Branch's Committee of Management for the entire reporting period unless indicated otherwise:

<b>Name</b>	<b>Position</b>
M. Dumycz	Branch President
C. Williams	Branch Vice President
B. Smith	Branch Secretary – Treasurer
F. Smithson	Branch Assistant Secretary – Treasurer
A. Manos	Branch Trustee (Branch membership)
J. Slender	Branch Trustee (Branch membership)

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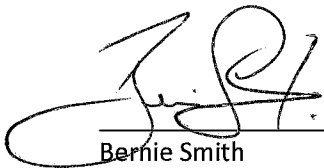
**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W. BRANCH**

**OPERATING REPORT (CONT.)  
FOR THE YEAR ENDED 30 JUNE 2022**

**Names of Committee of Management members and period positions held during the financial year  
(cont.)**

<b>Name</b>	<b>Position</b>	
S. Sammak	Branch Councillor (Drug and Allied membership)	
S. Barros	Branch Councillor (Branch membership)	
N. Rizk	Branch Councillor (Retail membership)	
A. Apps	Branch Councillor (Branch membership)	Resigned May 2022
V. Bollen	Branch Councillor (Branch membership)	
S. Funge	Branch Councillor (Branch membership)	
J. Wright	Branch Councillor (Branch membership)	
C. Yarwood	Branch Councillor (Branch membership)	
C. Dufty	Branch Councillor (Retail membership)	
D. Tyrrell	Branch Councillor (Retail membership)	
S. Cahill	Branch Councillor (Branch membership)	
M. Kraaymaat	Branch Councillor (Other industries and vocational groupings membership)	


The Association maintained its rules and reported according to statutory requirements.



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Bernie Smith  
Committee of Management

Dated at Sydney this 16<sup>th</sup> day of August 2022



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Felicity Smithson  
Committee of Management

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W. BRANCH**

**COMMITTEE OF MANAGEMENT STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2022**

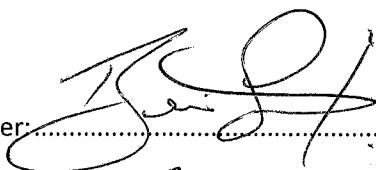
On 16<sup>th</sup> August 2022 the Committee of Management of the Shop, Distributive and Allied Employees' Association N.S.W. Branch passed the following resolution in relation to the general-purpose financial report (GPFR) for the year ended 30 June 2022:

The Committee of Management declares that in its opinion:

- a) The financial statements and notes comply with the Australian Accounting Standards;
- b) The financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);
- c) The financial statements and notes give a true and fair view of the financial performance, financial position, and cash flows of the reporting unit for the financial year to which they relate;
- d) There are reasonable grounds to believe the reporting unit will be able to pay its debts as and when they become due and payable; and
- e) During the financial year to which the GPFR relates and since the end of that year:
  - i) Meetings of the Committee of Management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
  - ii) The financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
  - iii) The financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
  - iv) Where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
  - v) Where information has been sought in any request by a member of the reporting unit or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and
  - vi) Where any orders for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

This declaration is made in accordance with a resolution of the Committee of Management.

Signature of designated officer: .....



Name and title of designated officer: .....

Bernie Smith - Branch Secretary - Treasurer

Dated: .....

16 August 2022

SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W. BRANCH

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2022 \$	2021 \$
<b>Revenue from members</b>	3		
Membership subscription		16,220,770	16,936,509
Other sales of goods or services to members		-	-
<b>Total revenue</b>		<u>16,220,770</u>	<u>16,936,509</u>
<b>Other income</b>			
Net gains from sale of assets	3A	586,814	106,560
Investment income	3B	29,985	52,587
Rental income	3C	1,813,048	1,565,310
Gain on revaluation of investment property	7C	3,651,500	-
Other income	3D	30,743	87,956
<b>Total other income</b>		<u>6,112,090</u>	<u>1,812,413</u>
<b>Total income</b>		<u>22,332,860</u>	<u>18,748,922</u>
<b>Expenses</b>			
Employee expenses	4A	8,683,771	8,570,094
Affiliation fees	4B	2,279,837	2,303,307
Administration expenses	4C	6,722,833	6,902,639
Grants or donations	4D	178,431	24,023
Depreciation	4E	1,037,069	911,748
Finance costs	4F	10,194	17,392
Legal costs	4G	272,473	192,203
Audit fees	14	43,000	42,500
<b>Total expenses</b>		<u>19,227,608</u>	<u>18,963,906</u>
<b>Profit / (loss) for the year</b>		<u>3,105,252</u>	<u>(214,984)</u>
<b>Other comprehensive income</b>			
Items that will not be subsequently reclassified to profit or loss:			
Gain on revaluation of land and buildings		-	5,772,485
<b>Total comprehensive income for the year</b>		<u>3,105,252</u>	<u>5,557,501</u>

The above statement should be read in conjunction with the notes.

SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W. BRANCH

STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2022

	Notes	2022 \$	2021 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	5A	10,847,543	6,656,856
Trade and other receivables	5B	1,572,413	1,576,857
Financial assets	6	4,000,000	8,200,000
Other current assets	5C	1,271,530	1,157,725
<b>Total current assets</b>		<b>17,691,486</b>	<b>17,591,438</b>
<b>Non-current assets</b>			
Land and buildings	7A	16,829,206	17,130,685
Plant and equipment	7B	965,416	1,028,305
Investment property	7C	37,345,000	33,781,625
Right-of-use assets	7D	129,200	193,642
Other non-current assets	7E	8,529	12,385
<b>Total non-current assets</b>		<b>55,277,351</b>	<b>52,146,642</b>
<b>Total assets</b>		<b>72,968,837</b>	<b>69,738,080</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade payables	8A	744,915	742,874
Other payables	8B	178,846	175,437
Lease liabilities	7D	72,544	146,442
Employee provisions	9A	2,769,794	2,587,872
<b>Total current liabilities</b>		<b>3,766,099</b>	<b>3,652,625</b>
<b>Non-current liabilities</b>			
Lease liabilities	7D	60,142	54,007
Employee provisions	9A	44,845	38,949
<b>Total non-current liabilities</b>		<b>104,987</b>	<b>92,956</b>
<b>Total liabilities</b>		<b>3,871,086</b>	<b>3,745,581</b>
<b>Net assets</b>		<b>69,097,751</b>	<b>65,992,499</b>
<b>EQUITY</b>			
General funds	10A	32,049,200	32,060,400
Retained earnings		37,048,551	33,932,099
<b>Total equity</b>		<b>69,097,751</b>	<b>65,992,499</b>

The above statement should be read in conjunction with the notes.

SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W. BRANCH

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2022**

	Notes	General funds \$	Retained earnings \$	Total equity \$
<b>Balance as at 1 July 2020</b>		<b>26,287,915</b>	<b>34,147,083</b>	<b>60,434,998</b>
Adjustment for errors		-	-	-
Adjustment for changes in accounting policies		-	-	-
Loss for the year		-	(214,984)	(214,984)
Other comprehensive income for the year	10A	5,772,485	-	5,772,485
Transfer to/from asset revaluation reserve		-	-	-
Transfer from retained earnings		-	-	-
<b>Closing balance as at 30 June 2021</b>		<b>32,060,400</b>	<b>33,932,099</b>	<b>65,992,499</b>
Adjustment for errors		-	-	-
Adjustment for changes in accounting policies		-	-	-
Profit for the year		-	3,105,252	3,105,252
Other comprehensive income for the year	10A	-	-	-
Transfer to/from asset revaluation reserve		(11,200)	11,200	-
Transfer from retained earnings		-	-	-
<b>Closing balance as at 30 June 2022</b>		<b>32,049,200</b>	<b>37,048,551</b>	<b>69,097,751</b>

The above statement should be read in conjunction with the notes.



SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W. BRANCH

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2022**

	Notes	2022 \$	2021 \$
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Receipts from other reporting units / controlled entity(s)	11B	137,118	66,314
Receipts from members and customers		17,947,485	19,065,668
Interest		21,795	76,448
Other		1,977,601	1,565,310
<b>Cash used</b>			
Employees		(8,382,276)	(8,640,149)
Suppliers		(9,595,933)	(9,150,805)
Short-term lease payments	7D	(80,669)	(20,392)
Variable lease payments not included in the measurement of the lease liability	7D	(6,019)	(8,001)
Interest payments and other finance costs	7D	(10,194)	(17,392)
Payment to other reporting units / controlled entity(s)	11B	(2,060,762)	(2,241,119)
<b>Net cash from (used by) operating activities</b>	11A	<b>(51,854)</b>	<b>695,882</b>
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from sale of plant and equipment		214,120	204,952
Proceeds from sale of land and buildings		1,176,000	-
Proceeds from redemption of financial assets		4,200,000	1,500,000
Other		101,606	316,919
<b>Cash used</b>			
Purchase of plant and equipment		(420,855)	(559,364)
Purchase of land and buildings		(851,337)	-
Purchase of financial assets		-	(2,000,000)
Other		-	-
<b>Net cash from (used by) investing activities</b>		<b>4,419,534</b>	<b>(537,493)</b>
<b>FINANCING ACTIVITIES</b>			
<b>Cash received</b>			
Contributed equity		-	-
Other		-	-
<b>Cash used</b>			
Repayment of lease liabilities	7D	(176,993)	(201,021)
Other		-	-
<b>Net cash from (used by) financing activities</b>		<b>(176,993)</b>	<b>(201,021)</b>
<b>Net increase (decrease) in cash held</b>		<b>4,190,687</b>	<b>(42,632)</b>
Cash and cash equivalents at the beginning of the reporting period		6,656,856	6,699,488
<b>Cash and cash equivalents at the end of the reporting period</b>	5A	<b>10,847,543</b>	<b>6,656,856</b>

The above statement should be read in conjunction with the notes.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W. BRANCH**

**INDEX TO THE NOTES OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

<b>Note 1</b>	Summary of significant accounting policies
<b>Note 2</b>	Events after the reporting period
<b>Note 3</b>	Revenue and income
<b>Note 4</b>	Expenses
<b>Note 5</b>	Current assets
<b>Note 6</b>	Financial assets
<b>Note 7</b>	Non-current assets
<b>Note 8</b>	Current liabilities
<b>Note 9</b>	Employee provisions
<b>Note 10</b>	Equity
<b>Note 11</b>	Cash flow
<b>Note 12</b>	Contingent liabilities, contingent assets, and commitments
<b>Note 13</b>	Related party disclosures
<b>Note 14</b>	Remuneration of auditor
<b>Note 15</b>	Financial risk management
<b>Note 16</b>	Fair value measurements
<b>Note 17</b>	Section 272 <i>Fair Work (Registered Organisations) Act 2009</i>
<b>Note 18</b>	Officers' declaration statement

## SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W. BRANCH

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

#### Note 1: Summary of Significant Accounting Policies

##### 1.1 Basis of preparation of the financial statements

The financial statements are general-purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the *Fair Work (Registered Organisation) Act 2009* (RO Act). For the purpose of preparing the general-purpose financial statements, the Shop, Distributive and Allied Employees' Association N.S.W Branch (the Association) is a not-for-profit entity.

The financial statements, except for cash flow information, have been prepared using the accrual basis of accounting. The financial statements have been prepared on a historical cost basis except for debt and equity financial assets (including derivative financial instruments) that have been measured at fair value either through other comprehensive income or profit or loss, certain classes of property, plant and equipment and investment properties, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

##### 1.2 Comparative amounts

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

##### 1.3 Significant accounting judgements and estimates

The following accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

###### Key judgements

- (i) *Employee benefits*

For the purpose of measurement, AASB 119 *Employee Benefits* defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. As the Association expects that all its employees would use all their annual leave entitlements earned during a reporting period before 12 months after the end of the reporting period, the Committee of Management considers that obligations for annual leave entitlements satisfy the definition for short-term employee benefits, and therefore, can be measured at the (undiscounted) amounts expected to be paid to employees when the obligations are settled.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

**Note 1: Summary of Significant Accounting Policies (cont.)**

(ii) *Lease term and option to extend under AASB 16 Leases*

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also, periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The options that are reasonably going to be exercised are a key management judgement that the entity will make. The entity determines the likeliness to exercise the options on a lease-by-lease basis looking at various factors such as which assets are strategic, and which are key to future strategy of the entity.

(iii) *Impairment of receivables*

In light of information indicating that a tenant is in severe financial hardship, the Committee of Management has assessed that there is no real prospect of the Association recovering all of that debtor's outstanding receivable balance of \$866,631 (2021: \$319,095). Accordingly, the Association has written off \$691,484 of that debtor's balance, which represents the amount that is not secured against a bank guarantee in the Associations favour.

**Key estimates**

(i) *Impairment of land and buildings*

Land and buildings were independently valued at 30 June 2021 by Acumentis (Statutory Services) Pty Ltd. The valuation was based on the fair value less costs of disposal. The critical assumptions adopted in determining the valuation included the location of the land and buildings, sales demand in the area, and recent sales data for similar properties. The valuation resulted in a revaluation increment of \$5,772,485 being recognised for the year end 30 June 2021.

At 30 June 2022, the Committee of Management reviewed the key assumptions made by the valuers at 30 June 2021. They have concluded that these assumptions remain materially unchanged and are satisfied that the carrying amount does not exceed the recoverable amount of land and buildings at 30 June 2022.

(ii) *Impairment of plant and equipment*

The Association assesses impairment of plant and equipment at the end of each reporting period by evaluating the conditions and events specific to the Association that may be indicative of impairment triggers. Recoverable amounts of relevant plant and equipment are reassessed using value-in-use calculations which incorporate various key assumptions. No impairment has been recognised in respect of plant and equipment at the end of the reporting period. As at 30 June 2022, plant and equipment is carried in the statement of financial position at a written down value of \$965,416.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

**Note 1: Summary of Significant Accounting Policies (cont.)**

**1.4 New Australian Accounting Standards**

**Adoption of New Australian Accounting Standard Requirements**

The accounting policies adopted are consistent with those of the previous financial year except for the following amendments to accounting standards and other changes in accounting policy, which have been adopted for the first time this financial year:

- International Financial Reporting Standards Interpretations Committee (IFRS IC) agenda decision on configuration or customisation costs in cloud computing or Software-as-a-Service (SaaS) arrangements

No accounting standard has been adopted earlier than the application date stated in the standard.

**Impact on application of IFRS IC agenda decision on configuration or customisation costs in cloud computing or SaaS arrangements**

In April 2021, the IFRS IC published an agenda decision relating to the accounting for configuration and customisation costs incurred related to a SaaS arrangement. As a result, the Shop, Distributive and Allied Employees' Association N.S.W. Branch has changed its accounting policy in relation to configuration and customisation costs incurred in implementing SaaS arrangements.

The adoption of this IFRS IC Agenda Decision did not have an impact on the amounts the Shop, Distributive and Allied Employees' Association N.S.W. Branch recognised in the prior period and is not expected to significantly affect the current or future periods.

**Future Australian Accounting Standards Requirements**

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to future reporting periods that are expected to have a future financial impact on the Shop, Distributive and Allied Employees' Association N.S.W. Branch include:

**AASB 2020-1 – Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current**

This Standard amends AASB 101 Presentation of Financial Statements to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. This Standard applies to annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted.

The Shop, Distributive and Allied Employees' Association N.S.W. Branch does not expect the adoption of this amendment to have an impact on its financial statements.

## SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W. BRANCH

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

#### Note 1: Summary of Significant Accounting Policies (cont.)

##### 1.5 Current versus non-current classification

The Shop, Distributive and Allied Employees' Association N.S.W. Branch presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Shop, Distributive and Allied Employees' Association N.S.W. Branch classifies all other liabilities as non-current.

##### 1.6 Revenue

The Shop, Distributive and Allied Employees' Association N.S.W. Branch enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, capitation fees, levies, grants, and donations.

The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements.

##### Revenue from contracts with members and customers

Where the Shop, Distributive and Allied Employees' Association N.S.W. Branch has a contract with a member or customer, the Shop, Distributive and Allied Employees' Association N.S.W. Branch recognises revenue when or as it transfers control of goods or services to the member or customer. The Shop, Distributive and Allied Employees' Association N.S.W. Branch accounts for an arrangement as a contract with a member or customer if the following criteria are met:

- the arrangement is enforceable; and
- the arrangement contains promises (that are also known as performance obligations) to transfer goods or services to the member or customer (or to other parties on behalf of the member or customer) that are sufficiently specific so that it can be determined when the performance obligation has been satisfied.

## SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W. BRANCH

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

#### Note 1: Summary of Significant Accounting Policies (cont.)

##### Membership subscriptions

Membership subscriptions are consideration received by the Shop, Distributive and Allied Employees' Association N.S.W. Branch from members in accordance with the rules that enables the entity to further its objectives as set out in the rules. The Shop, Distributive and Allied Employees' Association N.S.W. Branch recognises each of these amounts of consideration as income for the period of membership it represents based on the rights and obligations of members.

For membership subscription arrangements that meet the criteria to be contracts with customers, revenue is recognised when the promised goods or services transfer to the customer as a member of the Shop, Distributive and Allied Employees' Association N.S.W. Branch.

If there is only one distinct membership service promised in the arrangement, the Shop, Distributive and Allied Employees' Association N.S.W. Branch recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect the Shop, Distributive and Allied Employees' Association N.S.W. Branch's promise to stand ready to provide assistance and support to the member as required.

If there is more than one distinct good or service promised in the membership subscription, the Shop, Distributive and Allied Employees' Association N.S.W. Branch allocates the transaction price to each performance obligation based on the relative standalone selling prices of each promised good or service. In performing this allocation, standalone selling prices are estimated if there is no observable evidence of the price that the Shop, Distributive and Allied Employees' Association N.S.W. Branch charges for that good or service in a standalone sale.

When a performance obligation is satisfied, which is either when the member or customer obtains control of the good (for example, books or clothing) or as the service transfers to the member or customer (for example, member services or training course), the Shop, Distributive and Allied Employees' Association N.S.W. Branch recognises revenue at the amount of the transaction price that was allocated to that performance obligation.

For member subscriptions paid annually in advance, the Shop, Distributive and Allied Employees' Association N.S.W. Branch has elected to apply the practical expedient to not adjust the transaction price for the effects of a significant financing component because the period from when the member or customer pays and the good or services will transfer to the member or customer will be one year or less.

When a member subsequently purchases additional goods or services from the Shop, Distributive and Allied Employees' Association N.S.W. Branch at their standalone selling price, the Shop, Distributive and Allied Employees' Association N.S.W. Branch accounts for those sales as a separate contract with a customer.

## SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W. BRANCH

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

#### Note 1: Summary of Significant Accounting Policies (cont.)

##### Capitation fees

Where the Shop, Distributive and Allied Employees' Association N.S.W. Branch's arrangement with a branch or another reporting unit meets the criteria to be a contract with a customer, the Shop, Distributive and Allied Employees' Association N.S.W. Branch recognises the capitation fees promised under that arrangement when or as it transfers services as part of its sufficiently specific promise to the branch/other reporting unit.

In circumstances where the criteria for a contract with a customer are not met, the Shop, Distributive and Allied Employees' Association N.S.W. Branch will recognise capitation fees as income upon receipt (as specified in the income recognition policy below).

##### Levies

Levies paid by a member (or other party) in an arrangement that meets the criteria to be a contract with a customer is recognised as revenue when or as Shop, Distributive and Allied Employees' Association N.S.W. Branch transfers the services as part of its sufficiently specific promise to the branch/other reporting unit.

In circumstances where the criteria for a contract with a customer are not met, the Shop, Distributive and Allied Employees' Association N.S.W. Branch will recognise levies as income upon receipt (as specified in the income recognition policy below).

##### Gains from sale of assets

An item of property, plant and equipment is derecognised upon disposal (which is at the date the recipient control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

##### Interest income

Interest revenue is recognised on an accrual basis using the effective interest method.

##### Rental income

Leases in which the Shop, Distributive and Allied Employees' Association N.S.W. Branch is a lessor and does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising from operating leases is accounted for on a straight-line basis over the relevant lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.



## SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W. BRANCH

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

#### Note 1: Summary of Significant Accounting Policies (cont.)

##### 1.7 Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required, and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in AASB 119 Employee Benefits) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the reporting unit in respect of services provided by employees up to reporting date.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Provision is made for separation and redundancy benefit payments. The Shop, Distributive and Allied Employees' Association N.S.W. Branch recognises a provision for termination as part of a broader restructuring when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. A provision for voluntary termination is recognised when the employee has accepted the offer of termination.

##### 1.8 Leases

The Shop, Distributive and Allied Employees' Association N.S.W. Branch assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

###### **Shop, Distributive and Allied Employees' Association N.S.W. Branch as a lessee**

The Shop, Distributive and Allied Employees' Association N.S.W. Branch applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Shop, Distributive and Allied Employees' Association N.S.W. Branch recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

###### **Right-of-use assets**

The Shop, Distributive and Allied Employees' Association N.S.W. Branch recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

## SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W. BRANCH

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

#### Note 1: Summary of Significant Accounting Policies (cont.)

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

	2022	2021
Land and buildings	40 years	40 years
Plant and equipment	3 to 40 years	3 to 40 years

#### Lease liabilities

At the commencement date of the lease, the Shop, Distributive and Allied Employees' Association N.S.W. Branch recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Shop, Distributive and Allied Employees' Association N.S.W. Branch and payments of penalties for terminating the lease, if the lease term reflects the Shop, Distributive and Allied Employees' Association N.S.W. Branch exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Shop, Distributive and Allied Employees' Association N.S.W. Branch uses the incremental borrowing rate if the implicit lease rate is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

#### Short-term leases and leases of low-value assets

The Shop, Distributive and Allied Employees' Association N.S.W. Branch's short-term leases are those that have a lease term of 12 months or less from the commencement. It also applies the lease of low-value assets recognition exemption to leases of plant and equipment that are below \$10,000. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

#### 1.9 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents include cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

## SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W. BRANCH

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

#### Note 1: Summary of Significant Accounting Policies (cont.)

##### 1.10 Financial instruments

Financial assets and financial liabilities are recognised when the Shop, Distributive and Allied Employees' Association N.S.W. Branch becomes a party to the contractual provisions of the instrument.

##### 1.11 Financial assets

###### Contract assets and receivables

A contract asset is recognised when the Shop, Distributive and Allied Employees' Association N.S.W. Branch's right to consideration in exchange goods or services that has transferred to the member or customer when that right is conditioned on the Shop, Distributive and Allied Employees' Association N.S.W. Branch's future performance or some other condition.

A receivable is recognised if an amount of consideration that is unconditional is due from the member or customer (i.e. only the passage of time is required before payment of the consideration is due).

Contract assets and receivables are subject to impairment assessment. Refer to accounting policies on impairment of financial assets below.

###### Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Shop, Distributive and Allied Employees' Association N.S.W. Branch's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Shop, Distributive and Allied Employees' Association N.S.W. Branch initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Shop, Distributive and Allied Employees' Association N.S.W. Branch's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e. the date that the Shop, Distributive and Allied Employees' Association N.S.W. Branch commits to purchase or sell the asset.

## SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W. BRANCH

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

#### Note 1: Summary of Significant Accounting Policies (cont.)

##### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in five categories:

- (Other) financial assets at amortised cost
- (Other) financial assets at fair value through other comprehensive income
- Investments in equity instruments designated at fair value through other comprehensive income
- (Other) financial assets at fair value through profit or loss
- (Other) financial assets designated at fair value through profit or loss

##### Financial assets at amortised cost

The Shop, Distributive and Allied Employees' Association N.S.W. Branch measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified, or impaired.

The Shop, Distributive and Allied Employees' Association N.S.W. Branch's financial assets at amortised cost includes trade receivables, short-term and medium-term deposits with financial institutions.

##### Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or
- The Shop, Distributive and Allied Employees' Association N.S.W. Branch has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
  - a) the Shop, Distributive and Allied Employees' Association N.S.W. Branch has transferred substantially all the risks and rewards of the asset; or
  - b) the Shop, Distributive and Allied Employees' Association N.S.W. Branch has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

## SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W. BRANCH

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

#### Note 1: Summary of Significant Accounting Policies (cont.)

When the Shop, Distributive and Allied Employees' Association N.S.W. Branch has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Shop, Distributive and Allied Employees' Association N.S.W. Branch continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

#### **Offsetting**

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### **Impairment**

##### **(i) Trade receivables**

For trade receivables that do not have a significant financing component, the Shop, Distributive and Allied Employees' Association N.S.W. Branch applies a simplified approach in calculating expected credit losses (ECLs) which requires lifetime expected credit losses to be recognised from initial recognition of the receivables.

Therefore, the Shop, Distributive and Allied Employees' Association N.S.W. Branch does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Shop, Distributive and Allied Employees' Association N.S.W. Branch has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

#### **Debt instruments other than trade receivables**

For all debt instruments other than trade receivables and debt instruments not held at fair value through profit or loss, the Shop, Distributive and Allied Employees' Association N.S.W. Branch recognises an allowance for expected credit losses using the general approach. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Shop, Distributive and Allied Employees' Association N.S.W. Branch expects to receive, discounted at an approximation of the original effective interest rate.

## SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W. BRANCH

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

#### Note 1: Summary of Significant Accounting Policies (cont.)

ECLs are recognised in two stages:

- Where there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses from possible default events within the next 12-months (a 12-month ECL).
- Where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the debt, irrespective of the timing of the default (a lifetime ECL).

The Shop, Distributive and Allied Employees' Association N.S.W. Branch considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Shop, Distributive and Allied Employees' Association N.S.W. Branch may also consider a financial asset to be in default when internal or external information indicates that the Shop, Distributive and Allied Employees' Association N.S.W. Branch is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

#### 1.12 Financial liabilities

##### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at amortised cost or at fair value through profit or loss. All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The Shop, Distributive and Allied Employees' Association N.S.W. Branch's financial liabilities include trade and other payables.

##### Subsequent measurement

###### *Financial liabilities at amortised cost*

After initial recognition, trade payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

##### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

## SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W. BRANCH

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

#### Note 1: Summary of Significant Accounting Policies (cont.)

##### 1.13 Liabilities relating to contracts with member or customers

###### **Contract liabilities**

A contract liability is recognised if a payment is received, or a payment is due (whichever is earlier) from a member or customer before the Shop, Distributive and Allied Employees' Association N.S.W. Branch transfers the related goods or services. Contract liabilities include deferred income. Contract liabilities are recognised as revenue when the Shop, Distributive and Allied Employees' Association N.S.W. Branch performs under the contract (i.e. transfers control of the related goods or services to the member or customer).

###### **Refund liabilities**

A refund liability is recognised for the obligation to refund some, or all of the consideration received (or receivable) from a member or a customer. The Shop, Distributive and Allied Employees' Association N.S.W. Branch's refund liabilities arise from a member's right to be reimbursed their fee or a customer's right of return. The liability is measured at the amount the Shop, Distributive and Allied Employees' Association N.S.W. Branch ultimately expects it will have to return to the member or customer. The Shop, Distributive and Allied Employees' Association N.S.W. Branch updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

##### 1.14 Contingent liabilities and contingent assets

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

##### 1.15 Land, buildings, plant, and equipment

###### ***Asset recognition threshold***

Purchases of land, buildings, plant, and equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

###### ***Revaluations—land and buildings***

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

**Note 1: Summary of Significant Accounting Policies (cont.)**

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

***Depreciation***

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight-line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2022	2021
Land and buildings	40 years	40 years
Plant and equipment	1 to 40 years	1 to 40 years

***Derecognition***

An item of land, buildings, plant, and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

**1.16 Investment property**

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit and loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

**Note 1: Summary of Significant Accounting Policies (cont.)**

**1.17 Impairment for non-financial assets**

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated, and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Shop, Distributive and Allied Employees' Association N.S.W. Branch were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

In other cases, for the purposes of determining recoverable amount, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

**1.18 Non-current assets held for sale**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable, and the non-current asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs of disposal.

**1.19 Taxation**

Shop, Distributive and Allied Employees' Association N.S.W. Branch is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses, and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

## SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W. BRANCH

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

#### Note 1: Summary of Significant Accounting Policies (cont.)

##### 1.20 Fair value measurement

The Shop, Distributive and Allied Employees' Association N.S.W. Branch measures financial instruments, such as financial assets as at fair value through the profit and loss, financial assets at fair value through OCI, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 16A.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Shop, Distributive and Allied Employees' N.S.W. Branch. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Shop, Distributive and Allied Employees' Association N.S.W. Branch uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Shop, Distributive and Allied Employees' Association N.S.W. Branch determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

## SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W. BRANCH

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

#### Note 1: Summary of Significant Accounting Policies (cont.)

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the Shop, Distributive and Allied Employees' Association N.S.W. Branch has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

#### 1.21 Intangibles

Software-as-a-Service (SaaS) arrangements

SaaS arrangements are service contracts providing the Shop, Distributive and Allied Employees' Association N.S.W. Branch with the right to access the cloud provider's application software over the contract period. Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud provider's application software, are recognised as operating expenses when the services are received.

Where costs are incurred for the development of software code that enhances or modifies, or creates additional capability to, existing on-premises systems and meets the definition and recognition criteria for an intangible asset, a software asset is recognised. Software assets are amortised over the useful life of the software on a straight-line basis. The useful lives of these assets are reviewed at least at the end of each financial year, and any change accounted for prospectively as a change in accounting estimate.

#### 1.22 Going concern

Shop, Distributive and Allied Employees' Association N.S.W. Branch is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis.

Shop, Distributive and Allied Employees' Association N.S.W. Branch has not agreed to provide financial support to another reporting unit to ensure they can continue on a going concern basis.

#### Note 2: Events after the reporting period

There has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Shop, Distributive and Allied Employees' Association N.S.W. Branch the results of those operations, or the state of affairs of the Shop, Distributive and Allied Employees' Association N.S.W. Branch in subsequent financial periods.

## SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W. BRANCH

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

#### Note 3: Revenue and Income

A disaggregation of the Shop, Distributive and Allied Employees' Association N.S.W. Branch's revenue by type of arrangements is provided on the face of the statement of profit or loss and other comprehensive income. The table below also sets out a disaggregation of revenue by type of customer.

	2022	2021
	\$	\$
<b>Type of revenue source</b>		
Members	16,220,770	16,936,509
Other reporting units	-	-
Government	-	-
Other parties	-	-
<b>Total revenue from contracts with members or customers</b>	<b>16,220,770</b>	<b>16,936,509</b>

#### Note 3A: Net gains from sale of assets

Land and buildings	443,756	-
Plant and equipment	143,058	106,560
Other	-	-
<b>Total net gain from sale of assets</b>	<b>586,814</b>	<b>106,560</b>

#### Note 3B: Investment income

Interest:		
Deposits	29,985	52,587
Loans	-	-
<b>Total investment income</b>	<b>29,985</b>	<b>52,587</b>

#### Note 3C: Rental income

Properties:		
Investment properties	1,969,747	1,950,912
Other	7,854	7,745
Lease incentive	(164,553)	(393,347)
Other	-	-
<b>Total rental income</b>	<b>1,813,048</b>	<b>1,565,310</b>

#### Note 3D: Other income

Cash flow boost payment	-	50,000
Sundry income	30,743	37,956
<b>Total other income</b>	<b>30,743</b>	<b>87,956</b>

SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W. BRANCH

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022

2022                      2021  
\$                              \$

**Note 4: Expenses**

**Note 4A: Employee expenses**

**Holders of office:**

Wages and salaries	273,097	268,088
Superannuation	57,808	45,654
Leave and other entitlements	27,254	23,206
Separation and redundancies	-	-
Other employee expenses	23,372	24,372
<b>Subtotal employee expenses - holders of office</b>	<b>381,531</b>	<b>361,320</b>

**Employees other than office holders:**

Wages and salaries	6,092,881	6,145,154
Superannuation	741,577	683,427
Leave and other entitlements	823,039	718,739
Separation and redundancies	-	-
Other employee expenses	644,743	661,454
<b>Subtotal employee expenses - employees other than office holders</b>	<b>8,302,240</b>	<b>8,208,774</b>
<b>Total employee expenses</b>	<b>8,683,771</b>	<b>8,570,094</b>

**Note 4B: Affiliation fees**

SDA National Office	1,543,393	1,564,076
SDA National Office – International Fund	231,509	234,611
ALP NSW	277,500	280,023
ALP ACT	9,567	8,628
Labor Council NSW	210,694	208,824
Labor Council ACT	4,000	4,000
Labor Council South Coast	3,174	3,145
<b>Total affiliation fees</b>	<b>2,279,837</b>	<b>2,303,307</b>

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W. BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

	2022	2021
	\$	\$
<b>Note 4C: Administration expenses</b>		
Total paid to employers for payroll deductions of membership subscriptions	92,411	205,014
Campaign levies - ACTU IR and others	69,285	88,493
Fees/allowances - meeting and conferences	33,322	40,064
Conference and meeting expenses	238,688	159,939
Accommodation and travel	307,275	328,096
Contractors and consultants	333,554	369,283
Impairment loss expense	133,388	171,044
Membership propagation expense	656,086	767,676
Journal costs	351,553	515,679
Textbook, scholarships and teap payments	105,027	146,662
Occupancy expenses	1,366,780	1,392,336
Printing, postage, and stationery	199,744	205,931
Telephone	324,094	172,260
Insurance	851,924	888,314
Motor vehicle expenses	405,753	479,313
Other	1,167,261	944,141
<b>Subtotal administration expense</b>	<b>6,636,145</b>	<b>6,874,245</b>
Operating lease rentals:		
Short term, low value, and variable lease payments	86,688	28,394
<b>Total administration expenses</b>	<b>6,722,833</b>	<b>6,902,639</b>
<b>Note 4D: Grants or donations</b>		
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	3,727	1,760
Total paid that exceeded \$1,000	174,704	22,263
<b>Total grants or donations</b>	<b>178,431</b>	<b>24,023</b>
<b>Note 4E: Depreciation</b>		
Land and buildings	486,947	374,491
Property, plant, and Equipment	550,122	537,257
<b>Total depreciation</b>	<b>1,037,069</b>	<b>911,748</b>

SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W. BRANCH

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

	2022	2021
	\$	\$
<b>Note 4F: Finance costs</b>		
Overdrafts / loans	-	-
Interest on lease liabilities	10,194	17,392
<b>Total finance costs</b>	<u>10,194</u>	<u>17,392</u>

<b>Note 4G: Legal costs</b>		
Litigation	27,349	15,594
Other legal matters	245,124	176,609
<b>Total legal costs</b>	<u>272,473</u>	<u>192,203</u>

**Note 5: Current Assets**

<b>Note 5A: Cash and cash equivalents</b>		
Cash on hand	1,650	1,650
Cash at bank	2,845,893	3,655,206
Short term deposits	8,000,000	3,000,000
<b>Total cash and cash equivalents</b>	<u>10,847,543</u>	<u>6,656,856</u>

**Note 5B: Trade and other receivables**

Trade receivables	1,379,725	1,595,183
Less allowance for expected credit loss	(28,962)	(185,661)
	<u>1,350,763</u>	<u>1,409,522</u>
GST receivable	32,832	6,612
Accrued interest income	10,696	2,506
Other sundry receivables	178,122	158,217
	<u>221,650</u>	<u>167,335</u>
<b>Total Trade and other receivables</b>	<u>1,572,413</u>	<u>1,576,857</u>

The movement in the allowance for expected credit losses of trade and other receivables is as follows:

Opening loss allowance as at 1 July	185,661	14,617
Loss allowance recognised during the year	162,396	171,044
Write-off	(319,095)	-
<b>Closing loss allowance as at 30 June</b>	<u>28,962</u>	<u>185,661</u>

## SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W. BRANCH

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

#### Note 5B: Trade and other receivables (cont.)

The Shop, Distributive and Allied Employees' Association N.S.W. Branch applies the simplified approach to providing for expected credit losses as prescribed by AASB 9, which permits the use of lifetime expected loss provision for all trade receivables. To measure expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The loss allowance provision as at 30 June 2022 is determined below. These expected credit losses also incorporate forward looking information.

2022	Current	> 30 days past due	> 60 days past due	> 90 days past due	Total
Expected loss rate	1%	5%	10%	25%	
Gross carrying amount	1,257,706	53,128	23,128	45,763	1,379,725
Loss allowance provision	(12,552)	(2,656)	(2,313)	(11,441)	(28,962)

2021	Current	> 30 days past due	> 60 days past due	> 90 days past due	Total
Expected loss rate	1%	5%	10.1%*	100%	
Gross carrying amount	1,324,536	53,128	53,128	164,391	1,595,183
Loss allowance provision	(13,245)	(2,656)	(5,369)	(164,391)	(185,661)

\*An additional provision was made in respect to a specific debtor for the year ended 30 June 2021.

#### Credit risk

The Shop, Distributive and Allied Employees' Association N.S.W. Branch has no significant concentration of credit risk with respect to any single counterparty or group of counterparties other than those receivables specifically provided for and mentioned within Note 5B. The main sources of credit to the Association are considered to relate to the classes of assets described as "trade and other receivables".

The Shop, Distributive and Allied Employees' Association N.S.W. Branch always measures the loss allowance for trade receivable at an amount equal to lifetime expected credit loss. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position. Adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtor operates and an assessment of both the current and forecast directions of conditions at the reporting date.

There has been no change in estimation techniques or significant assumptions made during the current reporting period.

The Shop, Distributive and Allied Employees' Association N.S.W. Branch writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery (e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are two years past due, whichever occurs earlier).

#### Collateral

No collateral is held over trade and other receivables.



SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W. BRANCH

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	\$	\$

**Note 5B: Trade and other receivables (cont.)**

**Financial assets measured at amortised cost**

Trade receivables	1,350,763	1,409,522
Other receivables	221,650	167,335
	<u>1,572,413</u>	<u>1,576,857</u>

**Contract balances**

The Shop, distributive and Allied Employees' Association N.S.W. Branch has recognised the following assets related to contracts with members:

Receivables:		
Current receivables	1,190,082	1,263,033
Non-current receivables	-	-
	<u>1,190,082</u>	<u>1,263,033</u>

**Note 5C: Other current assets**

Prepayments	1,271,530	1,157,725
Other	-	-
<b>Total other current assets</b>	<u>1,271,530</u>	<u>1,157,725</u>

SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W. BRANCH

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	\$	\$

**Note 6: Financial Assets**

Financial assets at amortised cost

Current

Term deposits

4,000,000	8,200,000
-----------	-----------

Other

-	-
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**Total financial assets at amortised cost**

<u>4,000,000</u>	<u>8,200,000</u>
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Term deposits have stated interest rates of 0.34% to 2.18% (2021: 0.21% to 0.24%) and mature in 90 to 273 days.

During the year ended 30 June 2022, the Association received interest income of \$29,620 (2021: \$51,760) in respect of financial assets at amortised cost.

**Impairment of financial assets**

To assess the impairment of term-deposits, the Association has considered the AA credit rating of these investments. In light of that rating, the loss allowance is measured at an amount equal to 12-month expected credit losses.

In determining the expected credit losses for these assets, the Committee of Management have taken into account the historical default experience, the financial position of the counterparties, the future prospects of the industries, financial analyst reports and various external sources of actual and forecast economic information, as appropriate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as expected loss upon default in each case.

The Association's exposure to credit and interest rate risk is disclosed in note 15.

SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W. BRANCH

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022

2022                      2021  
\$                              \$

**Note 7: Non-current Assets**

**Note 7A: Land and buildings**

Land and buildings:

Fair value	<b>17,244,337</b>	17,149,600
Accumulated depreciation	<b>(415,131)</b>	(18,915)
<b>Total land and buildings</b>	<b>16,829,206</b>	17,130,685

***Reconciliation of opening and closing balances of land and buildings***

<b>As at 1 July</b>		
Gross book value	<b>17,149,600</b>	12,237,800
Accumulated depreciation and impairment	<b>(18,915)</b>	(573,655)
<b>Net book value 1 July</b>	<b>17,130,685</b>	11,664,145
Additions:		
By purchase	<b>851,337</b>	-
From acquisitions of entities (including restructuring)	-	-
Revaluations	-	4,911,800
Impairments	-	-
Depreciation expense	<b>(420,573)</b>	(305,945)
Other movement:		
Reversal of accumulated depreciation due to revaluation	<b>24,357</b>	860,685
Disposals:		
From disposal of entities (including restructuring)	-	-
Other	<b>(756,600)</b>	-
<b>Net book value 30 June</b>	<b>16,829,206</b>	17,130,685
<b>Net book value as of 30 June represented by:</b>		
Gross book value	<b>17,244,337</b>	17,149,600
Accumulated depreciation and impairment	<b>(415,131)</b>	(18,915)
<b>Net book value 30 June</b>	<b>16,829,206</b>	17,130,685

The fair value of land and buildings is included within level 2.

The revalued land and buildings consist of commercial properties and carparking spaces held within New South Wales and the Australian Capital Territory. Management determined that these constitute one class of asset under AASB 13, based on the nature, characteristics, and risks of the properties.

Fair value of the properties was determined by using direct comparison on a rate per square metre of lettable area supported by the capitalisation of net income method. This means that it utilises sales that have been analysed on a rate /m<sup>2</sup> of strata area basis and compares the equivalent rates to the subject to establish the property's current market value.

SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W. BRANCH

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022

2022                      2021  
\$                              \$

**Note 7A: Land and buildings (cont.)**

As at the date of revaluation, 30 June 2022, the properties' fair values are based on valuations performed by Mark Willers of Acumentis (Statutory Services) Pty Ltd, who is an accredited independent valuer with recognised professional qualifications with the Australian Property Institute and who has recent experience in the location and category of the properties being valued.

A significant increase / (decrease) in estimated price per square metre in isolation would result in a significantly higher / (lower) fair value.

**Note 7B: Plant and equipment**

Plant and equipment:

At cost	3,925,547	3,827,488
Accumulated depreciation	(2,960,131)	(2,799,183)
<b>Total Plant and equipment</b>	<b>965,416</b>	<b>1,028,305</b>

***Reconciliation of opening and closing balances of plant and equipment***

<b>As at 1 July</b>		
Gross book value	3,827,488	3,892,662
Accumulated depreciation and impairment	(2,799,183)	(2,929,385)
<b>Net book value 1 July</b>	<b>1,028,305</b>	<b>963,277</b>
Additions:		
By purchase	450,998	575,245
From acquisitions of entities (including restructuring)	-	-
Impairments	-	-
Depreciation expense	(442,824)	(405,040)
Other movement:		
Reversal of accumulated depreciation due to disposal	281,876	535,242
Disposals:		
From disposal of entities (including restructuring)	-	-
Other	(352,939)	(640,419)
<b>Net book value 30 June</b>	<b>965,416</b>	<b>1,028,305</b>
<b>Net book value as of 30 June represented by:</b>		
Gross book value	3,925,547	3,827,488
Accumulated depreciation and impairment	(2,960,131)	(2,799,183)
<b>Net book value 30 June</b>	<b>965,416</b>	<b>1,028,305</b>

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W. BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

	2022	2021
	\$	\$
<b>Note 7C: Investment property</b>		
<b>Property</b>		
Opening balance as at 1 July	33,693,500	33,693,500
Additions	-	-
Gain / (loss) from fair value adjustment	3,651,500	-
Closing balance as at 30 June	<u>37,345,000</u>	<u>33,693,500</u>
<b>Lease incentive</b>		
Opening balance as at 1 July	88,125	5,211,325
Additions	-	-
Disposals	-	(5,078,001)
Less accumulated amortisation of lease incentive	(88,125)	(45,199)
Closing balance as at 30 June	<u>-</u>	<u>88,125</u>
<b>Total investment property</b>	<u><b>37,345,000</b></u>	<u><b>33,781,625</b></u>

Property valuations were performed by Mark Willers of Charter Keck Cramer, an accredited independent valuer with a recognised and relevant professional qualification and with recent experience in the location and category of the investment property being valued.

The fair value of completed investment property has been determined on a market value basis in accordance with International Valuation Standards (IVS), as set out by the International Valuation Standards Council (IVSC). In arriving at their estimates of market values, the valuers have used their market knowledge and professional judgement and has not only relied on historical transactional comparables.

The highest and best use of the investment properties is not considered to be different from its current use.

Rental income earned and received from the investment properties during the year was \$1,969,747 (2021: \$1,950,912).

Direct expenses incurred in relation to the investment properties that generated rental income during the year was \$844,220 (2021: \$809,406). During the year and as at the year-end, no restrictions on the realisability of investment property or the remittance of income and proceeds of disposal were present. The Shop, Distributive and Allied Employees' Association N.S.W. Branch does not have any contractual obligations to purchase, construct or develop investment property or for repairs, maintenance, or enhancements.

Fair value of investment properties is determined by Mark Willers of Charter Keck Cramer using recognised valuation techniques. These techniques include using direct comparison on a rate per square metre of lettable area supported by the capitalisation of net income method. This means that it utilises sales that have been analysed on a rate /m<sup>2</sup> of strata area basis and compares the equivalent rates to the subject to establish the property's current market value.

The fair value of the investment property is included within level 2.

A significant increase / (decrease) in estimated price per square metre in isolation would result in a significantly higher / (lower) fair value.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W. BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

**Note 7D: Leases**

**The Shop, Distributive and Allied Employees' Association N.S.W. Branch as a lessee**

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	<b>Land and buildings</b>	<b>Plant and equipment</b>	<b>Total</b>
	\$	\$	\$
<b>As at 1 July 2020</b>	<b>62,495</b>	<b>239,515</b>	<b>302,010</b>
Additions	92,395	-	92,395
Depreciation expense	(68,546)	(132,217)	(200,763)
Impairment	-	-	-
Disposal	-	-	-
<b>As at 30 June 2021</b>	<b>86,344</b>	<b>107,298</b>	<b>193,642</b>
Additions	109,230	-	109,230
Depreciation expense	(66,374)	(107,298)	(173,672)
Impairment	-	-	-
Disposal	-	-	-
<b>As at 30 June 2022</b>	<b>129,200</b>	<b>-</b>	<b>129,200</b>

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

	<b>2022</b>	<b>2021</b>
	\$	\$
<b>As at 1 July</b>	<b>200,449</b>	<b>309,898</b>
Additions	<b>109,230</b>	92,395
Accretion of interest	<b>10,194</b>	17,392
Payments	<b>(187,187)</b>	(219,236)
<b>As at 30 June</b>	<b>132,686</b>	200,449
Current	<b>72,544</b>	146,442
Non-current	<b>60,142</b>	54,007

The maturity analysis of lease liabilities is disclosed in note 15.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W. BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

2022                      2021  
\$                              \$

**Note 7D: Leases (cont.)**

The following are the amounts recognised in profit or loss:

Depreciation expense of right-of-use assets	<b>173,672</b>	200,763
Interest expense on lease liabilities	<b>10,194</b>	17,392
Expense relating to short-term leases	<b>80,669</b>	20,392
Expenses relating to lease of low-value assets (included in administrative expenses)	-	-
Variable lease payments	<b>6,019</b>	8,001
Total amount recognised in profit or loss	<b>270,554</b>	246,548

The following provides information on the Shop, Distributive and Allied Employees' Association N.S.W. Branch's variable lease payments, including the magnitude in relation to fixed payments:

	Fixed Payments	Variable Payments	Total
	\$	\$	\$
<b>2022</b>			
Fixed rent	187,187	6,019	193,206
Variable rent with minimum payment	-	-	-
Variable rent only	-	-	-
	<b>187,187</b>	<b>6,019</b>	<b>193,206</b>
<b>2021</b>			
Fixed rent	219,236	8,001	227,237
Variable rent with minimum payment	-	-	-
Variable rent only	-	-	-
	<b>219,236</b>	<b>8,001</b>	<b>227,237</b>

The option to extend or terminate are contained in several of the property leases of the Shop, Distributive and Allied Employees' Association N.S.W. Branch. There were no extension options for plant and equipment leases. These clauses provide the Shop, Distributive and Allied Employees' Association N.S.W. Branch opportunities to manage leases to align with its strategies. All of the extension or termination options are only exercisable by Shop, Distributive and Allied Employees' Association N.S.W. Branch. The extension options or termination options which were probable to be exercised have been included in the calculation of the right-of-use asset.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W. BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

	2022	2021
	\$	\$

**Note 7D: Leases (cont.)**

**The Shop, Distributive and Allied Employees' Association N.S.W. Branch as a lessor**

**Operating lease commitments – as lessor**

Operating leases, in which the Shop, Distributive and Allied Employees' Association N.S.W. Branch is the lessor, relate to investment property owned by the Shop, Distributive and Allied Employees' Association N.S.W. Branch with lease terms between 5 to 10 years, with extension options of 3 years and 5 years. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

**Risk management for rights retained in the underlying assets**

The unguaranteed residual values do not represent a significant risk for the Shop, Distributive and Allied Employees' Association N.S.W. Branch, as they relate to property which is based in a location with a constant increase in value over the last three years. The Shop, Distributive and Allied Employees' Association N.S.W. Branch did not identify any indications that this situation will change.

Future minimum rentals receivable under non-cancellable operating leases as at 30 June are:

Within one year	2,410,945	2,305,097
After one year but not more than five years	8,421,681	9,494,790
More than five years	7,483,713	9,493,956
	<u>18,316,339</u>	<u>21,293,843</u>

The following table presents amounts reported in profit or loss:

Lease income on operating leases	<u>1,813,048</u>	<u>1,565,310</u>
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Therein lease income relating to variable lease payments  
that do not depend on an index or rate



**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W. BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

	2022	2021
	\$	\$
<b>Note 7E: Other non-current assets</b>		
Prepayments	8,529	12,385
Other	-	-
<b>Total other non-current assets</b>	<u>8,529</u>	<u>12,385</u>

**Note 8: Current Liabilities**

**Note 8A: Trade payables**

Trade creditors and accruals	744,915	742,874
<b>Total trade payables</b>	<u>744,915</u>	<u>742,874</u>

Settlement is usually made within 30 days.

**Note 8B: Other payables**

Income in advance - rent	153,815	150,405
GST payable	-	-
Other	25,031	25,032
<b>Total other payables</b>	<u>178,846</u>	<u>175,437</u>

Total other payables are expected to be settled in:

No more than 12 months	178,846	175,437
More than 12 months	-	-
<b>Total other payables</b>	<u>178,846</u>	<u>175,437</u>

**Note 8C: Financial liabilities at amortised cost**

The following financial liabilities are measured at amortised cost:

Trade payables	744,915	742,874
Other payables	178,846	175,437
	<u>923,761</u>	<u>918,311</u>

SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W. BRANCH

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022

2022                      2021  
\$                              \$

**Note 9: Employee Provisions**

**Note 9A: Employee provisions**

**Office holders:**

Annual leave	82,229	60,397
Long service leave	160,565	149,622
Separations and redundancies	-	-
Other	-	-
<b>Subtotal employee provisions – office holders</b>	<b>242,794</b>	<b>210,019</b>

**Employees other than office holders:**

Annual leave	1,017,996	910,112
Long service leave	1,553,849	1,506,690
Separations and redundancies	-	-
Other	-	-
<b>Subtotal employee provisions – employees other than office holders</b>	<b>2,571,845</b>	<b>2,416,802</b>

**Total employee provisions**

**2,814,639      2,626,821**

Current

2,769,794      2,587,872

Non-current

44,845              38,949

**Total employee provisions**

**2,814,639      2,626,821**

**Note 10: Equity**

**Note 10A: General funds**

**Asset revaluation reserve**

Balance at start of the year:	32,060,400	26,287,915
Transfers to reserve	-	5,772,485
Transfers out of reserve	(11,200)	-
Balance as at end of year	32,049,200	32,060,400
<b>Total reserves</b>	<b>32,049,200</b>	<b>32,060,400</b>

SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W. BRANCH

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

2022                      2021  
\$                              \$

**Note 11: Cash Flow**

**Note 11A: Cash flow reconciliation**

**Reconciliation of cash and cash equivalents as per balance sheet to cash flow statement:**

**Cash and cash equivalents as per:**

Cash flow statement	<b>10,847,543</b>	6,656,856
Balance sheet	<b>10,847,543</b>	6,656,856
<i>Difference</i>	-	-

**Reconciliation of profit / (loss) to net cash from operating activities:**

Profit/(loss) for the year	<b>3,105,252</b>	(214,984)
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**Adjustment for non-cash items:**

Depreciation	<b>1,037,069</b>	911,749
Net write-down of non-financial assets	-	-
Gain on revaluation of investment properties	<b>(3,651,500)</b>	-
Non-cash income	<b>(43,624)</b>	(9,919)
Gain on disposal of assets	<b>(586,814)</b>	(106,560)

**Changes in assets/liabilities:**

(Increase)/decrease in net receivables	<b>4,445</b>	50,770
(Increase)/decrease in prepayments	<b>(109,949)</b>	214,311
Increase/(decrease) in supplier payables	<b>5,450</b>	(79,430)
Increase/(decrease) in other payables	-	-
Increase/(decrease) in employee provisions	<b>187,817</b>	(70,055)
Increase/(decrease) in other provisions	-	-
<b>Net cash from (used by) operating activities</b>	<b>(51,854)</b>	695,882

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W. BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

	2022 \$	2021 \$
<b>Note 11B: Cash flow information</b>		
<b>Cash inflows from other reporting units:</b>		
Shop, Distributive and Allied Employees' Association – National Office	17,892	4,084
Shop, Distributive and Allied Employees' Association – Newcastle and Northern Branch	118,322	14,096
Shop, Distributive and Allied Employees' Association – Queensland Branch	536	2,534
Shop, Distributive and Allied Employees' Association – South Australian Branch	-	-
Shop, Distributive and Allied Employees' Association – Tasmanian Branch	-	2,614
Shop, Distributive and Allied Employees' Association – Victorian Branch	368	42,986
Shop, Distributive and Allied Employees' Association – Western Australian Branch	-	-
	<u>137,118</u>	<u>66,314</u>
<b>Cash outflows to other reporting units:</b>		
Shop, Distributive and Allied Employees' Association – National Office	2,018,314	2,145,171
Shop, Distributive and Allied Employees' Association – Newcastle and Northern Branch	14,149	39,075
Shop, Distributive and Allied Employees' Association – Northern Territory Branch	3,243	3,140
Shop, Distributive and Allied Employees' Association – Queensland Branch	1,686	1,217
Shop, Distributive and Allied Employees' Association – South Australian Branch	11,275	11,469
Shop, Distributive and Allied Employees' Association – Tasmanian Branch	-	28,422
Shop, Distributive and Allied Employees' Association – Victorian Branch	4,818	4,124
Shop, Distributive and Allied Employees' Association – Western Australian Branch	7,277	8,501
	<u>2,060,762</u>	<u>2,241,119</u>

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W. BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

**Note 11C: Changes in liabilities arising from financing activities**

	1 July 2021	Cash flows	Non-cash changes			30 June 2022
			Acquisition	Foreign exchange movements	Fair value changes	
Lease liabilities	200,449	(176,993)	109,230	-	-	132,686
<b>Total</b>	<b>200,449</b>	<b>(176,993)</b>	<b>109,230</b>	<b>-</b>	<b>-</b>	<b>132,686</b>

2022  
\$                      2021  
\$

**Note 12: Contingent Liabilities, Assets and Commitments**

**12A: Lease commitments**

Short-term	172,155	41,862
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**12B: Capital commitments**

The Shop, Distributive and Allied Employees' Association N.S.W. Branch has entered into a rental agreement with Quadient Finance Australia for the use and ongoing maintenance of a Folder Insert Machine for a monthly fixed rental charge of \$691 plus GST. This agreement is for a five-year period and is not yet in force.

The Shop, Distributive and Allied Employees' Association N.S.W. Branch is not aware of any other capital commitments.

**12C: Other contingent assets or liabilities**

The Shop, Distributive and Allied Employees' Association N.S.W. Branch is not aware of any contingent assets or liabilities.

SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W. BRANCH

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022

2022                      2021  
\$                              \$

**Note 13: Related Party Disclosures**

**Note 13A: Related party transactions for the reporting period**

The following table provides the total amount of transactions that have been entered into with related parties for the relevant year:

**Revenue received from Shop Distributive and Allied Employees' Association National Office includes the following:**

<i>Reimbursements – Other</i>	17,892	4,084
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**Expenses paid to Shop Distributive and Allied Employees' Association National Office includes the following:**

<i>Affiliation fees</i>	1,521,045	1,565,742
<i>Campaign levies</i>	69,285	64,952
<i>Other</i>	244,501	84,600

**Expenses paid to Shop Distributive and Allied Employees' Association National Office – International Fund includes the following:**

<i>Affiliation Fees – International Fund</i>	228,157	234,861
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**Expenses paid to Australian Labor Party N.S.W. includes the following:**

<i>Affiliation fees</i>	277,500	280,023
<i>Donations – Campaign lunches / dinners</i>	71,482	-

**Expenses paid to the Australian Labor Party A.C.T. includes the following:**

<i>Affiliation fees</i>	9,567	8,628
<i>Donations – campaign levy</i>	1,000	9,230

**Expenses paid to the Labor Council N.S.W. includes the following:**

<i>Affiliation fees</i>	210,694	208,824
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**Expenses paid to Unions A.C.T. includes the following:**

<i>Affiliation fees</i>	4,000	4,000
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**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W. BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

2022	2021
\$	\$

**Note 13A: Related party transactions for the reporting period (cont.)**

**Expenses paid to the Labor Council South Coast  
includes the following:**

<i>Affiliation fees</i>	<b>3,174</b>	3,144
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The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

For the year ended 30 June 2022, the Shop Distributive and Allied Employees' Association N.S.W. Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2021: \$Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

**Note 13B: Key management personnel remuneration for the reporting period**

**Short-term employee benefits**

Salary (including annual leave taken)	<b>273,097</b>	268,088
Annual leave accrued	<b>18,820</b>	6,750
Performance bonus	-	-
Non-Monetary (motor vehicle and parking)	<b>23,371</b>	24,372
<b>Total short-term employee benefits</b>	<b>315,288</b>	299,210

**Post-employment benefits**

Superannuation	<b>57,808</b>	45,654
<b>Total post-employment benefits</b>	<b>57,808</b>	45,654

**Other long-term benefits**

Long-service leave	<b>8,434</b>	16,456
<b>Total other long-term benefits</b>	<b>8,434</b>	16,456

**Termination benefits**

	-	-
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**Total**

	<b>381,530</b>	361,320
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SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W. BRANCH

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

**Note 13B: Key management personnel remuneration for the reporting period (cont.)**

Key management personnel	Bernie Smith Secretary	Felicity Smithson Assistant Secretary	Total
	\$	\$	\$
<b>Remuneration for 2022</b>			
<b>Short-term employee benefits:</b>			
Salary (including annual leave taken)	139,994	133,103	273,097
Honorarium	-	-	-
Annual leave accrued	14,782	4,038	18,820
Non-monetary (motor vehicle and parking)	10,534	12,837	23,371
<b>Total short-term employee benefits</b>	<b>165,310</b>	<b>149,978</b>	<b>315,288</b>
<b>Post-employment benefits:</b>			
Superannuation	31,722	26,086	57,808
<b>Total post-employment benefits</b>	<b>31,722</b>	<b>26,086</b>	<b>57,808</b>
<b>Other long-term benefits:</b>			
Long-service leave	410	8,024	8,434
<b>Total other long-term benefits</b>	<b>410</b>	<b>8,024</b>	<b>8,434</b>
<b>Total</b>	<b>197,442</b>	<b>184,088</b>	<b>381,530</b>
<b>Remuneration for 2021</b>			
<b>Short-term employee benefits:</b>			
Salary (including annual leave taken)	141,355	126,733	268,088
Honorarium	-	-	-
Annual leave accrued	-	6,750	6,750
Non-monetary (motor vehicle and parking)	11,452	12,920	24,372
<b>Total short-term employee benefits</b>	<b>152,807</b>	<b>146,403</b>	<b>299,210</b>
<b>Post-employment benefits:</b>			
Superannuation	29,723	15,931	45,654
<b>Total post-employment benefits</b>	<b>29,723</b>	<b>15,931</b>	<b>45,654</b>
<b>Other long-term benefits:</b>			
Long-service leave	9,443	7,013	16,456
<b>Total other long-term benefits</b>	<b>9,443</b>	<b>7,013</b>	<b>16,456</b>
<b>Total</b>	<b>191,973</b>	<b>169,347</b>	<b>361,320</b>



SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W. BRANCH

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	\$	\$
<b>Note 14: Remuneration of Auditor</b>		
<b>Value of the services provided</b>		
Financial statement audit services	43,000	42,500
Other services	-	-
<b>Total remuneration of auditor</b>	<u>43,000</u>	<u>42,500</u>

No other services were provided by the auditor of the financial statements.

**Note 15: Financial Risk Management**

The Shop, Distributive and Allied Employees' N.S.W. Branch's financial instruments consist mainly of deposits with banks, short-term and medium-term deposits with financial institutions, accounts receivables, accounts payables and lease liabilities.

The totals for each category of financial instrument measured in accordance with AASB 9: *Financial Instruments* as detailed in the accounting policies to these financial statements, are as follows:

	Note	2022	2021
		\$	\$
<b>Financial assets</b>			
Financial assets at amortised cost:			
Cash and cash equivalents	5A	10,847,543	6,656,856
Trade and other receivables	5B	1,572,413	1,576,857
Term deposits	6	4,000,000	8,200,000
		<u>16,419,956</u>	<u>16,433,713</u>
<b>Financial liabilities</b>			
Financial liabilities at amortised cost:			
Trade and other payables	8C	923,761	918,311
Lease liabilities	7D	132,686	200,449
		<u>1,056,447</u>	<u>1,118,760</u>

**Financial risk management policies**

The Committee of Management has overall responsibility for the establishment and oversight of risk management policies. Main policies aim to minimise potential risk exposure by actively securing short to medium-term cash flows through minimising exposure to financial markets. The Association currently does not hold any long-term financial instruments. The Association does not actively engage in the trading of financial assets for speculative purposes.

## SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W. BRANCH

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

#### Note 15: Financial Risk Management (cont.)

##### Specific financial risk exposures and management

The main risks the Association is exposed to through its financial statements are credit risk, liquidity risk and interest rate risk. There have been no substantive changes in the types of risks the Association is exposed to, how these risks arise, or the Committee of Management's objectives, policies, and processes for managing or measuring the risks from the previous period.

##### Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Association. The Association's objective in managing credit risk is to minimise the credit loss incurred, mainly on trade and other receivables. There is no significant risk exposure on other financial assets at amortised cost.

Credit risk is managed through maintenance of procedures, ensuring to the extent possible that customers and counter parties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Credit terms are usually Cash on Delivery or 30 Days from date of invoice.

Risk is also minimised through investing surplus funds with financial institutions that maintain high credit rating, or in entities that the Association has assessed as being financially sound.

##### Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at balance date is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

Trade and other receivables that are not past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed in Note 5B.

The Association does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Association.

Credit risk related to balances with banks and other financial institutions is managed by the Finance Committee in accordance with approved Committee policy. Such policy requires that surplus funds are only invested with counter parties with a Standard and Poor's (S&P) rating of at least AA-. The following table provides information regarding the credit risk relating to cash and money market securities based on S&P Counterparty Credit Ratings

	Note	2022 \$	2021 \$
<b>Cash and cash equivalents</b>			
- AA Rated	5A	10,847,543	6,656,856
<b>Short-term and fixed term deposits</b>			
- AA Rated	6	4,000,000	8,200,000
		<b>14,847,543</b>	<b>14,856,856</b>

SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W. BRANCH

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

**Note 15: Financial Risk Management (cont.)**

**Liquidity risk**

Liquidity risk arises from the possibility that the Association might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Association is not exposed to any significant liquidity risk on the basis that the realisable value of financial assets is significantly greater than the financial liabilities due for settlement. The Association manages its liquidity risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets; and
- only investing surplus cash with major financial institutions.

The table below reflects an undiscounted contractual maturity analysis for non-derivative financial liabilities. The association does not hold any derivative financial liabilities directly.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows to settle financial liabilities is presented in the table below.

*Financial liability and financial asset maturity analysis:*

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Financial Liabilities – due for payment</b>								
Trade payables	744,915	742,874	-	-	-	-	744,915	742,874
Other payables	178,846	175,437	-	-	-	-	178,846	175,437
Lease liabilities	72,544	146,442	60,142	54,007	-	-	132,686	200,449
<b>Total expected outflows</b>	<b>996,305</b>	<b>1,064,753</b>	<b>60,142</b>	<b>54,007</b>	<b>-</b>	<b>-</b>	<b>1,056,447</b>	<b>1,118,760</b>
<b>Financial Assets – Cash flows realisable</b>								
Cash and cash equivalents	10,847,543	6,656,856	-	-	-	-	10,847,543	6,656,856
Trade and other receivables	1,572,413	1,576,857	-	-	-	-	1,572,413	1,576,857
Term deposits	4,000,000	8,200,000	-	-	-	-	4,000,000	8,200,000
<b>Total expected inflows</b>	<b>16,419,956</b>	<b>16,433,713</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,419,956</b>	<b>16,433,713</b>
<b>Net (outflow) / inflow expected on financial instruments</b>	<b>15,423,651</b>	<b>15,368,960</b>	<b>(60,142)</b>	<b>(54,007)</b>	<b>-</b>	<b>-</b>	<b>15,363,509</b>	<b>15,314,953</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

**Note 15: Financial Risk Management (cont.)**

**Market risk**

***Interest rate risk***

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby future changes in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Association is also exposed to earnings volatility on floating rate instruments.

The financial instruments that expose the Association to interest rate risk are limited to cash on deposit, term deposits and fixed term deposits.

The Association manages interest rate risk by varying the maturity period and principal sums invested of term deposits to ensure the entity receives the most advantageous interest rate on offer. The Association also manages interest rate risk by ensuring that, whenever possible, payables are paid within any pre-agreed credit terms.

***Other market risks***

The Association is not exposed to any other market risks such as price or foreign currency risk.

***Sensitivity analysis***

The following table illustrates sensitivities to the Association's exposures to changes in interest rates. The table indicates the impact of how profit or loss and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

	Effect on	
	Profit or loss	Equity
	\$	\$
<b>Year ended 30 June 2022</b>		
+/- 1.0% in interest rates	+/- 148,475	+/- 148,475
<b>Year ended 30 June 2021</b>		
+/- 0.5% in interest rates	+/- 74,284	+/- 74,284

There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year.

## SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W. BRANCH

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

#### Note 15: Financial Risk Management (cont.)

##### Capital management

In conjunction with the above risk policies, specifically those relating to financial instruments, the Association's policy is to maintain a strong capital base to sustain member, creditor, and market confidence and to sustain future development of the Association's activities. The Committee of Management monitors the return on capital and seeks to maintain a conservative position. There were no changes in the Association's approach to capital management during the year.

#### Note 16: Fair Value Measurements

##### Note 16A: Financial assets and liabilities

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying amounts as present in the statement of financial position.

Refer to note 16B for detailed disclosures regarding the fair value measurement of the Association's financial assets and financial liabilities.

	Carrying amount 2022 \$	Fair value 2022 \$	Carrying amount 2021 \$	Fair value 2021 \$
<b>Financial assets</b>				
At amortised cost:				
Cash and cash equivalents	10,847,543	10,847,543	6,656,856	6,656,856
Trade and other receivables	1,572,413	1,572,413	1,576,857	1,576,857
Term deposits	4,000,000	4,000,000	8,200,000	8,200,000
	<b>16,419,956</b>	<b>16,419,956</b>	<b>16,433,713</b>	<b>16,433,713</b>
<b>Financial liabilities</b>				
At amortised cost:				
Trade and other payables	923,761	923,761	918,311	918,311
Lease liabilities	132,686	132,686	200,449	200,449
	<b>1,056,447</b>	<b>1,056,447</b>	<b>1,118,760</b>	<b>1,118,760</b>

Cash and cash equivalents, trade and other receivables, trade and other payables, and term deposits are short-term instruments whose carrying amounts approximate their fair values. Trade and other payables exclude amounts relating to the provision of annual leave, which are outside the scope of AASB 9.

## SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W. BRANCH

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

#### Note 16: Fair Value Measurements (cont.)

##### Note 16B: Financial and non-financial assets and liabilities fair value hierarchy

The Shop, Distributive and Allied Employees' Association N.S.W. Branch measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:

- Free hold land and buildings
- Investment properties

The Association does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

##### Fair value hierarchy

AASB 13: *Fair Value Measurement* requires the disclosure of the fair values information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	Level 2	Level 3
Measurements based on quoted market prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

##### Valuation techniques

The Association selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Association are consistent with one or more of the following valuation approaches:

- Market approach using prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach converts estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach reflects the current replacement cost of an asset at its current service capacity.

SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W. BRANCH

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

**Note 16: Fair Value Measurements (cont.)**

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Association gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information or actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing assets or liabilities are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

The following tables provide the fair values of the Association's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

		30 June 2022			
Note	Level 1 \$	Level 2 \$	Level 3 \$	Total \$	
<b>Recurring fair value measurements</b>					
<i>Non-financial assets:</i>					
Land and buildings	7A	-	16,829,206	-	16,829,206
Investment property	7C	-	37,345,000	-	37,345,000
<b>Total non-financial assets recognised at fair value on a recurring basis</b>		-	<b>54,174,206</b>	-	<b>54,174,206</b>
		30 June 2021			
Note	Level 1 \$	Level 2 \$	Level 3 \$	Total \$	
<b>Recurring fair value measurements</b>					
<i>Non-financial assets:</i>					
Land and buildings	7A	-	17,130,685	-	17,130,685
Investment property	7C	-	33,693,500	-	33,693,500
<b>Total non-financial assets recognised at fair value on a recurring basis</b>		-	<b>50,824,185</b>	-	<b>50,824,185</b>

There were no transfers between level 1 and level 2 for assets measured at fair value on a recurring basis during the reporting period (2021: no transfers).

In 2022 the fair value of investment property was \$37,345,000 and carrying amount of lease incentive was \$nil giving a total of \$37,345,000 (2021: fair value of investment property was \$33,693,500 and carrying amount of lease incentive was \$88,125 giving a total of \$33,781,625).

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W. BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

**Note 16: Fair Value Measurements (cont.)**

**Valuation techniques and inputs used to measure level 2 fair values**

<b>Description</b>	<b>Valuation technique(s)</b>	<b>Input(s) used</b>
<i>Non-financial assets:</i>		
Land and buildings	Market approach using recent observable market data for similar properties; income approach using discounted cash flow methodology	Price per square metre; Market borrowing rate
Investment property	Market approach using recent observable market data for similar properties; income approach using discounted cash flow methodology	Price per square metre; Market borrowing rate

The fair value of land and buildings and investment properties is determined at least every three years based on valuations by an independent valuer(s). At the end of each intervening period, the Committee of Management review the independent valuation(s) and when appropriate, update the fair value measurement to reflect current market conditions using a range of valuation techniques, including recent observable market data and discounted cash flow methodologies.

There were no changes during the period in the valuation techniques used by the Association to determine Level 2 fair values.

**Disclosed fair value measurements**

The following liabilities are not measured at fair value in the statement of financial position, but their fair values are disclosed in the notes:

- Lease liabilities

The following table provides the level of the fair value hierarchy within which the disclosed fair value measurements are categorised and a description of the valuation technique(s) and inputs used:

<b>Description</b>	<b>Note</b>	<b>Fair value hierarchy level</b>	<b>Valuation technique(s)</b>	<b>Input(s) used</b>
<i>Liabilities</i>				
Lease liabilities	7D	2	Income approach using discounted cash flow methodology	Current commercial borrowing rates for similar instruments

There has been no change in the valuation technique(s) used to calculate the fair values disclosed in the financial statements.



**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W. BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

**Note 17: Section 272 *Fair Work (Registered Organisations) Act 2009***

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of members is drawn to the provisions of subsections (1) to (3) of section 272, which reads as follows:

Information to be provided to members or Commissioner:

- 1) A member of a reporting unit, or the Commissioner, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- 2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- 3) A reporting unit must comply with an application made under subsection (1).

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W. BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2022**

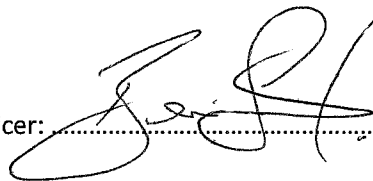
**Note 18: Officers Declaration Statement**

I, Bernard Smith, being the Branch Secretary of the Shop, Distributive and Allied Employees' Association N.S.W. Branch, declare that the following activities did not occur during the reporting period ending 30 June 2022.

The reporting unit did not:

- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive capitation fees or any other revenue amount from another reporting unit
- receive revenue via compulsory levies
- receive donations or grants
- receive revenue from undertaking recovery of wages activity
- pay capitation fees to another reporting unit
- pay a penalty imposed under the RO Act or the *Fair Work Act 2009*
- have a receivable with other reporting unit(s)
- have a payable with other reporting unit(s)
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- have a payable in respect of legal costs relating to litigation
- have a payable in respect of legal costs relating to other legal matters
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit

Signed by the officer: .....



Dated:

16<sup>th</sup> August 2022