



18 January 2023

Joel Tynan
General Secretary-Treasurer
Shop, Distributive and Allied Employees Association-Tasmanian Branch

Sent via email: secretary@sdatas.asn.au
CC: andrewgray@newtonhenry.com.au

Dear Joel Tynan,

**Shop, Distributive and Allied Employees Association-Tasmanian Branch
Financial Report for the year ended 30 June 2022 – (FR2022/96)**

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

The financial report has now been filed.

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 (**RGs**) have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 30 June 2023 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged. I make the following comment to assist you when you next prepare a financial report.

Provision of unaudited financial information

Included in the financial return for the Shop, Distributive and Allied Employees Association-Tasmanian Branch is additional financial data provided in a detailed statement of profit or loss on page 33. The financial data included in this statement was not covered under the statutory audit. The ROC does not accept this information as satisfying the disclosure requirements and it is not used in the assessment of the financial report.

Please note that in future years all relevant and required financial disclosures must be included in the GPFR which has been subject to the full statutory audit and covered by the auditor's opinion.

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.

Yours sincerely

Madeleine Hurrell

Madeleine Hurrell
Financial Reporting Officer
Registered Organisations Commission

**Shop Distributive and Allied Employees' Association
Tasmania Branch**


s.268 Fair Work (Registered Organisations) Act 2009

Designated Officer's Certificate or Authorised Officer

Certificate for the year ended 30th June 2022

I Joel Xavier Tynan being the General Secretary of the Shop Distributive and Allied Employees' Association – Tasmania Branch certify:

- that the documents lodged herewith are copies of the full report for the Shop Distributive and Allied Employees' Association – Tasmania Branch for the period ended 30th June 2022, referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 14th September 2022; and
- that the full report was presented to State Council Committee of the reporting unit on 15th December 2022 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer: 

Name of prescribed designated officer: Joel Xavier Tynan

Title of prescribed designated officer: General Secretary

Dated: 15th December 2022

Shop, Distributive and Allied Employees Association

Tasmanian Branch

**Annual Financial Report
Year Ended 30 June 2022**

Independent Auditor's Report to the members of Shop, Distributive and Allied Employees Association, Tasmania Branch

Opinion

We have audited the financial report of Shop, Distributive and Allied Employees Association, Tasmania Branch (the "Association"), which comprises the Statement of Financial Position as at 30 June 2022, the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, subsection 255(2A) report, Officer's Declaration report, and the Declaration of the State Council.

In our opinion, the accompanying financial report presents fairly, in all material respects, the Association's financial position as at 30 June 2022 and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and the Association's Constitution and the requirements imposed by Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009*.

Basis for Opinion

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

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

Other Information

State Council are responsible for the Other Information. The Other Information comprises the information included in the Association's annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the Other Information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Partners
Michael Hine
Nigel Briggs
Jim Dennis
Andrew Gray



Newton & Henry

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If, based on the work we have performed on the Other Information obtained prior to the date of this auditor's report, we conclude that there is material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of State Council for the Financial Report

State Council of the Association is responsible for the preparation of the financial report in accordance with Australian Accounting Standards and the Association's Constitution and the requirements imposed by Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* and for such internal control as State Council determine is necessary to enable the preparation of financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, State Council are responsible for assessing the Association'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 State Council either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

State Council are responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are 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 our 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 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, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 our 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of the 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 Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association 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.

We communicate with State Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other

Andrew Gray is an approved auditor under section 256 of the *Fair Work (Registered Organisations) Act 2009*. He is a member of the Chartered Accountants Australia and New Zealand (CAANZ) and holds a current Public Practice Certificate.



Newton & Henry



Andrew Gray

Partner

Launceston


9 September 2022

RO Number: AA2022/13

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
TASMANIAN BRANCH
OFFICER DECLARATION STATEMENT**

I, Joel Xavier Tynan, being the General Secretary of Shop, Distributive and Allied Employees Association Tasmanian Branch declare that the following activities did not occur during the reporting period ending 30 June 2022.

- a) 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
- b) Have another entity administer the financial affairs of the reporting unit
- c) Make payment to a former related party of the reporting unit

Signed By the Officer:..........

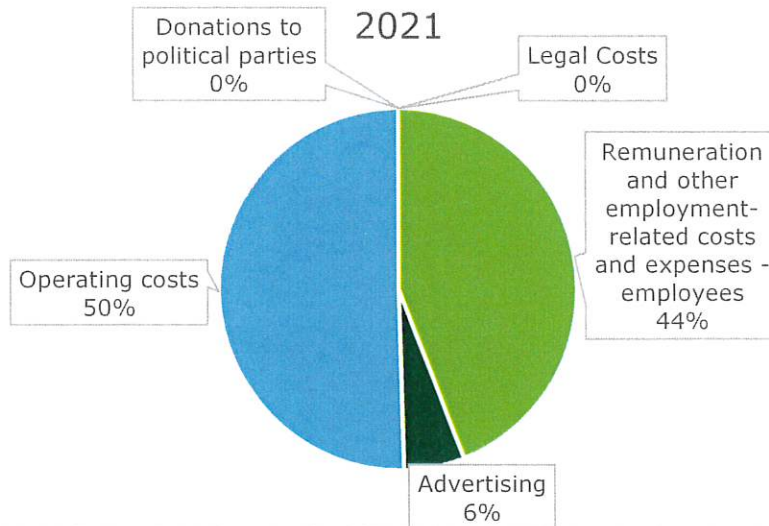
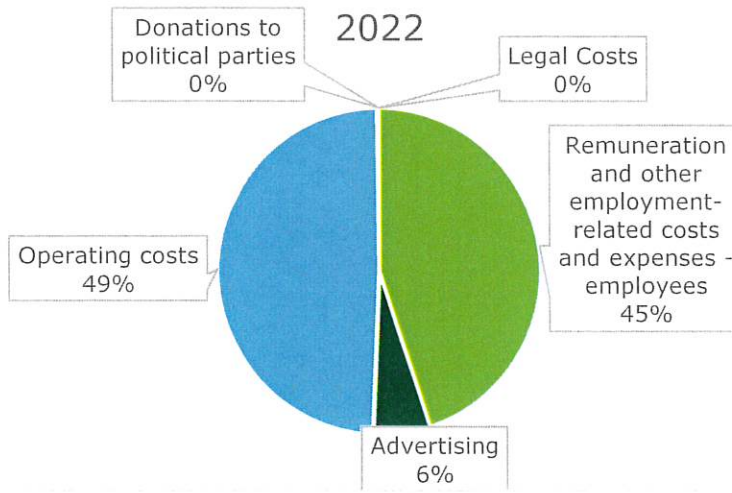
Dated: 8 September 2022

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
TASMANIAN BRANCH
S255(2A) Report**

s.255(2A) Fair Work (Registered Organisations) Act 2009 (RO Act)

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

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
TASMANIAN BRANCH
EXPENDITURE AS REQUIRED UNDER s. 255(2A) RO ACT
FOR THE YEAR ENDED 30 JUNE 2022**



Signature of designated officer:

Name and title of designated officer: Joel Xavier Tynan - General Secretary

Dated: 8 September 2022

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
TASMANIAN BRANCH
OPERATING REPORT**

The State Council presents its 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 Shop, Distributive and Allied Employees Association - Tasmanian Branch (the Association) during the year were to promote the interests of its members through a quarterly journal and other publications outlining implementation of any new enterprise agreements, wage increases and changes to industrial legislation both Federal and State.

To set targets of member recruitment in each company where the Association had members, to attain eventual 100% consistent membership with a calendar year goal in excess of 6,000 members.

The surplus from operating activity was \$13,300 (2021) \$77,855.

Significant changes in financial affairs

There were no significant changes in the financial affairs of the Association.

Right of members to resign

A member may resign in accordance with Branch Rule 12.

Officers or members who are superannuation fund trustee(s) or director of a company that is a superannuation fund trustee

None

Number of members

The Shop Distributive and Allied Employees Association, Tasmanian Branch had 4945 members as at 30 June 2022 (2021: 5130) which included both honorary and life members, with the highest number of members throughout the 2022 financial year reaching 5277.

Number of employees

The Association employed eleven staff which includes one part-time and two casual staff.

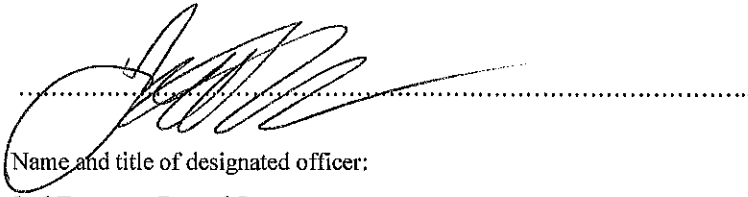
Names of Committee of Management members and period positions held during the financial year

All members held these positions for the entire reporting period unless indicated otherwise.

General President:	Isabell Wells	
Branch Vice President:	Ross Charlton	
General Secretary and Treasurer:	Paul Griffin	Retired 29/7/22
	Joel Tynan	Appointed 1/8/22
State Committee:	Sharon Butcher	
	Aniela Harris	
	Katrina Barr	
	Leanne Porter	
	Chris Stilgoe	
	Joel Tynan	Appointed to General Sec 1/8/22

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
TASMANIAN BRANCH
OPERATING REPORT**

Signature of designated officer:

A handwritten signature in black ink, appearing to read 'Joel Tynan', is written over a horizontal dotted line. The signature is fluid and cursive, extending to the right of the line.

Name and title of designated officer:

Joel Tynan — General Secretary

Dated: 8 September 2022

For the year ended 30 June 2022

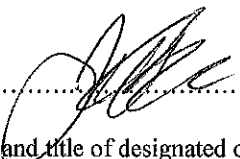
On 8 September 2022 the State Council of the Shop, Distributive and Allied Employees Association, Tasmanian Branch passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2022:

The State Council 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 that 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 State Council 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 order 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 State Council.

Signature of designated officer:


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Name and title of designated officer:
Joel Xavier Tynan — General Secretary

Dated: 8 September 2022

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
TASMANIAN BRANCH
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022**

	Note	2022 \$	2021 \$
Continuing Operations			
Revenue			
Membership dues	4(a)	1,824,695	1,776,507
Interest	4(b)	14,935	24,917
Other revenue	4(c)	<u>16,805</u>	<u>14,976</u>
		1,856,436	1,816,400
Expenditure			
Direct member benefits expenses		157,383	163,892
Affiliation fees	5(a)	15,388	14,688
Capitation fees	5(b)	226,532	225,286
Marketing expenses		200,324	190,520
Occupancy expenses		26,408	28,998
Administration expenses	5(c)	276,907	248,896
Employee benefits expenses	5(d)	792,705	729,526
Grants or donations	5(e)	17,169	4,559
Motor vehicle expenses		63,769	52,478
Depreciation	5(f)	66,552	79,702
Loss on sale of asset	5(h)	<u>-</u>	<u>-</u>
		1,843,136	1,738,545
Surplus for the year		<u>13,300</u>	<u>77,855</u>
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss		-	-
Gain on revaluation of land and buildings		392,795	-
Items that may be reclassified subsequently to profit or loss		<u>-</u>	<u>-</u>
Other comprehensive income,		<u>392,795</u>	<u>-</u>
Total comprehensive income for the year		<u>406,095</u>	<u>77,855</u>

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
TASMANIAN BRANCH
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022**

	Note	2022 \$	2021 \$
Current assets			
Cash and bank balances	6	346,275	527,194
Trade and other receivables	7	248,339	250,197
Inventories	8	9,835	11,671
Financial Assets	9	3,234,024	2,927,781
Total current assets		<u>3,838,472</u>	<u>3,716,843</u>
Non-current assets			
Property, plant and equipment	10	1,380,754	1,032,055
Right of use asset	13(a)	34,861	48,805
Total non-current assets		<u>1,415,615</u>	<u>1,080,860</u>
Total assets		<u>5,254,087</u>	<u>4,797,703</u>
Current liabilities			
Trade and other payables	11	143,684	80,231
Lease liabilities	13(b)	14,658	13,642
Provisions	12	214,389	206,773
Total current liabilities		<u>372,732</u>	<u>300,646</u>
Non-current liabilities			
Provisions	12	17,345	24,485
Lease liabilities	13(b)	23,951	38,609
Total non-current liabilities		<u>41,296</u>	<u>63,094</u>
Total liabilities		<u>414,028</u>	<u>363,740</u>
Net assets		<u>4,840,059</u>	<u>4,433,963</u>
Equity			
Retained earnings	14	3,638,043	3,624,742
Reserves	15	1,202,016	809,221
Total equity		<u>4,840,059</u>	<u>4,433,963</u>

The Statement of Financial Position should be read in conjunction with the notes to the financial statements.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
TASMANIAN BRANCH
STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022**

	Reserves	Retained earnings	Total
	\$	\$	\$
Balance at 1 July 2020	809,221	3,546,887	4,356,108
Profit for the year	-	77,855	77,855
Other comprehensive income for the year	-	-	-
Realisation of amount previously realised as asset revaluation reserve	-	-	-
Balance at 30 June 2021	<u>809,221</u>	<u>3,624,743</u>	<u>4,433,963</u>
Balance at 1 July 2021	809,221	3,624,743	4,433,964
Profit for the year	-	13,300	13,300
Other comprehensive income for the year	-	-	-
Asset Revaluation	392,795	-	392,795
Balance at 30 June 2022	<u>1,202,016</u>	<u>3,638,043</u>	<u>4,840,059</u>

The Statement of Changes in Equity should be read in conjunction with the notes to the financial statements.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
TASMANIAN BRANCH
STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022**

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Receipts from members and other third parties		2,195,842	2,026,195
Payment to suppliers and employees		(2,061,542)	(1,816,482)
Interest and other costs of finance paid		(1,756)	(2,272)
Income taxes paid		-	-
		<u> </u>	<u> </u>
Net cash provided by/(used in) operating activities	20(b)	<u>132,544</u>	<u>207,441</u>
Cash flows from investing activities			
Interest received		14,935	24,917
Payments for property, plant and equipment		(8,511)	(39,587)
Proceeds from sale of property, plant and equipment		-	-
		<u> </u>	<u> </u>
Net cash provided by/(used in) investing activities		<u>6,424</u>	<u>(14,670)</u>
Cash flows from financing activities			
Lease payments		(13,643)	(12,677)
		<u> </u>	<u> </u>
Net cash used in financing activities		<u>(13,643)</u>	<u>(12,677)</u>
Net increase in cash and cash equivalents		125,325	180,094
Cash and cash equivalents at the beginning of the financial year		<u>3,454,975</u>	<u>3,274,881</u>
Cash and cash equivalents at the end of the financial year	20(a)	<u>3,580,300</u>	<u>3,454,975</u>

The Statement of Cash Flows should be read in conjunction with the notes to the financial statements.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
TASMANIAN BRANCH**

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

1. General information

Shop, Distributive and Allied Employees Association, Tasmanian Branch is the Tasmanian branch of the national Shop, Distributive and Allied Employees Association. The Association's registered office and its principal place of business are as follows:

Registered office
72 York Street
Launceston
TASMANIA 7250

Principal place of business
72 York Street
Launceston
TASMANIA 7250

2. Adoption of new and revised Accounting Standards

2.1 New and revised AASBs affecting amounts reported and/or disclosures in the financial statements

In the current year, the Association has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current annual reporting period. The adoption of these new and revised Standards and Interpretations has not had a material impact on the current or prior periods.

2.2 New and revised Australian Accounting Standards in issue but not yet effective

At the date of authorisation of the financial statements, the Association has not applied the following new and revised Australian Accounting Standards, Interpretations and amendments that have been issued but are not yet effective, any changes arising from these are not expected to have a material impact on the Association:

Standard/Amendment	Effective for annual reporting periods beginning on or after
AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current	1 January 2023
AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments	1 January 2022

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
TASMANIAN BRANCH
NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022**

3. Significant accounting policies

Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with the Association's constitution, the requirements of the *Fair Work (Registered Organisations) Act 2009*, Australian Accounting Standards and Interpretations, and complies with other requirements of the law. The financial report includes the financial statements of the Association. For the purposes of preparing the financial statements, the Association is a not-for-profit entity.

The financial statements were authorised for issue by the State Council on 8 September 2022.

Basis of preparation

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Historical cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Borrowing costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

(b) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(c) Employee benefits

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

Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the association in respect of services provided by employees up to reporting date.

Defined contribution plans

Contributions to defined contribution superannuation plans are expensed when incurred.

(d) Financial instruments

Financial assets and financial liabilities are recognised when the Association becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
TASMANIAN BRANCH**

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

3. Significant accounting policies (cont'd)

(e) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows
- 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.

The Association does not irrevocably designate debt instruments that meet the conditions of amortised cost as fair value through other comprehensive income (FVTOCI), therefore by default all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets the effective interest rate is the rate that exactly discounts estimated future cash receipts excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost (see above) are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
TASMANIAN BRANCH
NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022**

3. Significant accounting policies (cont'd)

(e) Financial assets (cont'd)

Impairment of financial assets

The Association recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost, trade receivables and contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Association always recognises lifetime ECL for trade receivables and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Association's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Association recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Association measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Write-off policy

The Association writes off a financial asset 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. Financial assets written off may still be subject to enforcement activities under the Association's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Association's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Association in accordance with the contract and all the cash flows that the Association expects to receive, discounted at the original effective interest rate.

If the Association has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Association measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

De-recognition of financial assets

The Association derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Association neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Association recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Association retains substantially all the risks and rewards of ownership of a transferred financial asset, the Association continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
TASMANIAN BRANCH**

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

3. Significant accounting policies (cont'd)

(f) Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL in certain circumstances, however the Association does not currently designate financial liabilities as FVTPL or hold liabilities for trading and therefore by default all the Association's financial liabilities are measured at amortised cost.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

The Association derecognises financial liabilities when, and only when, the Association's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(g) Income Tax

The Association 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).

(h) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs, are assigned to inventory on hand by the method most appropriate to each particular class of inventory, with the majority being valued on a first in first out basis. Net realisable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale.

(i) Property, plant and equipment

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. 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.

(j) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Sale of goods

For sale of movie tickets to members, revenue is recognised when control of the movie ticket has transferred, being the point the member purchases the tickets.

Rendering of services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. Member subscriptions and car park rental income is recognised to the extent that the associated services relating to the fees have been provided.

Interest revenue

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

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

3. Significant accounting policies (cont'd)

(k) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- (a) where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- (b) for receivables and payables which are recognised inclusive of GST.

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 taxation authority is classified as operating cash flows.

(l) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Association's accounting policies, which are described above, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The State Council has engaged a third party property valuer, to determine the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of these assets, the property valuer uses market-observable data to the extent available, to establish an appropriate fair value of the assets.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(m) Capitation fees and levies

Capitation fees and levies are recognised on an accrual basis and recorded as a revenue and/or expense in the year to which it relates.

(n) 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.

(o) Going concern

The Association is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis.

The Association has not agreed to provide financial supporting to ensure another reporting unit has the ability to continue as a going concern.

(p) Leases

The Association assesses whether a contract is or contains a lease, at inception of the contract. The Association recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Association recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Association uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

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

3. Significant accounting policies (cont'd)

(p) Leases (cont'd)

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Association remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Association did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Association incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under AASB 137. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Association expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position. The Association applies AASB 136 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

As a practical expedient, AASB 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Association has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Association allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022**

	2022	2021
	\$	\$
4. Revenue		
Disaggregation of revenue from contracts with customers		
A disaggregation of SDA's revenue by type of arrangement is provided on the face of the Statement of Comprehensive Income. The table below also sets out a disaggregation of revenue by type of customer:		
Type of customer		
Members	1,824,695	1,776,507
Other reporting units	-	-
Government	-	-
Other parties	-	-
Total revenue from contracts with customers	1,824,695	1,776,507

Disaggregation of income for furthering activities
A disaggregation of SDA's income by type of arrangement is provided on the face of the Statement of Comprehensive Income. The table below also sets out a disaggregation of income by funding source:

Type of customer		
Members	16,769	14,976
Other reporting units	-	-
Government	-	-
Other parties	14,971	24,917
Total income for furthering activities	31,740	39,893

An analysis of the Association's revenue for the year, from continuing operations, is as follows:

(a) Revenue from member subscriptions	1,824,695	1,776,507
(b) Interest	14,935	24,917
(c) Other revenue		
Movie ticket sales	7,114	5,921
ATO Cash Flow Boost	-	-
Car park rent	9,655	9,055
Other	36	-
	16,805	14,976
(d) Capitation fees	-	-
(e) Levies	-	-
(f) Grants or donations	-	-
(g) Net gain from sale of assets	-	-
(h) Recovery of wages	-	-

5. Profit for the year

Profit for the year has been arrived at after recognising the following gains and losses:

(a) Affiliation fees		
Australian Labour Party - Tasmania	15,388	14,688
(b) Capitation fees		
Unions Tasmania	41,502	39,176
SDAEA National Account	160,896	161,835
SDAEA International Fund	24,134	24,275
	226,532	225,286

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
TASMANIAN BRANCH
NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022**

	2022	2021
	\$	\$
5. Profit for the year (cont'd)		
(c) Administration fees		
Consideration to employers for payroll deductions		
Commissions paid to employers	13,491	6,652
Compulsory levies	-	-
Delegate meetings and training	87	14,246
Fees/allowances - meetings and conferences	-	-
Meeting expenses	429	123
Other administration costs	262,899	227,875
	<u>276,907</u>	<u>248,896</u>
(d) Employee expenses		
Holders of office:		
Wages and salaries	75,059	73,448
Superannuation	8,906	8,128
Leave and other entitlements	14,005	12,113
Separation and redundancies	-	-
Other employee expenses	5,779	9,325
	<u>103,749</u>	<u>103,014</u>
Employees other than office holders:		
Wages and salaries	498,541	481,305
Superannuation	54,174	49,514
Leave and other entitlements	56,775	44,260
Separation and redundancies	21,872	-
Other employee expenses	57,595	51,433
	<u>688,956</u>	<u>626,512</u>
Total employee expenses	<u>792,705</u>	<u>729,526</u>
(e) Grants or donations		
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	5,578	4,559
Total paid that exceeded \$1,000	11,591	-
	<u>17,169</u>	<u>4,559</u>
(f) Depreciation and amortisation		
Depreciation of non-current assets	52,607	65,758
Depreciation of right of use assets	13,945	13,944
	<u>66,552</u>	<u>79,702</u>
(g) Legal costs		
Litigation	-	-
Other legal matters	-	-
	<u>-</u>	<u>-</u>
(h) Loss on sale of assets	<u>-</u>	<u>-</u>
(i) Other expenses		
Penalties - via RO Act or RO Regulations	-	-
	<u>-</u>	<u>-</u>

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
TASMANIAN BRANCH
NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022**

	2022 \$	2021 \$
6. Cash and cash equivalents		
Petty cash - Launceston	100	100
Petty cash - Hobart	100	100
Undeposited Funds	287	-
Cash at bank - trading account	345,788	526,994
CBA Term Deposit	-	-
	346,275	527,194
7. Trade and other receivables		
Subscriptions in arrears	148,678	146,787
Sundry debtors and prepayments	36,887	39,463
Car park debtors	420	420
Member and employee loans	53,662	63,527
Accrued interest income	8,692	-
ATO cash flow boost	-	-
Receivables from other reporting units	-	-
	248,339	250,197
Less allowance for expected credit losses	-	-
Net trade and other receivables	248,339	250,197
<p>The average credit period on sales is 60 days. No interest is charged on outstanding trade receivables. Included in the Association's trade receivables are an immaterial amount of debtors greater than 90 days.</p> <p>The Association has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and amounts receivable are still considered recoverable.</p>		
8. Inventories		
Movie tickets	9,835	11,671
9. Financial Assets		
Term Deposits	3,234,024	2,927,781

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
TASMANIAN BRANCH
NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022**

10. Property, plant and equipment

	Freehold land at fair value \$	Buildings at fair value \$	Plant and equipment at cost \$	Low value pool \$	Total \$
Gross carrying amount					
Balance at 30 June 2020 ^	650,000	237,198	489,266	132,149	1,508,613
Additions	-	-	39,587	-	39,587
Disposals	-	-	-	-	-
Revaluation	-	-	-	-	-
Balance at 30 June 2021 ^	650,000	237,198	528,853	132,149	1,548,200
Additions	-	-	8,511	-	8,511
Disposals	-	-	-	-	-
Revaluation	100,000	262,802	-	-	362,802
Balance at 30 June 2022	750,000	500,000	537,364	132,149	1,919,513
Accumulated depreciation					
Balance at 30 June 2020 ^	-	(18,341)	(300,323)	(131,633)	(450,297)
Depreciation expense	-	(5,871)	(59,783)	(194)	(65,848)
Disposals	-	-	-	-	-
Revaluation	-	-	-	-	-
Balance at 30 June 2021 ^	-	(24,212)	(360,106)	(131,827)	(516,145)
Depreciation expense	-	(5,781)	(46,705)	(121)	(52,607)
Disposals	-	-	-	-	-
Revaluation	-	29,993	-	-	29,993
Balance at 30 June 2022	-	-	(406,811)	(131,948)	(538,759)
Net book value					
As at 30 June 2021	650,000	212,986	168,747	322	1,032,055
As at 30 June 2022	750,000	500,000	130,553	201	1,380,754

The following estimated useful lives are used in the calculation of depreciation:

Class of asset	Depreciation rate
Buildings	2% - 2.5%
Plant and equipment	10% - 67%
Low value pool	19% - 38%

Aggregate depreciation allocated, whether recognised as an expense or capitalised as part of the carrying amount of other assets during the year:

	2022 \$	2021 \$
Buildings	5,781	5,871
Plant and equipment	46,705	59,783
Low value pool	121	194
	<u>52,607</u>	<u>65,848</u>

^ Refer to note 15

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
TASMANIAN BRANCH
NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022**

10. Property, plant and equipment (cont'd)

The revalued land and buildings consist of freehold land and building at fair value for the property at 72 York Street, Launceston, Tasmania 7250. Management determined that these constitute one class of asset under AASB 13 Fair Value Measurement, based on the nature, characteristics and risks of the property.

Fair value of the properties was determined by using market comparable method. This means that assessment performed by the real estate agent are based on active market prices, significantly adjusted for the difference in the nature, location or condition of the specific property. As at the date of revaluation on 11 August 2022, the properties' fair values are based on market assessment performed by Humphreys Real Estate, a registered commercial real estate agent.

	2022	2021
	\$	\$
11. Trade and other payables		
Trade payables	62,089	14,984
Accruals	-	-
Other payables	80,921	64,634
Payables to other reporting units	-	-
Consideration to employers for payroll deductions	673	613
Legal costs	-	-
	143,684	80,231

The average credit period for purchases of goods and services is 30 days. No interest is charged on trade payables.

12. Provisions

Employee Provisions

Office Holders

Annual Leave	5,802	11,294
Long Service Leave	74,045	71,400
Separation and redundancies	-	-
Other	-	-
	79,847	82,694

Employees other than office holders:

Annual Leave	57,619	59,579
Long Service Leave	94,269	88,985
Separation and redundancies	-	-
Other	-	-
	151,888	148,564
	231,735	231,258
Current	214,389	206,773
Non Current	17,345	24,485
	231,735	231,258

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
TASMANIAN BRANCH
NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022**

13. Leases

(a) Right of Use Assets

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

	Building \$
As at 1 July 2020	62,750
Additions	-
Depreciation expense	(13,945)
Impairment	-
Disposal	-
Other movement	-
As at 1 July 2021	48,805
Additions	-
Depreciation expense	(13,944)
Impairment	-
Disposal	-
Other movement	-
As at 30 June 2022	34,861

(b) Lease Liabilities

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

	2022 \$	2021 \$
As at 1 July	52,251	64,929
Additions	-	-
Accretion of interest	1,757	2,272
Payments	(15,399)	(14,950)
As at 30 June	38,609	52,251
Current	14,658	13,642
Non-current	23,951	38,609

The following are the amounts recognised in profit or loss:

Depreciation expense of right-of-use assets	(13,945)	(13,945)
Interest expense on lease liabilities	(1,757)	(2,272)
Expense relating to short-term leases	-	-
Expense relating to leases of low-value assets (included in administrative expenses)	-	-
Variable lease payments	-	-
Total amount recognised in profit or loss	(15,702)	(16,217)

The following provides information on SDA's variable lease payments, including the magnitude in relation to fixed payments:

	Fixed payments \$	Variable payments \$	Total \$
2022			
Fixed rent	(15,399)	-	(15,399)
Variable rent with minimum payment	-	-	-
Variable rent only	-	-	-
	(15,399)	-	(15,399)

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
TASMANIAN BRANCH
NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022**

13. Leases (con't)

	Fixed payments	Variable payments	Total
	\$	\$	\$
2021			
Fixed rent	(14,950)	-	(14,950)
Variable rent with minimum payment	-	-	-
Variable rent only	-	-	-
	<u>(14,950)</u>	<u>-</u>	<u>(14,950)</u>

Set out below are the undiscounted potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term:

	Within five years	More than five years	Total
	\$	\$	\$
2022			
Extension options expected not to be exercised	40,486	-	40,486
Termination options expected to be exercised	-	-	-
	<u>40,486</u>	<u>-</u>	<u>40,486</u>
2021			
Extension options expected not to be exercised	55,584	-	55,584
Termination options expected to be exercised	-	-	-
	<u>55,584</u>	<u>-</u>	<u>55,584</u>

	2022	2021
	\$	\$
14. Retained Earnings		
Balance at beginning of financial year	3,624,742	3,546,887
Net profit attributable to members of the Association	13,300	77,855
Balance at end of financial year	<u>3,638,042</u>	<u>3,624,742</u>

15. Reserves

Asset revaluation reserve

	2022	2021
Balance at beginning of financial year	809,221	809,221
Movements	397,500	-
Transfer to retained earnings	-	-
Balance at end of financial year	<u>1,206,721</u>	<u>809,221</u>

The Association's land and buildings are stated at their estimated fair values with reference to an external market assessment performed periodically. The fair value estimates include significant management judgement around overall market conditions, adjusted if necessary, for any difference in the nature, location or condition of the specific asset at the statement of financial position date.

16. Equity

Other specific disclosures - Funds

Compulsory levy/voluntary contribution fund - if invested in assets	-	-
Other funds required by rules	-	-
	<u>-</u>	<u>-</u>

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
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NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022**

17. Commitments for expenditure

There are no capital or other expenditure commitments contracted for as at reporting date.

18. Key management personnel remuneration

Details of key management personnel

The members of the State Council and other members of key management personnel of the Association during the year were:

General President:	Isabell Wells	
Branch Vice President:	Ross Charlton	
General Secretary and Treasurer:	Paul Griffin	Retired 29/7/22
	Joel Tynan	Appointed 1/8/22
State Committee:	Sharon Butcher	
	Aniela Harris	
	Katrina Barr	
	Leanne Porter	
	Chris Stilgoe	
	Joel Tynan	Appointed to General Secretary 1/8/22

The aggregate remuneration made to state councillors and other members of key management personnel of the Association is set out below:

	2022	2021
	\$	\$
Short-term employee benefits	89,347	106,877
Post-employment benefits	8,906	8,128
	<u>98,253</u>	<u>115,005</u>

(a) Transactions with key management personnel

During the year State Councillors and their related entities purchased goods, which were trivial in nature, from the association on the same terms and conditions available to other members.

(b) Transactions with other related parties

Other related parties include:

- SDAEA National Office
- SDAEA International Fund

(c) Loans to related parties

Loans to related parties include the following:

Matthew and Katrina Barr	15,380	15,900
Laura Zakelj	3,440	

The above loans relate to financial assistance provided to Matthew and Katrina Barr and Laura Zakelj. The loan to Matthew and Katrina Barr has been provided interest free and has an undefined term. The loan to Laura Zakelj will incur interest at 1.5% and has an undefined term.

(d) Transactions between Shop, Distributive and Allied Employees Association, Tasmanian Branch and its related

During the financial year, the following material transactions occurred between the association and its other related

- (a) Shop, Distributive and Allied Employees Association, Tasmanian Branch paid annual capitation fees to SDAEA National Office of \$160,896 (2021: \$161,835)
- (b) Shop, Distributive and Allied Employees Association, Tasmanian Branch paid annual capitation fees to SDAEA International Fund of \$24,134 (2021: \$24,275)
- (c) Shop, Distributive and Allied Employees Association, Tasmanian Branch paid annual affiliation fees to ALP Tasmania of \$15,388 (2021: \$14,688)

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
TASMANIAN BRANCH
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(d) Shop, Distributive and Allied Employees Association, Tasmanian Branch paid annual capitation fees to Unions Tasmania \$41,502 (2021: \$39,176)

19. Remuneration of auditors

	2022	2021
	\$	\$
Auditor of the Association:		
Audit of the financial report	13,550	11,085
Taxation services	18,190	14,720
	31,740	25,805

The auditor of Shop, Distributive and Allied Employees Association, Tasmanian Branch was Deloitte Touche Tohmatsu in 2021. Newton & Henry are appointed auditors for year ended 30 June 2022.

20. Notes to the statement of cash flows

(a) Reconciliation of cash and cash equivalents

For the purposes of the statement of cash flow, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

Petty cash	200	200
Undeposited Funds	287	-
Cash at bank - trading account	345,788	526,994
Term Deposits	3,234,024	2,927,781
	3,580,300	3,454,975

(b) Reconciliation of profit for the year to net cash flows from operating activities:

Profit/(loss) from the year	406,095	77,855
Depreciation and amortisation	66,552	79,702
Gain on revaluation	(392,795)	-
Interest income received and receivable	(14,934)	(24,917)
Gain on sale of buildings	-	-
Loss on sale of plant and equipment	-	-
(Increase)/decrease in assets:		
Trade and other receivables	10,551	55,564
Accrued Interest Income	(8,692)	-
Inventories	1,836	2,033
Increase/(decrease) in liabilities:		
Trade and other payables	63,453	(22,185)
Provisions	477	39,389
	132,544	207,440

(c) Cash flow information:

Cash inflows from another reporting unit or controlled entity	-	-
	-	-
Cash outflows to another reporting unit or controlled entity	241,920	239,974
	241,920	239,974

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
TASMANIAN BRANCH
NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022**

21. Fair value measurement

Non-financial assets and liabilities fair value hierarchy

Fair value hierarchy – 30 June 2022

	Date of valuation	Level 1 \$	Level 2 \$	Level 3 \$
Assets measured at fair value				
Freehold land	11/08/2022	-	750,000	-
Buildings	11/08/2022	-	500,000	-
Total		-	1,250,000	-

Fair value hierarchy – 30 June 2021

	Date of valuation	Level 1 \$	Level 2 \$	Level 3 \$
Assets measured at fair value				
Freehold land	14/06/2018	-	650,000	-
Buildings	14/06/2018	-	218,767	-
Total		-	868,767	-

22. Financial Instruments

(a) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 3 to the financial statements.

(b) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the State Council, who has built an appropriate liquidity risk management framework for the management of the Association's short, medium, and long-term funding and liquidity management requirements. The Association manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Liquidity and interest risk tables

The following tables detail the Association's remaining contractual maturity from its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Association can be required to pay. The table includes both interest and principal cash flows:

	Weighted average effective interest rate %	Less than 1 month \$	1-3 months \$	3 months to 1 year \$	1 – 5 years \$	Total \$
2022 Amortised cost						
Non-interest bearing	-	144,986	2,604	11,954	40,486	200,030
		144,986	2,604	11,954	40,486	200,030
2021 Amortised cost						
Non-interest bearing	-	81,495	2,528	11,606	55,884	151,513
		81,495	2,528	11,606	55,884	151,513

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
TASMANIAN BRANCH
NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022**

22. Financial Instruments (cont'd)
(b) Liquidity risk management (cont'd)

The following tables detail the Association's expected maturity from its non-derivative financial assets. The tables have been drawn up based on the undiscounted cash flows of financial assets including interest that will be earned on those assets except where the Association anticipates that the cash flow will occur in a different period.

	Weighted average effective interest rate %	Less than 1 month \$	1-3 months \$	3 months to 1 year \$	1 – 5 years \$	Total \$
2022 Amortised cost						
Non-interest bearing	-	594,614	-	-	-	594,614
Fixed interest rate instruments	0.55%	-	-	3,234,024	-	3,234,024
		<u>594,614</u>	<u>-</u>	<u>3,234,024</u>	<u>-</u>	<u>3,828,638</u>
2021 Amortised cost						
Non-interest bearing	-	777,391	-	-	-	777,391
Fixed interest rate instruments	0.55%	-	-	2,927,781	-	2,927,781
		<u>777,391</u>	<u>-</u>	<u>2,927,781</u>	<u>-</u>	<u>3,705,172</u>

(c) Fair value of financial instruments

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.
- the fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions.

The State Council considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximates their fair values.

(d) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Association. The Association has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

(e) Interest rate sensitivity analysis

The Association holds fixed interest rate investments.

As at 30 June 2022, the Association holds \$3,234,024 in a fixed rate term deposit. Interest rate exposure is minimal.

23. Subsequent events

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Association, the results of those operations, or the state of affairs of the Association in future financial years.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
TASMANIAN BRANCH
NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022**

24. 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).

25. Segment information

The Association operates in one geographical location, Tasmania. All operating income is derived from member subscriptions. All costs are related to providing services to its members.

SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
TASMANIAN BRANCH
DETAILED STATEMENT OF PROFIT OR LOSS
(UNAUDITED)
FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	\$	\$
Revenue	1,856,436	1,816,400
Commissions paid to employers	13,491	6,652
Affiliation fees	241,920	239,974
Marketing expenses	200,324	190,520
<i>Campaigns</i>	19,347	14,719
<i>Promotional and presentations</i>	18,668	19,372
<i>Accident insurance - members</i>	36,385	36,127
<i>Movie Tickets</i>	17,016	16,416
<i>Presidential Card</i>	21,750	25,173
<i>Scholarship Vouchers</i>	44,217	52,085
Direct member benefits expenses	157,383	163,892
<i>Contractors</i>	-	-
<i>Insurance - Building & Content</i>	5,788	5,182
<i>Interest</i>	1,756	2,272
<i>Light & Power</i>	3,566	5,884
<i>Rates & Land Tax</i>	5,376	3,892
<i>Rental - Building</i>	18	1,246
<i>Repairs & Maintenance - Building</i>	1,926	2,113
<i>Repairs & Maintenance - Office</i>	7,978	8,408
Occupancy expenses	26,408	28,998
<i>Audit fees</i>	13,550	11,085
<i>Bad Debts</i>	8,534	829
<i>Bank Fees</i>	5,780	6,588
<i>Computer Expenses</i>	37,314	24,196
<i>Consulting</i>	15,999	4,455
<i>Debt Collection</i>	1,638	1,439
<i>Delegate Expenses</i>	196	7,070
<i>Delegates Meetings & Training</i>	87	14,246
<i>Fees/allowances - meetings and conferences</i>	-	-
<i>Fines</i>	43	0
<i>Meeting Expenses</i>	429	123
<i>Members Financial Assistance</i>	49,563	49,765
<i>Merchant Fees</i>	917	588
<i>National Council/Exec Expenses</i>	685	2,757
<i>Office Expenses</i>	5,032	6,047
<i>Postage & Freight</i>	39,306	30,698
<i>Printing & Stationery</i>	33,391	40,527
<i>Professional Fees</i>	18,190	14,720
<i>Professional Fees - Other</i>	2,880	-
<i>State Council Expenses</i>	5,181	3,700
<i>Subscriptions</i>	4,554	4,079
<i>Sundry Expenses</i>	757	212
<i>Telephone</i>	19,388	19,122
<i>Valuation Fees</i>	-	-
Administration expenses	263,415	242,243
<i>Fares & Organisers expenses</i>	1,574	1,102
<i>Fares & Organising Interstate</i>	5,966	1,372
<i>FBT</i>	37,343	32,966
<i>Functions</i>	11,323	269
<i>Movement in provision for Annual Leave</i>	(7,452)	705
<i>Movement in provision for Long Service Leave</i>	7,930	10,720
<i>Staff Amenities</i>	186	-
<i>Staff Training</i>	759	-
<i>Staff relocation costs</i>	-	8,319.69
<i>Workers Comp Insurance Staff</i>	5,746	5,304

SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
TASMANIAN BRANCH
DETAILED STATEMENT OF PROFIT OR LOSS
(UNAUDITED)
FOR THE YEAR ENDED 30 JUNE 2022

	2022		2021
	\$		\$
Indirect employee Costs		63,374	60,758
<i>Employees - Salaries</i>	517,173		478,185
<i>Employees - Superannuation</i>	54,174		49,514
<i>Employees - Annual/Sick Leave</i>	53,221		42,893
<i>Employees - Long Service Leave</i>	3,554		1,367
<i>Employees - Allowance</i>	3,240		3,120
<i>Employees - Workers Comp Invoices - Staff</i>	-		
<i>Employees - Parental/Maternity</i>	-		-
Direct Employee Expenses - Employees		<u>631,361</u>	<u>575,079</u>
<i>Officials - Salaries</i>	75,059		73,448
<i>Officials - Superannuation</i>	8,906		8,128
<i>Officials - Annual/Sick Leave</i>	14,005		12,113
<i>Officials - Long Service Leave</i>			
<i>Officials - Allowance</i>			
<i>Officials - Parental/Maternity</i>			
Direct Employee Expenses - Officials		<u>97,970</u>	<u>93,689</u>
Motor vehicle expenses		63,769	52,478
Depreciation		66,552	79,702
Loss on sale of fixed assets			
Donations		<u>17,169</u>	<u>4,559</u>
Profit/(Loss) before tax		<u>13,300</u>	<u>77,856</u>
Income tax expense		<u>-</u>	<u>-</u>
Profit/(Loss) for the year		<u><u>13,300</u></u>	<u><u>77,856</u></u>