



22 November 2023

Christopher Gazenbeek
Secretary
Shop, Distributive and Allied Employees Association-Queensland Branch

Sent via email: secretary@sdaq.asn.au

CC: Loucas.Mylonas@bdo.com.au

Dear Christopher Gazenbeek

**Shop, Distributive and Allied Employees Association-Queensland Branch
Financial Report for the year ended 30 June 2023 – FR2023/97**

I acknowledge receipt of the financial report for the year ended 30 June 2023 for the Shop, Distributive and Allied Employees Association-Queensland Branch (the reporting unit). The documents were lodged with the Fair Work Commission (the Commission) on 17 November 2023.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

I make the following comments to assist you when you next prepare a financial report. The Commission will confirm these matters have been addressed prior to filing next year's report.

1. Missing documents

For the purposes of paragraph 253(2)(c) of the RO Act, the reporting unit must prepare a committee of management statement containing declarations by the committee of management in relation to the general purpose financial report (GPFR). An initial report submitted by the reporting unit did not contain the committee of management statement required by item 25 of the reporting guidelines. This required the report to be amended and a new auditor's statement to be issued.

Please ensure that next year's financial report contains the committee of management statement required by item 25 of the reporting guidelines.

2. General Purpose Financial Report (GPFR)

Disclosure of employee expenses to office holders and other employees

The reporting guidelines require reporting units to disclose in the statement of comprehensive income or in the notes to the financial statements employee expenses to holders of office (item 14(f)) and employee

expenses to other employees (item 14(g)). Item 14(f) and 14(g) of the reporting guidelines also requires these expenses to be separately disclosed as follows:

- Wages and salaries;
- Superannuation;
- Leave and other entitlements;
- Separation and redundancies; and
- Other employee expenses.

The employee expense note to the financial statements has disclosed wages and salaries, superannuation and leave and other entitlements, separately for officer holders and employees, but does not separately disclose separation and redundancies and other employee expenses provided for officers and employees.

The reporting guidelines require that all employee and office holder expenses be detailed separately (refer to items 14(f) and 14(g)).

Item 21 of the reporting guidelines states that if any of the activities identified within items 10-20 of the reporting guidelines have not occurred in the reporting period, a statement to this effect must be included either in the financial statements, the notes or in the officer's declaration statement.

Disclosure of employee provisions to office holders and other employees

The reporting guidelines also require either the statement of financial position or the notes to disclose any liability for employee benefits in respect of office holders and other employees (items 16(c) and 16(d)). Item 16(c) and 16(d) of the reporting guidelines also requires these provisions to be separately disclosed as follows:

- Annual leave;
- Long service leave;
- Separation and redundancies; and
- Other employee provisions.

The employee provisions note to the financial statements has disclosed annual leave and long service leave separately for office holders and employees, but does not separately disclose separation and redundancies and other employee provisions provided for officers and employees.

The reporting guidelines require that all employee and office holder provisions be detailed separately (refer to items 16(c) and 16(d)).

Item 21 in the reporting guidelines states that if any of the activities identified within items 10-20 of the reporting guidelines have not occurred in the reporting period, a statement to this effect must be included either in the financial statements, the notes or in the officer's declaration statement.

Reporting guideline activities – not disclosed

Item 21 of the reporting guidelines states that if any activity described within items 10-20 of the reporting guidelines has not occurred in the reporting period, a statement to this effect must be included the GPFR or in an officer's declaration statement.

The notes/officer's declaration statement contained nil activity information for all prescribed reporting guideline categories except the following:

- Item 14(d) – pay compulsory levies
- Item 14(e)(iii) – pay a donation that was \$1,000 or less
- Item 14(j)(i) – pay legal costs relating to litigation
- Item 16(a) – have a payable to employer as consideration for that employer making payroll deductions of membership subscriptions

- Item 16(b)(i) – have a payable in respect of legal costs relating to litigation

3. Auditor's Statement

Declaration relating to management use of going concern basis of accounting

Item 30 of the reporting guidelines requires that the auditor's statement include a declaration, that as part of the audit of the financial statements, they have concluded that management's use of the going concern basis of accounting in the preparation of the financial statement is appropriate.

In future, please ensure that the auditor's statement includes the abovementioned declaration.

If you have any queries regarding this letter, please contact me on (03) 8650 0183 or via email at ken.morgan@fwc.gov.au.

Yours sincerely

A handwritten signature in black ink, appearing to read 'K. Morgan', with a stylized flourish at the end.

KEN MORGAN
Assistant Director, Financial Analysis
Registered Organisations Services Branch

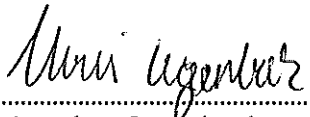
SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
(QLD BRANCH)

Section 268 *Fair Work (Registered Organisations) Act 2009*

**CERTIFICATE BY DESIGNATED OFFICER
FOR THE YEAR ENDED 30 JUNE 2023**

I, Christopher Gazenbeek, being the Secretary of the Shop, Distributive & Allied Employees Association (Queensland Branch) certify:

- that the documents lodged herewith are copies of the full report for the Shop, Distributive & Allied Employees Association (Queensland Branch) for the period ended 30 June 2023 referred to in section 268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report (excluding the Detailed Income Statement) was provided to members of the reporting unit on 17th day of November 2023; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 16th day of November 2023 in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.



.....
Christopher Gazenbeek
Secretary - Treasurer

Date:17/11/23.....



**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
(QLD BRANCH)**

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2023

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
(QLD BRANCH)**

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INDEPENDENT AUDITORS REPORT

To the members of Shop, Distributive and Allied Employees Association (QLD Branch)

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Shop, Distributive and Allied Employees Association (QLD Branch) (the reporting unit), which comprises the statement of financial position as at 30 June 2023, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, the Committee of Management Statement, the subsection 255(2A) report and the Officer Declaration Statement.

In our opinion the accompanying financial report of Shop, Distributive and Allied Employees Association (QLD Branch), presents fairly, in all material respects the reporting unit's financial position as at 30 June 2023 and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and any other requirement imposed by these Reporting Guidelines or 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 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 (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

The Committee of Management are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the reporting unit's operating report, 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.

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 a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Committee of Management for the Financial Report

The Committee of Management of the reporting unit are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Fair Work (Registered Organisations) Act 2009*, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee of Management are responsible for assessing the registered entity'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 responsible entities either intends to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

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 the 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 this 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 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 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 my 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 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. We are responsible for the direction, supervision and performance of the Reporting Unit audit. We remain solely responsible for our audit opinion.

We 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 are identified during our audit.

This description forms part of our auditor's report.

Declaration by the auditor

I, L G Mylonas, declare that I am a registered auditor, a member of the Chartered Accountants Australia New Zealand and hold a current Public Practice Certificate.

BDO Audit Pty Ltd

BDO


L G Mylonas

Director

Brisbane, 15 November 2023

Registration number (as registered by the RO Commissioner under the Act): AA2021/5.

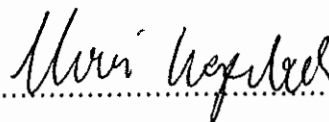
SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
(QLD BRANCH)

EXPENDITURE REPORT REQUIRED UNDER SUBSECTION 255(2A)
FOR THE YEAR ENDED 30 JUNE 2023

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 30 June 2023.

Categories of expenditures	2023 \$	2022 \$
Remuneration and other employment-related costs and expenses - employees	4,962,237	5,215,699
Advertising	3,639	3,944
Operating costs	6,328,053	5,206,170
Donations to political parties	-	-
Legal costs	43,196	104,349

Signature of designated officer:



Name and title of designated officer:

Christopher Gazenbeek
Secretary - Treasurer

Dated: 19th September 2023

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
(QLD BRANCH)**

**OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

The Committee of Management presents its operating report on the Reporting Unit for the financial year ended 30 June 2023.

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

The principal activity of the Branch is to preserve and enhance the wages and working conditions of its members, and promote the interests and rights of workers. In addition to industrial representation, members are also provided with a range of services and benefits. The Branch produced a range of publications for its members.

Throughout the year under the guidance of the National Association, the Branch has assisted in carrying out the policies and objectives of the National Association; including the defence of penalty rates, and protecting the workers' rights to other employee entitlements.

There were no significant changes in the nature of the Branch's principal activities during the reporting year.

Significant changes in financial affairs

There were no significant changes in the Branch's financial affairs for the year.

Rights of members to resign

Pursuant to section 174 of the Fair Work (Registered Organisations) Act 2009, members could resign from the Branch by written notice addressed and delivered to the Secretary-Treasurer in accordance with the rule 22A of the Branch.

Superannuation fund trustees

There are no officers or employees of the Branch who are superannuation fund trustees or director of a company that is a superannuation fund trustee.

Affiliations and directorships

The Branch is affiliated with the Australian Labor Party ("ALP"). Delegates were credentialed to the State meetings of the ALP.

Number of members

Membership of the Branch as at 30 June 2023 was 30,471.

Persons eligible to do so under the rules of the Branch were actively encouraged to join the Branch.

Number of employees

At 30 June 2023, there were 47 employees employed by the Branch.

Names of committee of management members and period positions held during the financial year

The members of the State Council of the Branch at any time during or since the end of the financial year were:

<i>Name</i>	<i>State Council</i>
Mrs. C. Blythe Branch President	State Council member since 2009 - March 2022 Brisbane Area Representative Branch President from March 2022
Ms. E. Beswick Branch Vice President	State Council member since 1998 Branch Vice President since 2002
Mr C. Gazenbeek Branch Secretary - Treasurer	State Council member since 2011 Branch Secretary - Treasurer since 2014

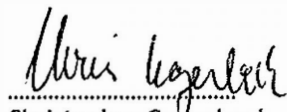
SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
(QLD BRANCH)

OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2023

Mr. J. Power Assistant Secretary	State Council member since 2014 Assistant Secretary since 2014
Mrs. P. Jarrett	State Council member since 1984 Brisbane Area Representative
Mrs. S. Pulungan	State Council member since 1998 Brisbane Area Representative
Ms. M. Wedgwood	State Council member since 2014 Brisbane Area Representative
Ms. K. Burgess	State Council member since 2016 Brisbane Area Representative
Ms. B. Flood	State Council member since 2012 Representative from the Northern Districts
Mr. B. Knap	State Council member since 2018 Representative from the Southern & Western Districts
Mrs. D. Moss	State Council member since 2022 Brisbane Area Representative
Mrs. M. McDuff	State Council member since 2022 Representative from the Northern Districts
Ms. S. Ochola	State Council member since 2022 Representative from the Southern & Western Districts
Ms. L. Townsend	State Council member since 2022 Representative from the area covered by the Shop Assistants and Storemen Packers Award - Central Division

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

Dated at Brisbane this 19th day of September 2023



Christopher Gaxenbeek
Branch Secretary - Treasurer

SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
(QLD BRANCH)

COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2023


On the 19th day of September 2023 the Committee of Management of Shop, Distributive and Allied Employees' Association (QLD Branch) passed the following resolution in relation to the general-purpose financial report (GPFR) of the Branch for the year ended 30 June 2023.

The Committee of Management declares in relation to the General Purpose Financial Report ("GPFR") that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with 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 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 a 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 Committee of Management.

Signed by the designated officers on behalf of the Committee of Management:


Cassandra Blythe
Branch President

Dated at Brisbane: 15th November 2023


Christopher Gazenbeek
Branch Secretary - Treasurer

Dated at Brisbane: 15th November 2023

SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
(QLD BRANCH)

OFFICER DECLARATION STATEMENT
FOR THE YEAR ENDED 30 JUNE 2023

I, Christopher Gazenbeek, being the Secretary-Treasurer of the Branch, declare that the following activities did not occur during the reporting period ending 30 June 2023.

The reporting unit did not:

- 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 grant that was \$1,000 or less
- pay a grant that exceeded \$1,000
- pay a penalty imposed under the RO Act or the Fair Work Act 2009
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- make a payment to a former related party of the reporting unit

Signed by the officer: *Chris Ugerbell*

Dated: *19th September 2023*

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
(QLD BRANCH)**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023**

	Note	2023 \$	2022 \$
INCOME			
Membership subscriptions	3	9,635,002	10,511,034
Interest		1,176	11,061
Other income	3A	410,439	289,832
Gain/(loss) on revaluation of investment portfolio		97,398	(790,650)
Fair value decrease on investment property		(373,217)	4,118,606
Rental income		1,005,149	47,435
TOTAL INCOME		<u>10,775,947</u>	<u>14,187,318</u>
LESS EXPENSES			
Administration costs	4	1,358,408	1,406,936
Affiliation fees	5	1,366,442	804,193
Amortisation of leases		312,976	350,190
Audit fees	6	64,467	45,172
Considerations paid to employers for payroll deductions		47,482	45,539
Consulting / training		578,647	459,182
Depreciation		230,457	213,816
Federal meeting expenses	7	226,132	175,568
Fringe benefits		71,864	104,960
Insurance		356,048	415,241
Legal costs	8	43,196	104,349
Organisation expenses		267,531	300,093
Rental properties expenses		692,935	356,690
Payroll tax		205,401	232,726
Postage		70,061	130,638
Printing and stationery		107,338	135,262
Leave entitlements accrual		25,304	(31,349)
Salaries and wages	9	4,100,721	4,344,737
Scholarship bursaries		95,200	117,725
Shop steward expenses		296,382	254,110
Superannuation	9	558,946	564,387
TOTAL EXPENSES		<u>11,075,938</u>	<u>10,530,165</u>
Surplus (deficit) for the year		<u>(299,991)</u>	<u>3,657,153</u>
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss			
Gain on revaluation of land and buildings		1,050,775	-
Total comprehensive income attributable to the organisation		<u>750,784</u>	<u>3,657,153</u>

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
(QLD BRANCH)**

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023**

	Note	2023 \$	2022 \$
CURRENT ASSETS			
Cash and cash equivalents	10	1,291,396	521,731
Trade and other receivables	11	681,696	818,639
Cash management accounts	12	209,595	64,518
Other assets	13	1,071,272	1,244,317
TOTAL CURRENT ASSETS		3,253,959	2,649,205
NON-CURRENT ASSETS			
Other receivables	13	198,307	-
Other financial assets	14	4,358,464	5,361,066
Property, plant and equipment	15	10,986,419	10,148,381
Investment properties	16	24,689,244	20,400,000
Right-of-use assets	17	339,113	561,779
Intangibles	18	33,980	33,980
TOTAL NON-CURRENT ASSETS		40,605,527	36,505,206
TOTAL ASSETS		43,859,486	39,154,411
CURRENT LIABILITIES			
Trade and other payables	19	476,224	338,587
Lease liabilities	17	223,385	316,434
Employee provisions	21	1,309,109	1,239,694
Other current liabilities	22	16,998	13,288
TOTAL CURRENT LIABILITIES		2,025,716	1,908,003
NON-CURRENT LIABILITIES			
Lease liabilities	17	128,636	261,697
Employee provisions	21	10,255	54,366
Borrowings	23	4,000,000	-
Other non-current liabilities	19	13,750	-
TOTAL NON-CURRENT LIABILITIES		4,152,641	316,063
TOTAL LIABILITIES		6,178,357	2,224,066
NET ASSETS		37,681,129	36,930,345
EQUITY			
General fund	24	35,478,965	35,778,956
Asset revaluation reserves	25	2,202,164	1,151,389
TOTAL EQUITY		37,681,129	36,930,345

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
(QLD BRANCH)**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023**

	General funds \$	Asset revaluation reserve \$	Total \$
Balance at 1 July 2021	32,121,803	1,151,389	33,273,192
Profit/(loss) attributable to the organisation	3,657,153	-	3,657,153
Other comprehensive income for the year	-	-	-
Sub-total	3,657,153	-	3,657,153
Closing balance at 30 June 2022	35,778,956	1,151,389	36,930,345
Profit/(loss) attributable to the organisation	(299,991)	-	(299,991)
Other comprehensive income for the year	-	1,050,775	1,050,775
Sub-total	(299,991)	1,050,775	750,784
Closing balance at 30 June 2023	35,478,965	2,202,164	37,681,129

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
(QLD BRANCH)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023**

	Note	2023 \$	2022 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units	26(b)	33,969	-
Interest received		1,176	11,061
Membership subscriptions		10,775,313	11,639,822
Receipts from other sources		756,748	364,542
Cash used			
Employees		(4,634,363)	(4,939,927)
Suppliers		(5,175,724)	(5,492,401)
Payments to other reporting units	26(b)	(1,311,959)	(1,301,949)
Finance cost		(25,122)	(35,043)
Net cash from (used by) operating activities	26(a)	<u>420,038</u>	<u>246,105</u>
INVESTING ACTIVITIES			
Cash received			
Proceeds from investments		954,923	9,828,769
Cash used			
Purchase of plant and equipment		(17,720)	(207,357)
Purchase of land and buildings		-	(3,964)
Payments for investment property		(4,284,906)	(9,311,005)
Payments for intangibles		-	-
Net cash from (used by) investing activities		<u>(3,347,703)</u>	<u>306,443</u>
FINANCING ACTIVITIES			
Cash received			
Bank loan for Northgate property purchase		4,000,000	-
Bonds received		13,750	-
Cash used			
Repayment of lease liabilities		(316,420)	(345,184)
Net cash from (used by) financing activities		<u>3,697,330</u>	<u>(345,184)</u>
Net increase/(decrease) in cash held		769,665	207,364
Cash and cash equivalents at the beginning of the reporting period		521,731	314,367
Cash and cash equivalents at the end of the reporting period	10	<u><u>1,291,396</u></u>	<u><u>521,731</u></u>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
(QLD BRANCH)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Shop, Distributive and Allied Employees Association (QLD Branch) is a state employees Branch and is domiciled in Australia.

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 year and the Fair Work (Registered Organisation) Act 2009. For the purpose of preparing the general purpose financial statements, the Shop, Distributive and Allied Employees Association (QLD Branch) is a not-for-profit entity.

The financial statements, except for cash flow information, have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, 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. The following is a summary of the material accounting policies adopted by the Branch in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Comparative amounts

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

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.

Measurement of fair values

A number of the Branch's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Branch has an established control framework with respect to the measurement of fair values. Significant fair value measurements are overseen and reviewed regularly, including unobservable inputs and valuation adjustments. If third party information is used to measure fair values, the Branch assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of AASBs, including the level in the fair value hierarchy in which such valuations should be classified. Significant valuation issues are reviewed by the Branch's Audit and Risk Committee.

When measuring the fair value of an asset or a liability, the Branch uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Branch recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

The investment properties completed construction during the 2022 financial year. The Branch obtained a full valuation of the investment properties on 4 April 2022.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

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

Significant accounting judgements and estimates (cont.)

Measurement of fair values (cont.)

During the 2023 financial year The Branch purchased the Northgate property. It is a passive investment for The Branch over the short term. It is expected there will not be any re-development works on the site for at least 18-24 months.

Further information about the assumptions made in measuring fair values is included in the following notes: Note 15: Property, Plant & Equipment and Note 16: Investment property.

Adoption of new Australian Accounting Standards and amendments

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

The accounting policies adopted are consistent with those of the previous financial year.

Future Australian Accounting Standards

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 Branch include:

- i) 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 Branch does not expect the adoption of this amendment to have an impact on its financial statements.

Current versus non-current classification

The 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 Branch classifies all other liabilities as non-current.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

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

Accounting Policies

(a) Revenue from contracts with customers

The Branch enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, donations, gains from sale of assets, and rental income.

Revenue is measured at the fair value of the consideration received or receivable. All revenue is stated net of the amount of goods and services tax (GST).

The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements. Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

(i) Membership subscriptions

Revenue from subscriptions is accounted for on an accrual basis and is recorded as revenue in the year to which it relates.

Membership contributions are consideration received by the Shop, Distributive and Allied Employees' Association QLD 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 (QLD 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.

(ii) Gains from sale of assets

An item of property, plant and equipment is derecognised upon disposal (which is at the date the recipient obtains 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.

(iii) Interest income

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

(iv) Rental income

Leases in which the Branch, as a lessor, does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising 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.

(v) Donations

Donation income is recognised when it is received.

(vi) Other revenue

Other revenue is recognised when the right to receive the revenue has been established.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

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

Accounting Policies (cont.)

(b) 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, plus related on-costs.

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 Branch in respect of services provided by employees up to reporting date.

(c) Cash and Cash Equivalents

Cash is recognised at its nominal amount. Cash and cash equivalents includes 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 consolidated statement of financial position.

Cash management accounts are short term deposits with a maturity of greater than 90 days from acquisition.

(d) Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(e) Leases

The 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 (QLD Branch) as a lessee

The Branch applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The 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 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. 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:

Land & buildings	2.5%	Straight line
Plant and equipment	10 - 30%	Diminishing value

If ownership of the leased asset transfers to the Branch at the end of the lease term of the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use asset are also subject to impairment.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

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

Accounting Policies (cont.)

(e) Leases (cont.)

Lease liabilities

At the commencement date of the lease, the 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 Branch and payments of penalties for terminating the lease, if the lease term reflects the Branch exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Branch uses the interest rate implicit in the lease. 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

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 that are below \$1,000. 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.

(f) Financial Instruments

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

Financial assets

Contract assets and receivables

A contract asset is recognised when the Branch's right to consideration in exchange for goods or services that has transferred to the customer when that right is conditioned on the Branch's future performance or some other condition.

A receivable is recognised if an amount of consideration that is unconditional is due from the 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 the accounting policies on impairment of financial assets below.

Initial recognition and measurement

The Branch's financial assets include trade receivables and loans to related parties.

The financial assets are classified as financial assets subsequently measured at amortised cost because 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.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

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

Accounting Policies (cont.)

(f) Financial Instruments (cont.)

Financial assets (cont.)

Initial recognition and measurement (cont.)

The classification of financial assets is performed at an instrument level at initial recognition of the financial asset. The Branch initially measures a financial asset at its fair value plus transaction costs. However contract assets and trade receivables that do not contain a significant financing component are measured at the transaction price as determined in accordance with the revenue policy note.

Subsequent measurement

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

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the asset have expired. For receivables and contract assets, The Branch directly reduces the gross carrying amount of a receivable or contract asset when it has no reasonable expectations of recovering the receivable or contract asset in its entirety or a portion thereof.

Financial Liabilities

Initial recognition and measurement

The Branch's financial liabilities include trade and other payables, interest-bearing loans and borrowings.

The Branch's financial liabilities are classified as financial liabilities subsequently measured at amortised cost.

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

Subsequent measurement

Financial liabilities at amortised cost

After initial recognition, trade and other 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

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

(g) 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.

(h) 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.

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:

Land & buildings	2.5%	Straight line
Plant and equipment	10 - 30%	Diminishing value

Derecognition

An item of land, buildings, plant and equipment is derecognised upon disposal of 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 or loss.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

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

(i) 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.

(j) Intangibles

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful life. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. The useful life of the Branch's intangible assets are:

	2023	2022
Intangibles	-	-

Derecognition

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit or loss when the asset is derecognised.

(k) Impairment of 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 of disposal 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 Branch were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

(l) 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.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
(QLD BRANCH)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

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

(m) Taxation

The income of the 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 (ATO); 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 ATO is classified within operating cash flows.

(n) Fair value measurement

The Branch measures financial instruments, such as, financial assets as at fair value through the profit and loss, financial assets at fair value from 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 Financial assets and liabilities.

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 most advantageous market must be assessable by the Branch. The fair value of an asset or 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 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 Branch determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level that is significant to the fair value measurement as a whole) at the end of each reporting period. 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 purposes of fair value disclosures, the 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.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

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

(o) Acquisition of assets and or liabilities that do not constitute a business combination

The Branch 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 the organisation, a determination or revocation by the General Manager of the Fair Work Commission under subsections 245(1) or 249(1) of the RO Act.

(p) Mortality Fund

Any member who has been with the Branch for more than 25 years would be able to apply to be a mortality member, and the application is then approved by the board. Upon the death of a member, the amount paid out to the member's next-of-kin is based on the number of hours the member worked each week prior to their death.

(q) Going Concern

The Branch is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis (as noted in the Committee of Management Statement). The Branch has not agreed to provide financial support to ensure another reporting unit or affiliate has the ability to continue as a going concern.

NOTE 2: Events after the reporting period

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 Branch, the results of those operations, or the state of affairs of the Branch in subsequent financial periods.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

	Note	2023 \$	2022 \$
NOTE 3: REVENUE AND INCOME			
Revenue from contracts with customers			
Membership revenue - recognised overtime		9,635,002	10,511,034
Total revenue from contracts with customers		<u>9,635,002</u>	<u>10,511,034</u>
NOTE 3A: OTHER INCOME			
Other income		101,433	29,482
Investment income		309,006	260,350
Total other income		<u>410,439</u>	<u>289,832</u>
NOTE 4: ADMINISTRATION EXPENSES			
Advertising costs		3,639	3,944
Bank charges		29,631	12,569
Building expenses - head office		247,600	238,114
Grants and donations	4(a)	20,000	45,000
General expenses		309,814	341,588
Information technology costs		347,527	294,530
Interest expense		25,122	35,043
Conference & meeting expenses		54,013	56,770
Photocopier expenses		252,221	302,438
Telephone		68,841	75,891
ACTU costs		-	1,049
Total administration expenses		<u>1,358,408</u>	<u>1,406,936</u>
NOTE 4(a): GRANTS & DONATIONS EXPENSED			
Donations			
- Total paid that exceeded \$1,000		20,000	45,000
Total donations		<u>20,000</u>	<u>45,000</u>
NOTE 5: AFFILIATION FEES			
Shop Distributive & Allied Employees National Fund		960,153	483,308
Shop Distributive & Allied Employees International Fund		142,711	72,496
The Australian Labor Party		220,851	200,662
The Union Shopper Inc		22,727	22,727
McKell Institute		20,000	25,000
Total affiliation fees		<u>1,366,442</u>	<u>804,193</u>

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

	Note	2023 \$	2022 \$
NOTE 6: AUDITORS' REMUNERATION			
Remuneration of the auditor for:			
- Auditing or reviewing the financial report		64,467 *	45,172
- Other accounting and taxation services provided by related practice of auditor		589,338	340,958
Total auditors' remuneration		653,805	386,130
*Includes prior year fees paid in FY2023			
NOTE 7: FEDERAL EXPENSES			
- Conference & meeting expenses		105,140	34,418
- Fees & allowances - meeting & conferences		25,851	5,230
- National cost contributions		95,141	135,920
Total federal expenses		226,132	175,568
NOTE 8: LEGAL COSTS			
- Other legal costs		43,196	104,349
Total legal costs		43,196	104,349
NOTE 9: EMPLOYEE EXPENSES			
Holders of office:			
- Wages and salaries		314,167	304,751
- Leave and other entitlements		41,398	22,324
		355,565	327,075
Employees other than office holders:			
- Wages and salaries		3,349,366	3,603,328
- Leave and other entitlements		395,790	414,334
		3,745,156	4,017,662
Total employee expenses		4,100,721	4,344,737
Superannuation - holders of office		56,180	53,757
Superannuation - Employees other than office holders		502,766	510,869
Total superannuation expenses		558,946	564,626

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

	Note	2023 \$	2022 \$
NOTE 10: CASH AND CASH EQUIVALENTS			
Cash at bank		1,263,542	511,728
Cash - other		27,854	10,003
		1,291,396	521,731
Reconciliation of cash			
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:			
Cash and cash equivalents		1,291,396	521,731
NOTE 11: TRADE AND OTHER RECEIVABLES			
CURRENT			
Membership fees receivable		681,510	818,639
Other		186	-
Total trade and other receivables		681,696	818,639
The Branch is not owed any other amounts from other reporting units of the organization.			
NOTE 12: CASH MANAGEMENT ACCOUNTS			
CURRENT			
Queensland Credit Union - Moneymaker		143,615	7,544
Colonial investment portfolio - cash and short term deposits		65,980	56,974
Total cash management accounts		209,595	64,518
NOTE 13: OTHER ASSETS			
CURRENT			
Rental property receivables		25,467	-
Prepayments		1,010,194	1,169,024
Other receivables		35,611	75,293
Total current other assets		1,071,272	1,244,317
NON-CURRENT			
Other receivables		198,307	-
Total non-current other assets		198,307	-
Total other assets		1,269,579	1,244,317

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
(QLD BRANCH)**

**NOTES TO THE FINANCIAL STATEMENTS
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	2023 \$	2022 \$
NOTE 14: FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		
Non Current Asset		
Investments - colonial long term reserve	4,358,464	5,361,066
Total financial assets at fair value through profit or loss	4,358,464	5,361,066

(i) Fair value Hierarchy

The following table provides an analysis of financial assets that are measured at fair value, by fair value hierarchy.

Fair value hierarchy - 30 June 2023

	Date of valuation	Level 1 \$	Level 2 \$	Level 3 \$
Assets measured at fair value				
Colonial long term reserve	30/06/2023	-	4,358,464	-
Total		-	4,358,464	-

Fair Value hierarchy - 30 June 2022

	Date of valuation	Level 1 \$	Level 2 \$	Level 3 \$
Assets measured at fair value				
Colonial long term reserve	30/06/2022	-	5,361,066	-
Total		-	5,361,066	-

NOTE 15: PROPERTY, PLANT AND EQUIPMENT

	2023 \$	2022 \$
LAND & BUILDING (385 ST PAUL'S TERRACE)		
At fair value	10,500,000	9,700,000
Less accumulated depreciation	-	(159,888)
Total land and buildings	10,500,000	9,540,112
PLANT AND EQUIPMENT		
At cost	2,116,346	2,098,626
Less accumulated depreciation	(1,629,927)	(1,490,357)
Total plant & equipment	486,419	608,269
Total property, plant and equipment	10,986,419	10,148,381

Movements in property, plant & equipment during the financial year ended 30 June 2023 were as follows:

	Land & Buildings \$	Plant & Equipment \$	Total \$
Balance at the beginning of the year	9,540,112	608,269	10,148,381
Additions	-	17,720	17,720
Disposals	-	-	-
Increase in fair value of landing and buildings	1,050,775	-	1,050,775
Depreciation expenses	(90,887)	(139,570)	(230,457)
Carrying amount at the end of the year	10,500,000	486,419	10,986,419

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NOTE 15: PROPERTY, PLANT AND EQUIPMENT (CONT.)

Movements in property, plant & equipment during the financial year ended 30 June 2022 were as follows:

	Land & Building \$	Plant & Equipment \$	Total \$
Balance at the beginning of the year	9,620,056	530,821	10,150,877
Additions	-	207,356	207,356
Disposals	-	-	-
Depreciation expenses	(79,944)	(129,908)	(209,852)
Carrying amount at the end of the year	<u>9,540,112</u>	<u>608,269</u>	<u>10,148,381</u>

Measurement of fair value at 30 June 2023

	Level 1	Level 2	Level 3
Assets measured at fair value			
385 St Paul's Terrace, Fortitude Valley	-	-	10,500,000
	<u>-</u>	<u>-</u>	<u>10,500,000</u>

Measurement of fair value at 30 June 2022

	Level 1	Level 2	Level 3
Assets measured at fair value			
385 St Paul's Terrace, Fortitude Valley	-	-	9,540,112
	<u>-</u>	<u>-</u>	<u>9,540,112</u>

(i) Measurement of fair value

Fair value hierarchy

The fair value of land and buildings was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuers provide the fair value of the Branch's head office property at least every three years.

The fair value measurement for the properties was determined at 30 June 2023 by A Weir, Director and certified practicing valuer of Herron Todd White, a registered independent appraiser having an appropriate recognised professional qualification in Australian Property Institute and recent experience in the location and category of the property being valued. The fair value measurements have been categorized as follows based on the inputs to the valuation technique used (see Note 1).

A significant increase (decrease) in estimated price per square metre in isolation would result in a significantly higher (lower) fair value. The revalued land and buildings consist of 1,474 sqm of land, Multi Purpose Building, and 40 car parking bays. Management determined that these constitute one class of asset based on the nature, characteristics and risks of the property.

(ii) Level 3 fair value - valuation techniques and significant unobservable inputs

The following table sets out the valuation techniques used to measure fair value within Level 3, including details of the significant unobservable inputs used and the relationship between unobservable inputs and fair value.

Description	Valuation Approach	Unobservable inputs	Range of inputs	Relationship between unobservable inputs and fair value
Land & buildings	Market approach (using capitalisation) based prices and other relevant information generated by market transactions involving identical or comparable assets.	Passing Yield	7.52%	The capitalisation approach examines potential net income available from the property, which is then capitalised at a rate that reflects the risk profile of the property, and the property market of the day.
		Initial Yield Fully Leased	7.52%	
		Analysed Market Yield	7.52%	
		Capitalisation Rate	7.50%	
		Value rate per square metre of lettable area	\$5,421	

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	2023 \$	2022 \$
NOTE 16: INVESTMENT PROPERTIES		
Investment properties at fair value	24,689,244	20,400,000
Total investment properties	24,689,244	20,400,000

Movements in the investment properties during the financial year ended 30 June 2023 were as follows:

	Eagle Farm & Northgate \$	Total \$
Balance at the beginning of the year	20,400,000	20,400,000
Additions/(loss)	3,836,186	3,836,186
Lease incentive - rent free period	406,089	406,089
Amortisation of lease incentive	-	-
Fitout incentive	448,720	448,720
Amortisation of fitout incentive	(28,534)	(28,534)
Net gain from fair value adjustment	(373,217)	(373,217)
Carrying amount at the end of the year	24,689,244	24,689,244

Movements in the investment properties during the financial year ended 30 June 2022 were as follows:

	Eagle Farm \$	Total \$
Balance at the beginning of the year	6,970,389	6,970,389
Additions	9,311,004	9,311,004
Net gain from fair value adjustment	4,118,607	4,118,607
Carrying amount at the end of the year	20,400,000	20,400,000

Measurement of fair value at 30 June 2023

	Level 1	Level 2	Level 3
Assets measured at fair value			
57 Harvey St, Eagle Farm	-	-	7,630,901
289 Cullen Av, Eagle Farm	-	-	8,495,119
295 Cullen Av, Eagle Farm	-	-	4,988,224
163-165 Toombul Rd and 10-14 Hamilton Rd, Northgate	-	-	3,575,000
	-	-	24,689,244

Measurement of fair value at 30 June 2022

	Level 1	Level 2	Level 3
Assets measured at fair value			
57 Harvey St, Eagle Farm	-	-	7,300,000
289 Cullen Av, Eagle Farm	-	-	8,300,000
295 Cullen Av, Eagle Farm	-	-	4,800,000
	-	-	20,400,000

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NOTE 16: INVESTMENT PROPERTIES (CONT.)

(i) Fair value hierarchy

The fair value of investment properties was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuers provide the fair value of the Branch's investment property at least every three years.

The fair value measurements for the Harvey St and Cullen Av properties were determined based on valuations completed as at 4 April 2022 after the construction of the investment properties were completed. The fair value measurement for the Northgate property was determined on valuations completed as at 13 February 2023. Valuations were undertaken by David Walsh from Herron Todd White, registered independent appraisers having appropriate recognised professional qualifications in Australian Property Institute and recent experience in the location and category of the property being valued.

(ii) Level 3 fair value - valuation techniques and significant unobservable inputs

The following table sets out the valuation techniques used to measure fair value within Level 3, including details of the significant unobservable inputs used and the relationship between unobservable inputs and fair value.

The fair value measurements have been categorized as follows based on the inputs to the valuation technique used (see Note 1).

Investment property	Valuation approach	Unobservable inputs	Range of inputs	Relationship between unobservable inputs and fair value
57 Harvey St, Eagle Farm	Capitalisation, Direct Comparison approach	Rate per square metre of land area	\$4,551	The estimated fair value would increase (decrease) if selling price per square metre was higher (lower).
289 Cullen Av, Eagle Farm	Capitalisation, Direct Comparison approach	Rate per square metre of land area	\$3,642	The estimated fair value would increase (decrease) if selling price per square metre was higher (lower).
295 Cullen Av, Eagle Farm	Capitalisation, Direct Comparison approach	Rate per square metre of land area	\$4,023	The estimated fair value would increase (decrease) if selling price per square metre was higher (lower).
163-165 Toombul Rd and 10-14 Hamilton Rd, Northgate	Capitalisation, Direct Comparison approach	Rate per square metre of land area	\$1,381	The estimated fair value would increase (decrease) if selling price per square metre was higher (lower).

A significant increase (decrease) in estimated rate per square metre of land area in isolation would result in a significantly higher (lower) fair value.

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NOTE 17: LEASES

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

	2023 \$	2022 \$
As at 1 July	561,779	585,358
Amortisation	(305,119)	(232,140)
Addition/(disposal) of new leases	82,453	208,561
As at 30 June	339,113	561,779

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

As at 1 July	578,131	596,705
Additions	82,453	208,561
Accretion of interest	25,122	35,043
Payments	(333,685)	(262,178)
As at 30 June	352,021	578,131
Current	223,385	316,434
Non-current	128,636	261,697

NOTE 18: INTANGIBLES

Computer software	33,980	33,980
Total intangibles	33,980	33,980

Reconciliation of opening and closing balances of intangibles

Opening balance 1 July 2022	33,980	33,980
Additions	-	-
Carrying value 30 June 2023	33,980	33,980

NOTE 19: TRADE AND OTHER PAYABLES

CURRENT

Unsecured liabilities

Trade creditors	33,409	30,940
Payables to other reporting units	-	-
Accrued expenses	178,808	152,300
GST payable/(refundable)	176,682	85,053
Superannuation payable	78,425	70,283
Employee deductions	11	11
Fitout contribution payable	8,889	-
Total current trade and other payables	476,224	338,587

NON-CURRENT

Bonds received - Northgate property	13,750	-
Total non-current trade and other payables	13,750	-

Total trade and other payables	489,974	338,587
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The Branch does not owe any other amounts to another reporting unit of the organisation.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023**

	Note	2023 \$	2022 \$
NOTE 20: LEGAL COSTS PAYABLE			
- Other legal costs payable		1,155	-
Total legal costs payable		1,155	-
NOTE 21: EMPLOYEE ENTITLEMENT PROVISIONS			
CURRENT			
Holders of office:			
Provision for annual leave		42,926	23,671
Provision for long service leave		109,715	93,520
Subtotal current employee provisions - office holders		152,641	117,191
Employees other than office holders:			
Provision for annual leave		503,122	504,022
Provision for long service leave		653,346	618,481
Subtotal current employee provisions - employees other than office holders		1,156,468	1,122,503
Total current employee provisions		1,309,109	1,239,694
NON-CURRENT			
Holders of office:			
Provision for long service leave		-	-
Subtotal non-current employee provisions - office holders		-	-
Employees other than Office holders:			
Provision for long service leave		10,255	54,366
Subtotal non-current employee provisions - employees other than office holders		10,255	54,366
Total non-current employee provisions		10,255	54,366
Total employee provisions		1,319,364	1,294,060
NOTE 22: OTHER CURRENT LIABILITIES			
CBA mastercards		16,998	13,288
		16,998	13,288

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NOTE 23: BORROWINGS	Note	2023 \$	2022 \$
NON-CURRENT			
CBA loan account - Northgate		4,000,000	-
Total at reporting date		<u>4,000,000</u>	<u>-</u>

Terms and conditions relating to the above loan:

(i) The debt facility with CBA was extended and increased in June 2023, and has a limit of \$4,000,000, and an expiry date of 28 June 2026. Bank loans are under a facility with a fixed term which expires on 28 June 2026 (3-year term). Interest rate risks associated with the liabilities are managed with interest rate swap arrangements. As at 30 June 2023, the Branch had drawn \$4,000,000 of this \$4,000,000 facility.

(ii) The loan is secured by 57 Harvey St, Eagle Farm, QLD, 4009 and 163 & 165 Toombul Rd and 10,12 & 14 Hamilton St, Northgate, QLD, 4013 (Security Properties). The fair value of the Security Properties are detailed in the valuation reports at 4 April 2022 for Harvey St (\$7,300,000) and 30 June 2023 for Northgate (\$3,575,000).

(iii) Under the terms of the loan facility, there is a requirement to report financial undertakings to CBA which include:

- a) A valuation of the Security Properties are to be undertaken on the basis of instructions by the Bank to a valuer approved by it. The valuation must be acceptable to the Bank.
- b) The Borrower must provide evidence to the Bank that the Security Properties are insured to the level as reasonably required by the Bank with such insurance assigned to the Bank as mortgagee.
- c) The outstanding amount under the facility cannot exceed the \$4,000,000 limit.

(iv) In addition, there are obligations on the Branch to ensure that the following requirements are met throughout the term:

- a) The facility is repayable in full on expiry of the term.
- b) Interest payments must be made on the reset date (30th of each month).

The Branch has complied with all terms and conditions of the loan facility during the reporting period.

NOTE 24: GENERAL FUND

Total at the beginning of the financial year	35,778,956	32,121,803
Net income/(loss) for the year	(299,991)	3,657,153
Total at the reporting date	<u>35,478,965</u>	<u>35,778,956</u>

NOTE 25: ASSET REVALUATION RESERVE

Total at the beginning of the financial year	1,151,389	1,151,389
Increase in fair value of landing and buildings	1,050,775	-
Total at reporting date	<u>2,202,164</u>	<u>1,151,389</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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	Note	2023 \$	2022 \$
NOTE 26: CASH FLOW RECONCILIATION			
(a) Reconciliation of cash and cash equivalents as per statement of financial position to cash flow statement:			
Cash and cash equivalents as per:			
Cash flow statement		1,291,396	521,731
Statement of financial position		1,291,396	521,731
		-	-
Reconciliation of profit/(deficit) to net cash from operating activities:			
Profit/(deficit) for the year		(299,991)	3,657,153
Adjustments for non-cash items:			
Amortisation		341,510	350,190
Depreciation		230,457	213,816
Loss on fair value of investment portfolio		(97,398)	790,650
Fair value gain on investment property		373,217	(4,118,606)
Changes in current assets and liabilities:			
(Increase)/decrease in net receivables		349,097	(52,806)
(Increase)/decrease in other assets		(629,863)	-
(Increase)/decrease in prepayments		158,830	(661,788)
Increase/(decrease) in supplier payables		2,469	(13,460)
Increase/(decrease) in employee provisions		25,305	(31,349)
Increase/(decrease) in other payables		(33,595)	112,304
Cash flows from operations		420,038	246,104
Note 26(b) : Cash flow information			
Cash inflows			
SDA National		4,951	5,529
SDA Newcastle & Northern		2,291	-
SDA NSW		9,164	-
SDA Tasmania		2,291	-
SDA Victoria		9,927	-
SDA WA		5,345	-
		33,969	5,529
Cash outflows			
SDA National		1,311,959	1,301,949
Total Cash outflows	28	1,311,959	1,301,949

NOTE 27: CONTINGENT LIABILITIES

The Branch does not have any contingent liabilities.

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NOTE 28: COMMITMENTS

Lease commitments receivable

Some of the investment properties are leased to tenants under long-term operating leases with rentals payable monthly. Minimum lease payments receivable on leases of investment properties are as follows:

	2023 \$	2022 \$
Rental income receivable		
Less than one year	1,306,424	332,000
Greater than one year but less than two years	1,154,110	332,000
Greater than two years but less than five years	3,462,329	996,000
Greater than five years	4,155,058	1,579,956
	10,077,921	3,239,956
 Lease commitments payable		
Commitments payable relating to service contracts		
Less than one year	31,522	49,449
Greater than one year but less than two years	20,520	20,520
Greater than two years but less than five years	12,200	32,720
Greater than five years	-	-
	64,242	102,689
 Capital commitments payable		
Eagle farm contract		
Less than one year*	-	209,814
	64,242	312,503

*The project was completed at 30 June 2022 and retention of \$209,814 was paid in March 2023.

NOTE 29: RELATED PARTY TRANSACTIONS

Terms and conditions of transactions with related parties

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 2023, the Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2022: \$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.

The following table provides the total amount of expenses that have been incurred on behalf of related parties for the period.

Affiliation fees paid to SDA National	1,094,120	1,111,608
Expenses paid to SDA National		
• Intranet and IT	95,141	145,469
• ALP Federal Election Campaign Donation	-	39,259
• Other	3,429	5,614
Amounts paid to SDA New South Wales	-	-
Amounts paid to SDA South Australia	-	-
	1,192,690	1,301,950

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NOTE 29: RELATED PARTY TRANSACTIONS (cont.)

The following table provides the total amount of expense reimbursements that have been received from related parties for the period.

	2023	2022
	\$	\$
SDA Newcastle & Northern	2,291	-
SDA NSW	9,164	-
SDA Tasmania	2,291	-
SDA Victoria	9,927	-
SDA WA	5,345	-
SDA National	7,316	5,529
	<u>36,334</u>	<u>5,529</u>

The SDA National Association is a related party of the Branch. The National Association helps and guides the affiliated Branches to carry out the policy of the Association and/or all or any of the objects of the Association. SDA Newcastle & Northern, SDA NSW, SDA Tasmania, SDA Victoria, SDA Western Australia and SDA South Australia are related parties of the Branch and are affiliated branches under SDA National Association.

The Branch has not received any other financial support from another reporting unit of the organization.

NOTE 30: NUMBER OF EMPLOYEES AT BALANCE DATE

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NOTE 31: KEY MANAGEMENT PERSONNEL REMUNERATION FOR THE REPORTING PERIOD

	2023	2022
Short-term employee benefits		
Salary (including annual leave taken & termination payments)	355,565	327,075
Annual leave accrued during the year	37,100	25,882
Non-monetary benefits	15,477	19,911
Total short-term employee benefits	<u>408,142</u>	<u>372,868</u>
Post-employment benefits		
Superannuation	56,180	53,757
Total post-employment benefits	<u>56,180</u>	<u>53,757</u>
Other long-term benefits		
Long-service leave accrued	39,749	14,117
Total other long-term benefits	<u>39,749</u>	<u>14,117</u>
Total	<u>504,071</u>	<u>440,742</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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NOTE 32: FINANCIAL RISK MANAGEMENT

a. Financial Risk Management Policies

The entity's financial instruments consist mainly of deposits with banks, short-term investments, and accounts receivable and payable

The entity does not have any derivative instruments at 30 June 2023.

i. Treasury Risk Management

An audit and risk committee consisting of senior committee members meets on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

ii. Financial Risks Exposure Management

The main risks the entity is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

(a) Foreign currency risk

The entity is not exposed to fluctuations in foreign currencies.

(b) Liquidity risk

Liquidity risk is the risk that the Branch may encounter difficulties raising funds to meet commitments associated with financial instruments. The entity manages liquidity risk by monitoring forecast cash flows.

(c) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the table below. The entity does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the entity.

There is no material amounts of collateral held as security at 30 June 2023.

Credit risk is managed by the entity and reviewed regularly by the finance committee. It arises from exposures to customers as well as through deposits with financial institutions.

The entity monitors the credit risk by actively assessing the rating quality and liquidity of counterparties:

- Only banks and financial institutions with an 'A' rating are utilised.
- The credit standing of counterparties is reviewed monthly for liquidity and credit risk.

iii. Equity price risk

The Branch's equity investments are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Branch manages the equity price risk by engaging an external investment manager who provides advice on managing the investment portfolio and managed funds are used to diversify the investments.

Reports on the equity portfolio are submitted to the Branch's senior management on a regular basis. The Branch's senior management reviews and approves all equity investment decisions.

At the reporting date, the exposure to equity investments at fair value was \$4,358,464. The Branch has determined that an increase/(decrease) of 2% on the unit price could have an impact of approximately \$87,169 increase/(decrease) on the income and equity attributable to the Branch.

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**NOTES TO THE FINANCIAL STATEMENTS
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NOTE 32: FINANCIAL RISK MANAGEMENT (CONT.)

b. Financial Instruments Composition and Sensitivity Analysis

Credit Risk Analysis:

The following illustrates the Branch's exposure to credit risk at the end of the reporting period:

		2023 \$	2022 \$
CURRENT			
Cash management accounts	12	209,595	64,518
Other assets	13	61,078	1,244,317
Trade and other receivables	11	681,696	818,639
Total current		<u>952,369</u>	<u>2,127,474</u>
NON-CURRENT			
Other assets	13	198,307	-
Total non-current		<u>198,307</u>	<u>-</u>
Total assets		<u>1,150,676</u>	<u>2,127,474</u>

None of the above receivables are past due (2022: nil) and based on historic default rates and the minimal credit risk, the Branch believes no impairment allowance is necessary. At 30 June 2023 the Branch does not have any collective impairments on its cash and cash equivalents, receivables or other financial assets (2022: nil).

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the balance sheet.

Contractual maturities for financial liabilities 2023

	On Demand	< 1 year	1-2 years	2-5 years	>5 years	Total
Financial liabilities						
Other payables	-	476,224	-	-	13,750	489,974
Lease liabilities	-	223,385	102,448	26,188	-	352,021
Interest bearing liabilities	-	244,400	244,400	4,244,400	-	4,733,200
Total financial liabilities	<u>-</u>	<u>944,009</u>	<u>346,848</u>	<u>4,270,588</u>	<u>13,750</u>	<u>5,575,195</u>

Contractual maturities for financial liabilities 2022

	On Demand	< 1 year	1-2 years	2-5 years	>5 years	Total
Financial liabilities						
Other payables	-	338,587	-	-	-	338,587
Lease liabilities	-	340,035	191,755	81,710	-	613,500
Total financial liabilities	<u>-</u>	<u>678,622</u>	<u>191,755</u>	<u>81,710</u>	<u>-</u>	<u>952,087</u>

Management of the reporting unit assessed that all of its financial instruments approximate their carrying amounts largely due to the short term maturities of these instruments.

Market Risk:

(a) Interest rate risk

The Branch has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on current year results and equity which could result from a change in this risk.

As at 30 June 2023, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant, would be as follows:

	2023 \$	2022 \$
Change in profit		
- Increase in interest rate by 2%	29,463	11,525
- Decrease in interest rate by 2%	(29,463)	(11,525)

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**NOTES TO THE FINANCIAL STATEMENTS
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NOTE 32: FINANCIAL RISK MANAGEMENT (CONT.)

b. Financial Instruments Composition and Sensitivity Analysis (cont.)

(a) Interest rate risk (cont.)

This sensitivity analysis has been performed on the assumption that all other variables remain unchanged. Interest rate on lease liabilities are at fixed interest rate. No sensitivity analysis has been performed for foreign exchange risk, as the Branch is not exposed to fluctuations in foreign exchange.

Financing arrangements

The following financing facilities were available to the Branch at the end of the reporting period:

	2023	2022
	\$	\$
Bank overdraft		
Total facilities:		
Used at the end of the reporting period	-	-
Unused at the end of the reporting period	-	-

NOTE 33: ADMINISTRATION OF FINANCIAL AFFAIRS BY A THIRD PARTY

SDA did not have another entity administer the financial affairs of the reporting unit.

NOTE 34: BRANCH DETAILS

The registered office of the Branch is:
SDA House
385 St Pauls Terrace
Fortitude Valley, QLD 4006

NOTE 35: PARENT ENTITY

SDA National Office is this Branch's parent entity.

NOTE 36: EVENTS OCCURRING AFTER BALANCE DATE

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Branch's operations, the results of those operations, or the incorporated association's state of affairs in future financial years.

NOTE 37: Section 272 Fair Work (Registered Organisation) 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).