



13 October 2025

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

Sent via email: secretary@sdansw.asn.au

CC: daniel@gsbaccounting.com.au

Dear Bernard Smith

**Shop, Distributive and Allied Employees Association-New South Wales Branch
Financial Report for the year ended 30 June 2025 – FR2025/56**

I acknowledge receipt of the financial report for the year ended 30 June 2025 for the Shop, Distributive and Allied Employees Association-New South Wales Branch (the reporting unit). The documents were lodged with the Fair Work Commission (the Commission) on 9 October 2025.

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

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

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

Reporting Requirements

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

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

If you have any queries regarding this letter, please call 1300 341 665 or email regorgs@fwc.gov.au.

Yours sincerely

Fair Work Commission

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

Certificate for the period ended 30 June 2025

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

- That the documents lodged herewith are copies of the full report for Shop, Distributive and Allied Employees' Association NSW Branch for the period ended 30 June 2025 referred to in s.268 of the Fair Work (Registered Organisations) Act 2009;
- That the financial accounts and statements were presented to the Branch Council meeting held on Tuesday 19 August 2025;
- The financial accounts and statements were signed by the auditor on 21 August 2025;
- That the full report of the financial accounts and statements was provided to members of the reporting unit on 29 September 2025; and
- That the full report of the financial accounts and statements was presented to a meeting of the committee of management of the reporting unit on 30 September 2025 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.

Signature of prescribed designated officer:

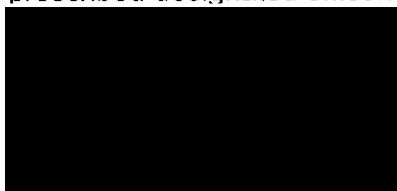
Name of prescribed designated officer:

Bernard Joseph Smith

Title of prescribed designated officer:

Branch Secretary-Treasurer

Dated:



9 October 2025

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

A.B.N. 74 415 123 375

FINANCIAL REPORT

**FOR THE YEAR ENDED
30 JUNE 2025**

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

A.B.N. 74 415 123 375

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025**

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

Opinion

I have audited the financial report of the Shop, Distributive and Allied Employees' Association N.S.W. Branch (the reporting unit), which comprises the statement of financial position as at 30 June 2025, the statement of comprehensive income, statement of changes in equity, and statement of cash flows for the year ended 30 June 2025, notes to the financial statements, including a summary of material accounting policies; the Committee of Management Statement, the subsection 255(2A) report and the Officers Declaration Statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Shop, Distributive and Allied Employees' Association N.S.W. Branch as at 30 June 2025 and its financial performance and its cash flows for the year ended on that date in accordance with:

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

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

Basis for Opinion

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

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

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

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

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

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

Responsibilities of Committee of Management for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

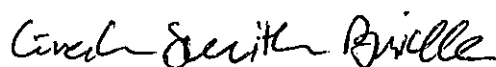
Recovery of Wages

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

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



Daniel Marando
Auditor
Registration Number: AA2022/3
(as registered under the RO Act)
Member of the Chartered Accountants
Australia and New Zealand Number 566211

A handwritten signature in cursive script, reading "Grech Smith & Bridle".

Grech Smith & Bridle
Chartered Accountants

Dated at Sydney this 21st day of August 2025

**AUDITOR'S INDEPENDENCE DECLARATION
FOR THE YEAR ENDED 30 JUNE 2025**

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

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2025 there has been:

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



Daniel Marando

Auditor

Registration Number: AA2022/3

(as registered under the RO Act)

Member of the Chartered Accountants

Australia and New Zealand Number 566211



Grech Smith & Bridle

Chartered Accountants

Dated at Sydney this 21st day of August 2025

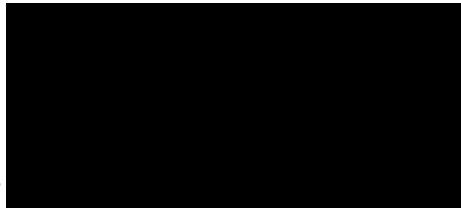
SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W. BRANCH

**REPORT REQUIRED UNDER SUBSECTION 255(2A)
FOR THE YEAR ENDED 30 JUNE 2025**

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the reporting unit for the year ended 30 June 2025.

Categories of expenditures:	2025	2024
	\$	\$
Remuneration and other employment-related costs and expenses – employees	10,215,244	9,239,453
Advertising	168,684	156,705
Operating costs	8,498,405	7,630,093
Donations to political parties	56,523	7,133
Legal costs	172,835	112,030

Signature of designated office



Name and title of designated officer:

Bonnie Smith Branch Secretary-Treasurer

Dated:

19/8/25

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

OPERATING REPORT FOR THE YEAR ENDED 30 JUNE 2025

The Committee of Management presents its operating report on the reporting unit for the financial year ended 30 June 2025.

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

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

The Association campaigned through the year for better wages in the "Better Wages – We're Worth It" campaign that delivered 3.5% pay rise.

The Association also campaigned to ensure that ANZAC Day is for remembering not shopping by restoring trading restrictions in general shops across the whole day. This was successful and the N.S.W. Government legislated modern trading hours laws that reflected community sentiment by requiring general shops to close all day on ANZAC Day.

Other ongoing campaigns included free safe parking for retail workers, the protect young workers campaign to require working with children checks in retail and fast food, workplace protection orders to deal with repeat violent customers, updated Work Health & Safety laws, a new public holiday for N.S.W. and five weeks annual leave.

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

Significant changes in financial affairs

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

Rights of members to resign

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

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

Representatives of the Branch hold positions as Director and as Alternate Director of the Retail Employees' Superannuation Pty Ltd as trustee of the Retail Employees' Superannuation Trust ("REST"). Mitchell Worsley is a director. Gerard Dwyer is an alternate director for Dr Adam Walk.

Directors

Dr Adam Walk
Ms Helen Cooney
Mr Mitchell Worsley
Ms Catherine Bolger

Alternates

Mr Gerard Dwyer
Mr Michael Donovan

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

OPERATING REPORT (CONT.) FOR THE YEAR ENDED 30 JUNE 2025

Number of Members

Membership as at 30 June 2025 was 54,317 (2024: 54,805).

Number of employees

At 30 June 2025, there were 85 persons (full time equivalent), employed by the N.S.W. Branch of the Association.

Affiliations and Directorships

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

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

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

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

A representative of the N.S.W. Branch of the Association is a non-executive employee representative director on the board of Service and Creative Skills Australia.

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

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

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

Name	Position
M. Dumycz	Branch President
C. Williams	Branch Vice President
B. Smith	Branch Secretary – Treasurer
F. Smithson	Branch Assistant Secretary – Treasurer
S. Barros	Branch Trustee (Branch membership)
V. Bollen	Branch Trustee (Branch membership)
S. Sammak	Branch Councillor (Other industries and vocational groupings membership)

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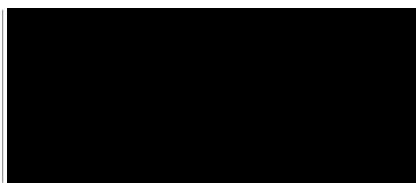
SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W. BRANCH

OPERATING REPORT (CONT.) FOR THE YEAR ENDED 30 JUNE 2025

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

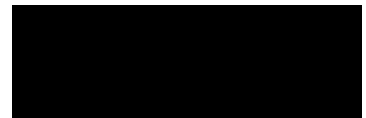
Name	Position
S. Cahill	Branch Councillor (Retail membership)
R. Fahd	Branch Councillor (Retail membership)
N. Rizk	Branch Councillor (Retail membership)
R. Barakat	Branch Councillor (Branch membership)
W. Barlow	Branch Councillor (Branch membership)
P. Dibley	Branch Councillor (Branch membership)
C. Dufty	Branch Councillor (Branch membership)
S. Funge	Branch Councillor (Branch membership)
D. Tyrrell	Branch Councillor (Branch membership)
J. Wright	Branch Councillor (Branch membership)
C. Yarwood	Branch Councillor (Branch membership)

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



Bernie Smith
Committee of Management

Dated at Sydney this 19th day of August 2025



Felicity Smithson
Committee of Management

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

COMMITTEE OF MANAGEMENT STATEMENT FOR THE YEAR ENDED 30 JUNE 2025

On the 19th of August 2025 the Committee of Management of the Shop, Distributive and Allied Employees' Association N.S.W. Branch passed the following resolution in relation to the general-purpose financial report (GPFR) for the year ended 30 June 2025:

The Committee of Management declares that in its opinion:

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

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

Signature of designated officer:

Name and title of designated officer:

Bernie Smith Branch Secretary-Treasurer

Dated:

19/8/25

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2025**

		2025	2024
	Notes	\$	\$
Revenue from members	3		
Membership subscription		16,213,207	16,089,384
Other sales of goods or services to members		-	-
Total revenue		<u>16,213,207</u>	<u>16,089,384</u>
Other income			
Net gains from sale of assets	3A	339,318	99,773
Investment income	3B	523,147	533,353
Rental income	3C	1,877,982	2,411,939
Income from recovery of wages activity	3D	-	-
Other income	3E	392,626	149,142
Total other income		<u>3,133,073</u>	<u>3,194,207</u>
Total income		<u>19,346,280</u>	<u>19,283,591</u>
Expenses			
Employee expenses	4A	10,215,244	9,239,453
Affiliation fees	4B	2,192,537	2,181,882
Administration expenses	4C	7,196,856	6,272,567
Grants or donations	4D	68,675	24,290
Depreciation and amortisation	4E	1,289,157	1,061,485
Finance costs	4F	47,097	31,250
Legal costs	4G	172,835	112,030
Loss on revaluation of investment property	7C	3,278,600	-
Audit fees	14	45,200	44,500
Total expenses		<u>24,506,201</u>	<u>18,967,457</u>
Surplus / (deficit) for the year		<u>(5,159,921)</u>	<u>316,134</u>
Other comprehensive income			
Items that will not be subsequently reclassified to surplus or deficit:			
Gain on revaluation of land and buildings		-	3,762,811
Total comprehensive income / (loss) for the year		<u>(5,159,921)</u>	<u>4,078,945</u>

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

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

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

	Notes	2025 \$	2024 \$
ASSETS			
Current assets			
Cash and cash equivalents	5A	1,891,216	3,726,838
Trade and other receivables	5B	1,784,681	1,845,290
Financial assets	6	9,879,115	10,581,673
Other current assets	5C	1,718,125	1,650,218
Total current assets		15,273,137	17,804,019
Non-current assets			
Land and buildings	7A	19,719,262	19,729,800
Plant and equipment	7B	1,653,056	876,839
Investment property	7C	34,241,905	37,345,000
Intangibles	7D	152,488	121,852
Right-of-use assets	7E	548,435	706,150
Other non-current assets	7F	2,605	9,946
Total non-current assets		56,317,751	58,789,587
Total assets		71,590,888	76,593,606
LIABILITIES			
Current liabilities			
Trade payables	8A	1,354,468	1,325,101
Other payables	8B	194,715	228,330
Lease liabilities	7E	214,114	225,457
Employee provisions	9A	3,393,056	3,088,365
Total current liabilities		5,156,353	4,867,253
Non-current liabilities			
Lease liabilities	7E	369,088	491,345
Employee provisions	9A	40,162	49,802
Total non-current liabilities		409,250	541,147
Total liabilities		5,565,603	5,408,400
Net assets		66,025,285	71,185,206
EQUITY			
General funds	10A	35,812,011	35,812,011
Retained earnings		30,213,274	35,373,195
Total equity		66,025,285	71,185,206

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

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2025**

	Notes	General funds \$	Retained earnings \$	Total equity \$
Balance as at 1 July 2023		32,049,200	35,057,061	67,106,261
Adjustment for errors		-	-	-
Adjustment for changes in accounting policies		-	-	-
Surplus for the year		-	316,134	316,134
Other comprehensive income for the year	10A	3,762,811	-	3,762,811
Transfer to/from asset revaluation reserve		-	-	-
Transfer from retained earnings		-	-	-
Closing balance as at 30 June 2024		35,812,011	35,373,195	71,185,206
Adjustment for errors		-	-	-
Adjustment for changes in accounting policies		-	-	-
Deficit for the year		-	(5,159,921)	(5,159,921)
Other comprehensive income for the year	10A	-	-	-
Transfer to/from asset revaluation reserve		-	-	-
Transfer from retained earnings		-	-	-
Closing balance as at 30 June 2025		35,812,011	30,213,274	66,025,285

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

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

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2025

	Notes	2025 \$	2024 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units / controlled entity(s)	11B	623,985	52,195
Receipts from members and customers		17,906,860	17,658,512
Interest		576,598	462,493
Other		1,877,982	2,411,939
Cash used			
Employees		(8,275,043)	(8,399,262)
Suppliers		(10,839,165)	(9,164,833)
Short-term lease payments	7E	(4,231)	(65,622)
Variable lease payments not included in the measurement of the lease liability	7E	(7,955)	(6,465)
Interest payments and other finance costs	7E	(47,097)	(31,250)
Payment to other reporting units / controlled entity(s)	11B	(2,452,571)	(1,944,239)
Net cash from (used by) operating activities	11A	(640,637)	973,468
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant and equipment		410,423	124,422
Proceeds from sale of land and buildings		-	-
Proceeds from redemption of financial assets		702,558	-
Other		-	-
Cash used			
Purchase of plant and equipment		(1,357,596)	(308,006)
Purchase of land and buildings		(490,843)	-
Purchase of intangibles		(83,200)	(31,506)
Purchase of financial assets		-	(3,435,017)
Other		(175,505)	-
Net cash from (used by) investing activities		(994,163)	(3,650,107)
FINANCING ACTIVITIES			
Cash received			
Contributed equity		-	-
Other		-	-
Cash used			
Repayment of lease liabilities	7E	(200,822)	(159,242)
Other		-	-
Net cash from (used by) financing activities		(200,822)	(159,242)
Net increase (decrease) in cash held		(1,835,622)	(2,835,881)
Cash and cash equivalents at the beginning of the reporting period		3,726,838	6,562,719
Cash and cash equivalents at the end of the reporting period	5A	1,891,216	3,726,838

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

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

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FOR THE YEAR ENDED 30 JUNE 2025**

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Note 1: Summary of Material Accounting Policy Information

1.1 Basis of preparation of the financial statements

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

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

1.2 Going concern

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

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

1.3 Comparative amounts

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

1.4 Significant accounting judgements and estimates

Significant Judgements

The Shop, Distributive and Allied Employees' Association N.S.W. Branch has made the following judgements in the process of applying its accounting policies that have the most significant effect on the amounts recognised in the financial statements:

(i) *Performance obligations under AASB 15*

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercise judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding promised goods or services. In making this assessment, management includes the nature / type, cost / value, quantity and the period of transfer related to the good or service.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

Note 1: Summary of Material Accounting Policy Information (cont.)

(ii) *Employee benefits*

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

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

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

Significant Estimates

The following estimates have been made in the process of applying the Shop, Distributive and Allied Employees' Association N.S.W. Branch's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

(i) *Impairment of Land & buildings*

Land & buildings were independently valued at 30 June 2024 by Acumentis Pty Ltd and CBRE Valuations Pty Ltd. The valuations were based on the fair value less costs of disposal. The critical assumptions adopted in determining the valuation included the location of the land & buildings, capitalisation rates, sales demand in the area, and recent sales data for similar properties. The valuation resulted in a revaluation increment of \$3,762,811 being recognised for the year end 30 June 2024.

At 30 June 2025, the Committee of Management reviewed the key assumptions made by the valuers at 30 June 2024. They have concluded that these assumptions remain materially unchanged and are satisfied that the carrying amount does not exceed the recoverable amount of investment properties at 30 June 2025.

(ii) *Useful lives of plant and equipment*

As described in Note 1.16, the entity reviews the useful plant and equipment at the end of each reporting period.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

Note 1: Summary of Material Accounting Policy Information (cont.)

1.5 New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

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

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

The Shop, Distributive and Allied Employees' Association N.S.W. Branch adopted AASB 2020-1 which 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. It also clarifies the meaning of "settlement of a liability".

The adoption of the amendment did not have a material impact on financial statements.

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

Future Australian Accounting Standards Requirements

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

AASB 2024-2 – Amendments to the Classification and Measurement of Financial Instruments

AASB 2024-2 amends AASB 9 *Financial Instruments* and AASB 7 *Financial Instruments: Disclosures* to clarify how the contractual cash flows from financial assets should be assessed when determining their classification. The Amendment also clarifies the derecognition requirements of financial liabilities that are settled through electronic payment systems.

This Standard applies to annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

Note 1: Summary of Material Accounting Policy Information (cont.)

AASB 18 – Presentation and Disclosure in Financial Statements

AASB 18 replaces AASB 101 *Presentation of Financial Statements* as the standard describing the primary financial statements and sets out requirements for the presentation and disclosure of information in AASB compliant financial statements. Amongst other changes, it introduces the concept of the “management defined performance measures” to financial statements and requires the classification of transactions presented within the statement of comprehensive income within one of five categories – operating, investing, financing, income taxes and discontinued operations. It also provides enhanced requirements for the aggregation and disaggregation of information.

This Standard applies to annual reporting periods beginning on or after 1 January 2028. Earlier application is permitted.

The Shop, Distributive and Allied Employees' Association N.S.W. Branch is currently assessing the impact that adoption of this amendment will have on the financial statements once implemented.

1.6 Current versus non-current classification

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

An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Note 1: Summary of Material Accounting Policy Information (cont.)

1.7 Revenue

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

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

Revenue from contracts with members and customers

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

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

Membership subscriptions

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Note 1: Summary of Material Accounting Policy Information (cont.)

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

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

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

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

Gains from sale of assets

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

Interest income

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

Rental income

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Note 1: Summary of Material Accounting Policy Information (cont.)

1.8 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 in the circumstances set up below.

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the Shop, Distributive and Allied Employees' Association N.S.W. Branch in respect of services provided by employees up to reporting date. Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

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

1.9 Leases

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Note 1: Summary of Material Accounting Policy Information (cont.)

Right-of-use assets

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

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:

	2025	2024
Land and buildings	40 years	40 years
Plant and equipment	3 to 40 years	3 to 40 years

If ownership of the leased asset transfers to the Shop, Distributive and Allied Employees' Association N.S.W. Branch at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

Lease liabilities

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

Note 1: Summary of Material Accounting Policy Information (cont.)

Short-term leases and leases of low-value assets

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

1.10 Cash

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

1.11 Financial instruments

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

1.12 Financial assets

Contract assets and receivables

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

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

Initial recognition and measurement

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

The Shop, Distributive and Allied Employees' Association N.S.W. Branch's financial assets are classified as financial assets and 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

Note 1: Summary of Material Accounting Policy Information (cont.)

The classification of financial assets is performed at an instrument level at initial recognition of the financial asset.

The Shop, Distributive and Allied Employees' Association N.S.W. 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 in Note 1.6.

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 Shop, Distributive and Allied Employees' Association N.S.W. 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.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if the Shop, Distributive and Allied Employees' Association N.S.W. Branch currently has a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the assets and settle the liabilities simultaneously.

Impairment

Expected credit losses (ECLs)

i. Debt instruments other than trade receivables

The Shop, Distributive and Allied Employees' Association N.S.W. Branch recognises an allowance for ECLs for all contract assets, receivables and any other financial assets measured at amortisation cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the reporting unit expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Note 1: Summary of Material Accounting Policy Information (cont.)

ii. Trade receivables and contract assets

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

1.13 Financial liabilities

Initial recognition and measurement

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

The Shop, Distributive and Allied Employees' Association N.S.W. 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.

Subsequent measurement

Financial liabilities at amortised cost

After initial recognition, trade payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in surplus or deficit 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 surplus or deficit.

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 surplus or deficit.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

Note 1: Summary of Material Accounting Policy Information (cont.)

1.14 Liabilities relating to contracts with member or customers

Contract liabilities

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

Refund liabilities

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

1.15 Contingent liabilities and contingent assets

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

1.16 Land, buildings, plant, and equipment

Asset recognition threshold

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

Revaluations—land and buildings

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

Note 1: Summary of Material Accounting Policy Information (cont.)

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus or deficit 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:

	2025	2024
Land and buildings	40 years	40 years
Plant and equipment	1 to 40 years	1 to 40 years

Derecognition

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

1.17 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 surplus or deficit 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 surplus or deficit in the period in which the property is derecognised.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Note 1: Summary of Material Accounting Policy Information (cont.)

1.18 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. The useful life of the Shop, Distributive and Allied Employees' Association N.S.W. Branch's intangible assets are:

	2025	2024
Software	2 to 40 years	2 to 40 years

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Software-as-a-Service (SaaS) arrangements

SaaS arrangements are software product offerings in which the Shop, Distributive and Allied Employees' Association N.S.W. Branch does not control the underlying software used in the arrangement. Where costs incurred to configure or customise a SaaS arrangement result in the creation of a resource which is identifiable, and where the Shop, Distributive and Allied Employees' Association N.S.W. Branch has the power to obtain the future economic benefits flowing from the underlying resource and to restrict the access of others to those benefits, such costs are recognised as a separate intangible software asset and amortised over the useful life of the software on a straight-line basis. The amortisation period is reviewed at least at the end of each reporting period and any changes are treated as changes in accounting estimates.

Where costs incurred to configure or customise do not result in the recognition of an intangible software asset, the Shop, Distributive and Allied Employees' Association N.S.W. Branch recognises those costs as an expense when the supplier provides the services. However, the Shop, Distributive and Allied Employees' Association N.S.W. Branch recognises those costs as a prepayment if, and to the extent that, the supplier performing the configuration and customisation activities is the vendor of the SaaS product (or an agent of the vendor) and those activities do not represent a distinct service in addition to the SaaS access. This is because, in that circumstance, the Shop, Distributive and Allied Employees' Association N.S.W. Branch cannot separately benefit from the configuration and customisation activities and instead those activities are set up activities performed by the SaaS vendor so that it can provide the SaaS access to the Shop, Distributive and Allied Employees' Association N.S.W. Branch.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

Note 1: Summary Material Accounting Policy Information (cont.)

In the process of applying the Shop, Distributive and Allied Employees' Association N.S.W. Branch's accounting policy on configuration and customisation of costs incurred in implementing SaaS arrangements, management has made the following judgements:

- Determining whether cloud computing arrangements contain a software licence intangible asset:
 - The Shop, Distributive and Allied Employees' Association N.S.W. Branch evaluates cloud computing arrangements to determine if it provides a resource that the Shop, Distributive and Allied Employees' Association N.S.W. Branch can control. The Shop, Distributive and Allied Employees' Association N.S.W. Branch determines that a software licence intangible asset exists in a cloud computing arrangement when both of the following are met at the inception of the arrangement:
 - The Shop, Distributive and Allied Employees' Association N.S.W. Branch] has the contractual right to take possession of the software during the hosting period without significant penalty.
 - It is feasible for the Shop, Distributive and Allied Employees' Association N.S.W. Branch to run the software on its own hardware or contract with another party unrelated to the supplier to host the software.
- Capitalisation of configuration and customisation costs in SaaS arrangements:
 - Where the Shop, Distributive and Allied Employees' Association N.S.W. Branch incurs costs to configure or customise SaaS arrangements and such costs are considered to enhance on-premise software that belongs to the Shop, Distributive and Allied Employees' Association N.S.W. Branch or to provide code that can be used by the Shop, Distributive and Allied Employees' Association N.S.W. Branch in other arrangements, the Shop, Distributive and Allied Employees' Association N.S.W. Branch applies judgement to assess whether such costs result in the creation of an intangible asset that meets the definition and recognition criteria in AASB 138 Intangible Assets.

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 surplus or deficit when the asset is derecognised.

1.19 Impairment for non-financial assets

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Note 1: Summary of Material Accounting Policy Information (cont.)

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

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

1.20 Non-current assets held for sale

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

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

1.21 Taxation

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

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

Note 1: Summary of Material Accounting Policy Information (cont.)

1.22 Fair value measurement

The Shop, Distributive and Allied Employees' Association N.S.W. Branch measures non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date.

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

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

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

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

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

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties.

Note 2: Events after the reporting period

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Note 3: Revenue and Income

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

	2025	2024
	\$	\$
Type of revenue source		
Members	16,213,207	16,089,384
Other reporting units	-	-
Government	-	-
Other parties	-	-
Total revenue from contracts with members or customers	16,213,207	16,089,384

Note 3A: Net gains from sale of assets

Land and buildings	-	-
Plant and equipment	339,318	99,773
Other	-	-
Total net gain from sale of assets	339,318	99,773

Note 3B: Investment income

Interest:		
Deposits	523,147	533,353
Loans	-	-
Total investment income	523,147	533,353

Note 3C: Rental income

Properties:		
Investment properties	1,866,309	2,400,266
Other	11,673	11,673
Lease incentive	-	-
Other	-	-
Total rental income	1,877,982	2,411,939

Note 3D: Income from recovery of wages activity

Amounts recovered from employers in respect of wages	-	-
Interest received on recovered money	-	-
Total income from recovery of wages activity	-	-

Note 3E: Other income

Sundry income	392,626	149,142
Total other income	392,626	149,142

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

2025	2024
\$	\$

Note 4: Expenses

Note 4A: Employee expenses

Holders of office:

Wages and salaries	347,873	329,401
Superannuation	78,014	75,368
Leave and other entitlements	32,524	32,749
Separation and redundancies	-	-
Other employee expenses	36,101	32,729
Subtotal employee expenses - holders of office	494,512	470,247

Employees other than office holders:

Wages and salaries	6,923,906	6,388,945
Superannuation	888,380	768,494
Leave and other entitlements	999,258	838,408
Separation and redundancies	-	-
Other employee expenses	909,188	773,359
Subtotal employee expenses - employees other than office holders	9,720,732	8,769,206
Total employee expenses	10,215,244	9,239,453

Note 4B: Affiliation fees

SDA National Office	1,409,323	1,414,483
SDA National Office – International Fund	211,399	212,173
ALP NSW	290,049	277,500
ALP ACT	12,908	12,006
Labor Council NSW	239,950	235,114
Labor Council ACT	25,232	27,065
Labor Council South Coast	3,676	3,541
Total affiliation fees	2,192,537	2,181,882

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

	2025 \$	2024 \$
Note 4C: Administration expenses		
Total paid to employers for payroll deductions of membership subscriptions	80,149	74,537
Campaign levies	255,680	-
Fees/allowances - meeting and conferences	47,290	91,839
Conference and meeting expenses	542,186	467,174
Accommodation and travel	598,609	538,848
Contractors and consultants	411,450	393,553
Impairment loss expense	(20,377)	(112,756)
Membership propagation expense	642,718	561,184
Journal costs	441,906	200,250
Textbook, scholarships and teap payments	117,714	99,004
Occupancy expenses	1,384,323	1,321,447
Printing, postage, and stationery	222,182	224,470
Telephone	357,004	259,619
Insurance	790,231	896,591
Motor vehicle expenses	533,496	477,394
Other	780,109	707,326
Subtotal administration expense	7,184,670	6,200,480
Operating lease rentals:		
Short term, low value, and variable lease payments	12,186	72,087
Total administration expenses	7,196,856	6,272,567
Note 4D: Grants or donations		
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	2,093	2,722
Total paid that exceeded \$1,000	66,582	21,568
Total grants or donations	68,675	24,290
The GST Inclusive amount of donations paid during the year was \$69,033 (2024: \$25,109)		
Note 4E: Depreciation and amortisation		
Depreciation:		
Land and buildings	622,921	530,230
Plant and equipment	613,672	486,250
Total depreciation	1,236,593	1,016,480
Amortisation:		
Intangibles	52,564	45,005
Total amortisation	52,564	45,005
Total depreciation and amortisation	1,289,157	1,061,485

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

	2025	2024
	\$	\$
Note 4F: Finance costs		
Overdrafts / loans	-	-
Interest on lease liabilities	47,097	31,250
Total finance costs	47,097	31,250

Note 4G: Legal costs		
Litigation	36,231	5,250
Other legal matters	136,604	106,780
Total legal costs	172,835	112,030

Note 5: Current Assets

Note 5A: Cash and cash equivalents		
Cash on hand	1,300	1,300
Cash at bank	1,889,916	2,225,538
Short term deposits	-	1,500,000
Total cash and cash equivalents	1,891,216	3,726,838

Note 5B: Trade and other receivables

Trade receivables from other reporting units:		
SDA National Office	-	-
SDA Newcastle and Northern Branch	-	999
Less allowance for expected credit loss	-	(10)
	-	989
Trade receivables from members and customers:		
Trade receivables	1,263,782	1,481,481
Less allowance for expected credit loss	(12,638)	(33,005)
	1,251,144	1,448,476
Other receivables:		
GST receivable	78,063	6,314
Accrued interest income	120,022	173,473
Other sundry receivables	335,452	216,038
	533,537	395,825
Total Trade and other receivables	1,784,681	1,845,290

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

Opening loss allowance as at 1 July	33,015	145,771
Loss allowance recognised during the year	(20,377)	(112,756)
Write-off	-	-
Closing loss allowance as at 30 June	12,638	33,015

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

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

The Shop, Distributive and Allied Employees' Association N.S.W. Branch applies the simplified approach to providing for expected credit losses as prescribed by AASB 9, which permits the use of lifetime expected loss provision for all trade receivables. To measure expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The loss allowance provision as at 30 June 2025 is determined below. These expected credit losses also incorporate forward looking information.

2025	Current	> 30 days past due	> 60 days past due	> 90 days past due	Total
Expected loss rate	1%	-%	-%	-%	
Gross carrying amount	1,263,782	-	-	-	1,263,782
Loss allowance provision	(12,638)	-	-	-	(12,638)

2024	Current	> 30 days past due	> 60 days past due	> 90 days past due	Total
Expected loss rate	1%	5%	-%	25%	
Gross carrying amount	1,359,581	56,790	-	66,109	1,482,480
Loss allowance provision	(13,596)	(2,840)	-	(16,579)	(33,015)

Credit risk

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

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

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

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

Collateral

No collateral is held over trade and other receivables.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

2025	2024
\$	\$

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

Financial assets measured at amortised cost

Trade receivables	1,251,144	1,449,465
Other receivables	533,537	395,825
	<u>1,784,681</u>	<u>1,845,290</u>

Contract balances

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

Receivables:

Current receivables	1,251,144	1,301,792
Non-current receivables	-	-
	<u>1,251,144</u>	<u>1,301,792</u>

Note 5C: Other current assets

Prepayments	1,718,125	1,650,218
Other	-	-
Total other current assets	<u>1,718,125</u>	<u>1,650,218</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

2025	2024
\$	\$

Note 6: Financial Assets

Financial assets at amortised cost

Current

Term deposits

9,879,115	10,581,673
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Other

-	-
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Total financial assets at amortised cost

9,879,115	10,581,673
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Term deposits have stated interest rates of 4.00% to 4.97% (2024: 4.83% to 4.90%) and mature in six to nine months.

During the year ended 30 June 2025, the Association received interest income of \$522,970 (2024: \$533,097) in respect of financial assets at amortised cost.

Impairment of financial assets

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

2025	2024
\$	\$

Note 7: Non-current Assets

Note 7A: Land and buildings

Land and buildings:

Fair value	20,220,643	19,729,800
Accumulated depreciation	(501,381)	-
Total land and buildings	19,719,262	19,729,800

Reconciliation of opening and closing balances of land and buildings

As at 1 July

Gross book value	19,729,800	17,244,337
Accumulated depreciation and impairment	-	(846,240)
Net book value 1 July	19,729,800	16,398,097

Additions:

By purchase	490,843	-
From acquisitions of entities (including restructuring)	-	-
Revaluations	-	2,485,463
Impairments	-	-
Depreciation expense	(501,381)	(431,108)

Other movement:

Reversal of accumulated depreciation due to revaluation	-	1,277,348
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Disposals:

From disposal of entities (including restructuring)	-	-
Other	-	-

Net book value 30 June	19,719,262	19,729,800
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Net book value as of 30 June represented by:

Gross book value	20,220,643	19,729,800
Accumulated depreciation and impairment	(501,381)	-
Net book value 30 June	19,719,262	19,729,800

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

Fair value of the properties was determined by using direct comparison on a rate per square metre of lettable area supported by the capitalisation of net income method. This means that it utilises sales that have been analysed on a rate /m² of strata area basis and compares the equivalent rates to the subject to establish the property's current market value.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

2025 2024
\$ \$

Note 7A: Land and buildings (cont.)

As at the date of revaluation, 30 June 2024, the properties' fair values are based on valuations performed by:

- Tony Lenord of Acumentis Pty Ltd – for N.S.W. properties, and
- Priya Budhbatti of CBRE Valuations Pty Limited – for A.C.T. Properties

who are accredited independent valuers with recognised professional qualifications with the Australian Property Institute and have recent experience in the locations and category of the properties being valued.

Significant unobservable valuation input	Range
N.S.W. – Price per square metre	\$10,000 – \$11,000
A.C.T. – Price per square metre	\$4,000 - \$4,500

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

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

Note 7B: Plant and equipment

Plant and equipment:

At cost	4,608,869	4,096,450
Accumulated depreciation	(2,955,813)	(3,219,611)
Total Plant and equipment	1,653,056	876,839

Reconciliation of opening and closing balances of plant and equipment

As at 1 July		
Gross book value	4,096,450	3,997,341
Accumulated depreciation and impairment	(3,219,611)	(2,978,241)
Net book value 1 July	876,839	1,019,100
Additions:		
By purchase	1,357,596	308,006
From acquisitions of entities (including restructuring)	-	-
Impairments	-	-
Depreciation expense	(510,275)	(425,617)
Other movement:		
Reversal of accumulated depreciation due to disposal	774,073	184,247
Disposals:		
From disposal of entities (including restructuring)	-	-
Other	(845,177)	(208,897)
Net book value 30 June	1,653,056	876,839
Net book value as of 30 June represented by:		
Gross book value	4,608,869	4,096,450
Accumulated depreciation and impairment	(2,955,813)	(3,219,611)
Net book value 30 June	1,653,056	876,839

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

	2025 \$	2024 \$
Note 7C: Investment property		
Property		
Opening balance as at 1 July	37,345,000	37,345,000
Additions	-	-
Gain / (loss) from fair value adjustment	(3,278,600)	-
Closing balance as at 30 June	34,066,400	37,345,000
Lease incentive		
Opening balance as at 1 July	-	-
Additions	175,505	-
Disposals	-	-
Less accumulated amortisation of lease incentive	-	-
Closing balance as at 30 June	175,505	-
Total investment property	34,241,905	37,345,000

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

The fair value of completed investment property has been determined on a market value basis in accordance with International Valuation Standards, as set out by the International Valuation Standards Committee.

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

Rental income earned and received from the investment properties during the year was \$1,866,309 (2024: \$2,400,266).

Direct expenses incurred in relation to the investment properties that generated rental income during the year was \$766,163 (2024: \$628,244). During the year and as at the year-end, no restrictions on the realisability of investment property or the remittance of income and proceeds of disposal were present. The Shop, Distributive and Allied Employees' Association N.S.W. Branch does not have any contractual obligations to purchase, construct or develop investment property or for repairs, maintenance, or enhancements.

Fair value of investment properties is determined by Mark Willers of Charter Keck Cramer using recognised valuation techniques. These techniques comprise both the discounted cash flow (DCF) method and income capitalisation (IC) method.

Under the DCF method, a property's fair value is estimated using explicit assumptions regarding the benefits and liabilities of ownership over the asset's life including estimated rental income and an exit or terminal value. This involves the projection of a series of cash flows and to this an appropriate, market-derived discount rate is applied to establish the present value of the income stream.

Under the IC method, a property's fair value is estimated based on the normalised net operating income generated by the property, which is divided by the capitalisation rate (the investor's rate of return).

The fair value of the investment property is included within level 3 based on the inputs to the valuation technique used (see Note 16B).

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

2025	2024
\$	\$

Note 7D: Intangibles

Computer software at cost:

Internally developed	-	-
Purchased	273,637	190,437
Accumulated amortisation	(121,149)	(68,585)
Accumulated impairment	-	-
	<u>152,488</u>	<u>121,852</u>

Reconciliation of opening and closing balances of plant and equipment

As at 1 July		
Gross book value	190,437	158,931
Accumulated depreciation and impairment	(68,585)	(23,580)
Net book value 1 July	121,852	135,351
Additions:		
By purchase	83,200	31,506
Impairments	-	-
Amortisation	(52,564)	(45,005)
Other movement	-	-
Disposals	-	-
Net book value 30 June	152,488	121,852
Net book value as of 30 June represented by:		
Gross book value	273,637	190,437
Accumulated depreciation and impairment	(121,149)	(68,585)
Net book value 30 June	152,488	121,852

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Note 7E: Leases

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

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

	Land and buildings	Plant and equipment	Total
	\$	\$	\$
As at 1 July 2023	243,810	35,025	278,835
Additions	105,663	481,406	587,069
Depreciation expense	(99,122)	(60,632)	(159,754)
Impairment	-	-	-
Disposal	-	-	-
As at 30 June 2024	250,351	455,799	706,150
Additions	67,222	-	67,222
Depreciation expense	(103,397)	(121,540)	(224,937)
Impairment	-	-	-
Disposal	-	-	-
As at 30 June 2025	214,176	334,259	548,435

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

	2025	2024
	\$	\$
As at 1 July	716,802	288,975
Additions	67,222	587,069
Accretion of interest	47,097	31,250
Payments	(247,919)	(190,492)
As at 30 June	583,202	716,802
Current	214,114	225,457
Non-current	369,088	491,345

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

2025	2024
\$	\$

Note 7E: Leases (cont.)

The following are the amounts recognised in surplus or deficit:

Depreciation expense of right-of-use assets	224,937	159,754
Interest expense on lease liabilities	47,097	31,250
Expense relating to short-term leases	4,231	65,622
Expenses relating to lease of low-value assets (included in administrative expenses)	-	-
Variable lease payments	7,955	6,465
Total amount recognised in surplus or deficit	284,220	263,091

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

	Fixed Payments	Variable Payments	Total
	\$	\$	\$
2025			
Fixed rent	247,919	7,955	255,874
Variable rent with minimum payment	-	-	-
Variable rent only	-	-	-
	247,919	7,955	255,874
2024			
Fixed rent	190,492	6,465	196,957
Variable rent with minimum payment	-	-	-
Variable rent only	-	-	-
	190,492	6,465	196,957

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Note 7E: Leases (cont.)

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

Operating lease commitments – as lessor

Operating leases, in which the Shop, Distributive and Allied Employees' Association N.S.W. Branch is the lessor, relate to investment property owned by the Shop, Distributive and Allied Employees' Association N.S.W. Branch with lease terms between 6 to 10 years, with an extension option of 3 years. All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period.

Risk management for rights retained in the underlying assets

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

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

	2025	2024
	\$	\$
Within one year	2,432,276	1,978,056
After one year but not more than five years	10,714,819	8,208,099
More than five years	1,550,604	3,218,783
	<u>14,697,699</u>	<u>13,404,938</u>

The following table presents amounts reported in comprehensive income:

Lease income on operating leases	<u>1,877,982</u>	<u>2,411,939</u>
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Therein lease income relating to variable lease payments
that do not depend on an index or rate

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

	2025 \$	2024 \$
Note 7F: Other non-current assets		
Prepayments	2,605	9,946
Other		-
Total other non-current assets	2,605	9,946

Note 8: Current Liabilities

Note 8A: Trade payables

Trade creditors and accruals	1,354,468	1,325,101
Total trade payables	1,354,468	1,325,101

Settlement is usually made within 30 days.

Note 8B: Other payables

Income in advance - rent	164,391	166,486
GST payable	-	-
Other	30,324	61,844
Total other payables	194,715	228,330

Total other payables are expected to be settled in:

No more than 12 months	194,715	228,330
More than 12 months	-	-
Total other payables	194,715	228,330

Note 8C: Financial liabilities at amortised cost

The following financial liabilities are measured at amortised cost:

Trade payables	1,354,468	1,325,101
Other payables	194,715	228,330
	1,549,183	1,553,431

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

2025	2024
\$	\$

Note 9: Employee Provisions

Note 9A: Employee provisions

Office holders:

Annual leave	161,029	130,200
Long service leave	187,694	191,139
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions – office holders	348,723	321,339

Employees other than office holders:

Annual leave	1,215,780	1,111,965
Long service leave	1,868,715	1,704,863
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions – employees other than office holders	3,084,495	2,816,828

Total employee provisions

3,433,218	3,138,167
------------------	------------------

Current	3,393,056	3,088,365
Non-current	40,162	49,802
Total employee provisions	3,433,218	3,138,167

Note 10: Equity

Note 10A: General funds

Asset revaluation reserve

Balance at start of the year:	35,812,011	32,049,200
Transfers to reserve	-	3,762,811
Transfers out of reserve	-	-
Balance as at end of year	35,812,011	35,812,011
Total reserves	35,812,011	35,812,011

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

2025	2024
\$	\$

Note 11: Cash Flow

Note 11A: Cash flow reconciliation

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

Cash and cash equivalents as per:

Cash flow statement	1,891,216	3,726,838
Balance sheet	1,891,216	3,726,838
Difference	-	-

Reconciliation of surplus / (deficit) to net cash from operating activities:

Surplus / (deficit) for the year	(5,159,921)	316,134
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Adjustment for non-cash items:

Depreciation and amortisation	1,289,157	1,061,485
Loss on revaluation of investment properties	3,278,600	-
Non-cash income	-	-
Gain on disposal of assets	(339,318)	(99,773)

Changes in assets/liabilities:

(Increase)/decrease in net receivables	132,358	(160,002)
(Increase)/decrease in prepayments	(60,567)	(373,543)
Increase/(decrease) in supplier and other payables	(75,997)	58,335
Increase/(decrease) in employee provisions	295,051	170,832
Net cash used in operating activities	(640,637)	973,468

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

2025 2024
\$ \$

Note 11B: Cash flow information

Cash inflows from other reporting units:

Shop, Distributive and Allied Employees' Association – National Office	619,800	48,783
Shop, Distributive and Allied Employees' Association – Newcastle and Northern Branch	2,107	3,099
Shop, Distributive and Allied Employees' Association – South Australian Branch	390	-
Shop, Distributive and Allied Employees' Association – Queensland Branch	1,688	313
	<u>623,985</u>	<u>52,195</u>

Cash outflows to other reporting units:

Shop, Distributive and Allied Employees' Association – National Office	2,354,083	1,893,981
Shop, Distributive and Allied Employees' Association – Newcastle and Northern Branch	21,193	15,607
Shop, Distributive and Allied Employees' Association – Northern Territory Branch	3,208	2,267
Shop, Distributive and Allied Employees' Association – Queensland Branch	32,570	662
Shop, Distributive and Allied Employees' Association – South Australian Branch	12,708	7,928
Shop, Distributive and Allied Employees' Association – Tasmanian Branch	-	8
Shop, Distributive and Allied Employees' Association – Victorian Branch	14,412	12,710
Shop, Distributive and Allied Employees' Association – Western Australian Branch	14,397	11,076
	<u>2,452,571</u>	<u>1,944,239</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

Note 11C: Changes in liabilities arising from financing activities

	1 July 2024	Cash flows	Acquisition	Non-cash changes			30 June 2025
				Foreign exchange movements	Fair value changes	Re- classification	
Lease liabilities	716,802	(200,822)	67,222	-	-	-	583,202
Total	716,802	(200,822)	67,222	-	-	-	583,202

2025
\$

2024
\$

Note 12: Contingent Liabilities, Assets and Commitments

12A: Lease commitments

Short-term	4,231	4,222
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12B: Capital commitments

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

12C: Contingent assets or liabilities

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

2025	2024
\$	\$

Note 13: Related Party Disclosures

Note 13A: Related party transactions for the reporting period

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

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

<i>Reimbursements – Other</i>	563,455	46,028
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Expenses paid to Shop Distributive and Allied Employees' Association National Office includes the following:

<i>Affiliation fees</i>	1,455,895	1,362,751
<i>Federal Election Campaign Levy</i>	142,178	-
<i>Information Technology Fund</i>	145,590	136,275
<i>Industrial Campaign Levy</i>	90,774	-
<i>Other</i>	87,254	18,731

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

<i>Affiliation Fees – International Fund</i>	218,384	204,413
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Expenses paid to Australian Labor Party N.S.W. includes the following:

<i>Affiliation fees</i>	290,049	277,500
<i>Donations – Campaign lunches / dinners</i>	40,000	7,133
<i>Other</i>	15,454	-

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

<i>Affiliation fees</i>	12,908	12,006
<i>ALP Conference</i>	-	3,045
<i>Other</i>	4,913	1,031

Revenue received from the Labor Council N.S.W. includes the following:

<i>Reimbursements - High Court Electoral funding case</i>	-	27,425
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SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W. BRANCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

	2025 \$	2024 \$
Note 13A: Related party transactions for the reporting period (cont.)		
Expenses paid to the Labor Council N.S.W. includes the following:		
<i>Affiliation fees</i>	239,950	235,114
<i>Other</i>	25,673	5,055
Expenses paid to Unions A.C.T. includes the following:		
<i>Affiliation fees</i>	25,232	27,066
Expenses paid to the Labor Council South Coast includes the following:		
<i>Affiliation fees</i>	3,676	3,541

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 2025, the Shop Distributive and Allied Employees' Association N.S.W. Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2024: \$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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

2025 2024
\$ \$

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

Short-term employee benefits

Salary (including annual leave taken)	347,873	329,401
Annual leave accrued	26,577	21,171
Performance bonus	-	-
Non-Monetary (motor vehicle and parking)	36,102	32,729
Total short-term employee benefits	410,552	383,301

Post-employment benefits

Superannuation	78,014	75,368
Total post-employment benefits	78,014	75,368

Other long-term benefits

Long-service leave accrued	5,946	11,578
Total other long-term benefits	5,946	11,578

Termination benefits

-	-
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Total

494,512	470,247
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SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W. BRANCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

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

Key management personnel	Bernie Smith Secretary	Felicity Smithson Assistant Secretary	Total
	\$	\$	\$
Remuneration for 2025			
Short-term employee benefits:			
Salary (including annual leave taken)	184,768	163,105	347,873
Honorarium	-	-	-
Annual leave accrued	20,708	5,869	26,577
Non-monetary (motor vehicle and parking)	15,539	20,563	36,102
Total short-term employee benefits	221,015	189,537	410,552
Post-employment benefits:			
Superannuation	44,811	33,203	78,014
Total post-employment benefits	44,811	33,203	78,014
Other long-term benefits:			
Long-service leave accrued	-	5,946	5,946
Total other long-term benefits	-	5,946	5,946
Total	265,826	228,686	494,512
Remuneration for 2024			
Short-term employee benefits:			
Salary (including annual leave taken)	170,898	158,503	329,401
Honorarium	-	-	-
Annual leave accrued	21,171	-	21,171
Non-monetary (motor vehicle and parking)	15,303	17,426	32,729
Total short-term employee benefits	207,372	175,929	383,301
Post-employment benefits:			
Superannuation	42,713	32,655	75,368
Total post-employment benefits	42,713	32,655	75,368
Other long-term benefits:			
Long-service leave accrued	4,932	6,646	11,578
Total other long-term benefits	4,932	6,646	11,578
Total	255,017	215,230	470,247

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

2025	2024
\$	\$

Note 14: Remuneration of Auditor

Value of the services provided

Financial statement audit services	45,200	44,500
Other services	-	-
Total remuneration of auditor	45,200	44,500

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

Note 15: Financial Risk Management

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

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

	Note	2025 \$	2024 \$
Financial assets			
Financial assets at amortised cost:			
Cash and cash equivalents	5A	1,891,216	3,726,838
Trade and other receivables	5B	1,784,681	1,845,290
Term deposits	6	9,879,115	10,581,673
		13,555,012	16,153,801
Financial liabilities			
Financial liabilities at amortised cost:			
Trade and other payables	8C	1,549,183	1,553,431
Lease liabilities	7E	583,202	716,802
		2,132,385	2,270,233

Financial risk management policies

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

Note 15: Financial Risk Management (cont.)

Specific financial risk exposures and management

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

Credit risk

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

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

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

Credit risk exposures

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

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

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

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

	Note	2025 \$	2024 \$
Cash and cash equivalents			
- AA Rated	5A	1,891,216	3,726,838
Short-term and fixed term deposits			
- AA Rated	6	9,879,115	10,581,673
		11,770,331	14,308,511

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

Note 15: Financial Risk Management (cont.)

Liquidity risk

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

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

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

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

Financial liability and financial asset maturity analysis:

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
	\$	\$	\$	\$	\$	\$	\$	\$
Financial Liabilities – due for payment								
Trade payables	1,354,468	1,325,101	-	-	-	-	1,354,468	1,325,101
Other payables	194,715	228,330	-	-	-	-	194,715	228,330
Lease liabilities	214,114	225,457	369,088	491,345	-	-	583,202	716,802
Total expected outflows	1,763,297	1,778,888	369,088	491,345	-	-	2,132,385	2,270,233
Financial Assets – Cash flows realisable								
Cash and cash equivalents	1,891,216	3,726,838	-	-	-	-	1,891,216	3,726,838
Trade and other receivables	1,784,681	1,845,290	-	-	-	-	1,784,681	1,845,290
Term deposits	9,879,115	10,581,673	-	-	-	-	9,879,115	10,581,673
Total expected inflows	13,555,012	16,153,801	-	-	-	-	13,555,012	16,153,801
Net (outflow) / inflow expected on financial instruments	11,791,715	14,374,913	(369,088)	(491,345)	-	-	11,422,627	13,883,568

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

Note 15: Financial Risk Management (cont.)

Market risk

Interest rate risk

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

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

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

Other market risks

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

Sensitivity analysis

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

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

	Effect on	
	Surplus or Deficit	Equity
	\$	\$
Year ended 30 June 2025		
+/- 1.0% in interest rates	+/- 117,703	+/- 117,703
Year ended 30 June 2024		
+/- 1.0% in interest rates	+/- 143,085	+/- 143,085

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

Note 15: Financial Risk Management (cont.)

Capital management

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

Note 16: Fair Value Measurements

Note 16A: Financial assets and liabilities

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

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

	Carrying amount 2025 \$	Fair value 2025 \$	Carrying amount 2024 \$	Fair value 2024 \$
Financial assets				
At amortised cost:				
Cash and cash equivalents	1,891,216	1,891,216	3,726,838	3,726,838
Trade and other receivables	1,784,681	1,784,681	1,845,290	1,845,290
Term deposits	9,879,115	9,879,115	10,581,673	10,581,673
	13,555,012	13,555,012	16,153,801	16,153,801
Financial liabilities				
At amortised cost:				
Trade and other payables	1,549,183	1,549,183	1,553,431	1,553,431
Lease liabilities	583,202	583,202	716,802	716,802
	2,132,385	2,132,385	2,270,233	2,270,233

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

Note 16: Fair Value Measurements (cont.)

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

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

- Free hold land and buildings
- Investment properties

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

Fair value hierarchy

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

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

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

Valuation techniques

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

Note 16: Fair Value Measurements (cont.)

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

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

		30 June 2025			
	Note	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Recurring fair value measurements					
<i>Non-financial assets:</i>					
Land and buildings	7A	-	19,719,262	-	19,719,262
Investment property	7C	-	-	34,066,400	34,066,400
Total non-financial assets recognised at fair value on a recurring basis		-	19,719,262	34,066,400	53,785,662

		30 June 2024			
	Note	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Recurring fair value measurements					
<i>Non-financial assets:</i>					
Land and buildings	7A	-	19,729,800	-	19,729,800
Investment property	7C	-	-	37,345,000	37,345,000
Total non-financial assets recognised at fair value on a recurring basis		-	19,729,800	37,345,000	57,074,800

There were no transfers between level 1 and level 2 for assets measured at fair value on a recurring basis during the reporting period (2024: no transfers).

There were no transfers between level 2 and level 3 for assets measured at fair value on a recurring basis during the reporting period (2024: no transfers).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

Note 16: Fair Value Measurements (cont.)

Valuation techniques and inputs used to measure level 2 fair values

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

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

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

Valuation techniques and inputs used to measure level 3 fair values

Description	Valuation technique(s)	Significant unobservable inputs	Range
<i>Non-financial assets:</i>			
Investment properties	Income approach using discounted cash flow (DCF) methodology; Income approach using income capitalisation methodology	- Discount rate - Income capitalisation rate	4.75% – 6.25% 5.00% - 6.00%

Significant increases / (decreases) in the estimated discount rate and / or income capitalisation rate in isolation would result in significantly higher / (lower) fair value of the investment property.

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

There were no changes during the period in the valuation techniques used by the Association to determine Level 3 fair values.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2025**

Note 16: Fair Value Measurements (cont.)

Disclosed fair value measurements

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

- Lease liabilities

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

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

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

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

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

Information to be provided to members or the General Manager:

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2025

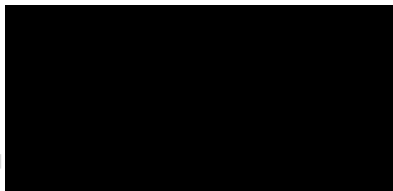
Note 18: Officers Declaration Statement

I, Bernard Smith, being the Branch Secretary of the Shop, Distributive and Allied Employees' Association N.S.W. Branch, declare that the following activities did not occur during the reporting period ending 30 June 2025.

The reporting unit did not:

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

Signed by the office



Dated:

19th

August 2025