Fair Work Commission

29 October 2026

Bernard Smith
Branch Secretary-Treasurer
Shop, Distributive and Allied Employees Association-New South Wales Branch
Sent via email: bernie.smith@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 2026 – (FR2026/91)**

I acknowledge receipt of the financial report for the year ended 30 June 2026 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 27 October 2026.

The financial report has now been filed.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under 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 the financial report for the year ending 30 June 2027 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged. I make the following comments to assist you when you next prepare a financial report. The Commission will confirm these concerns have been addressed prior to filing next year's report.

**Documents must be lodged with the Commission within 14 days after meeting of the committee of management**

Section 268 of the RO Act requires a copy of the full report and the designated officer's certificate to be lodged with the Commission within 14 days after the meeting of the committee of management referred to in section 266.

The designated officer's certificate indicates that this meeting occurred on 29 September 2026. If this is correct the documents should have been lodged with the Commission by 13 October 2026.

The full report was not lodged until 27 October 2026.

The reporting unit advised the Commission on lodgement that the late lodgement was due to an administrative oversight.

Please note that in future financial years if the reporting unit cannot lodge within the 14 day period prescribed, a written request for an extension of time, signed by a relevant officer, including any reason for the delay, must be made *prior to* the expiry of the 14 day period.

**You must rotate your registered auditor**

Correspondence was provided to the reporting unit on 3 July 2026, which alerted you that your registered auditor is approaching their statutory limit on how many consecutive financial years they are permitted to audit your financial report. The financial report lodged identifies that Daniel Marando was the reporting unit's registered auditor for this financial year. Our records indicate that you have now used your current registered auditor for five consecutive financial years, which is the statutory limit under section 256A.

Please ensure that Daniel Marando is not assigned to audit the financial report of the reporting unit for at least the following two financial years. Further information on the rotation of registered auditor requirement can be found via this link.

**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**

*s.268 Fair Work (Registered Organisations) Act 2009*

**CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER**
Certificate for the period ended 30 June 2026

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 2026 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 18 August 2026;
- The financial accounts and statements were signed by the auditor on 19 August 2026;
- That the full report of the financial accounts and statements was provided to members of the reporting unit on 29 September 2026; 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 29 September 2026 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: 27 October 2026

# 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 2026

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 2026

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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 2026, the statement of comprehensive income, statement of changes in equity, and statement of cash flows for the year ended 30 June 2026, 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 2026 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.

I declare that I am an auditor registered under the RO Act.

**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

**Grech Smith & Bridle**
Chartered Accountant

Dated at Sydney this 19th day of August 2026

## AUDITOR'S INDEPENDENCE DECLARATION
**FOR THE YEAR ENDED 30 JUNE 2026**

**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 2026 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.

[redacted]

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

[redacted]

**Grech Smith & Bridle**
Chartered Accountant

Dated at Sydney this 19th day of August 2026

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

## REPORT REQUIRED UNDER SUBSECTION 255(2A)
**FOR THE YEAR ENDED 30 JUNE 2026**

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the reporting unit for the year ended 30 June 2026.

| **Categories of expenditures:** | **2026** $ | 2025 $ |
|---|---|---|
| Remuneration and other employment-related costs and expenses – employees | **11,068,674** | 10,215,244 |
| Advertising | **441,061** | 168,684 |
| Operating costs | **8,324,295** | 8,498,405 |
| Donations to political parties | **4,023** | 56,523 |
| Legal costs | **137,967** | 172,835 |

Signature of designated officer: [redacted]

Name and title of designated officer: Bernie Smith Branch Secretary-Treasurer

Dated: 18th August 2026

# OPERATING REPORT
## FOR THE YEAR ENDED 30 JUNE 2026

The Committee of Management presents its operating report on the reporting unit for the financial year ended 30 June 2026.

**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 4.75% pay rise. The Adult Age = Adult Wage Campaign was a success and will phase in a 42% pay rise for 18-year-old workers in the retail, fast food and pharmacy awards.

The Association continues to campaign for members to have more shared time with public holiday reforms. Additional one-off public holidays were secured in 2026 in both the NSW and ACT. A campaign for a new ongoing public holiday in NSW continues.

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 to deal with workload and algorithmic management 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 Ms Helen Cooney.

| **Directors** | **Alternates** |
|---|---|
| Dr Adam Walk | Mr Michael Donovan |
| Ms Helen Cooney | Mr Gerard Dwyer |
| Mr Mitchell Worsley | |
| Ms Catherine Bolger | |

# OPERATING REPORT (CONT.)
## FOR THE YEAR ENDED 30 JUNE 2026

**Number of Members**

Membership as at 30 June 2026 was 54,446 (2025: 54,317).

**Number of employees**

At 30 June 2026, there were 63 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) |

*(Continues on to the following page)*

## OPERATING REPORT (CONT.)
### FOR THE YEAR ENDED 30 JUNE 2026

**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) | Resigned 19 August 2025 |
| M Worsley | Branch Councillor (Branch membership) | Appointed 19 May 2026 |

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

[redacted]

Bernie Smith
*Committee of Management*

[redacted]

Felicity Smithson
*Committee of Management*

Dated at Sydney this 18th day of August 2026

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

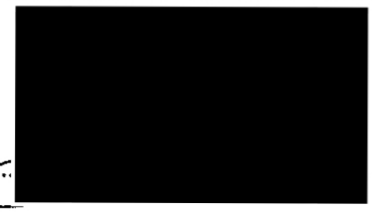
## COMMITTEE OF MANAGEMENT STATEMENT
### FOR THE YEAR ENDED 30 JUNE 2026

On the 18th of August 2026 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 2026:

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 have 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: 18th August 2026

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

# STATEMENT OF COMPREHENSIVE INCOME
## FOR THE YEAR ENDED 30 JUNE 2026

| | Notes | 2026 $ | 2025 $ |
|---|---|---|---|
| **Revenue from members** | 3 | | |
| Membership subscription | | **17,017,962** | 16,213,207 |
| Other sales of goods or services to members | | **-** | - |
| **Total revenue** | | **17,017,962** | 16,213,207 |
| **Other income** | | | |
| Net gains from sale of assets | 3A | **65,757** | 339,318 |
| Investment income | 3B | **400,911** | 523,147 |
| Rental income | 3C | **2,369,531** | 1,877,982 |
| Income from recovery of wages activity | 3D | **-** | - |
| Other income | 3E | **334,997** | 392,626 |
| **Total other income** | | **3,171,196** | 3,133,073 |
| **Total income** | | **20,189,158** | 19,346,280 |
| **Expenses** | | | |
| Employee expenses | 4A | **11,068,674** | 10,215,244 |
| Affiliation fees | 4B | **2,342,092** | 2,192,537 |
| Administration expenses | 4C | **7,361,271** | 7,196,856 |
| Grants or donations | 4D | **18,404** | 68,675 |
| Depreciation and amortisation | 4E | **1,355,893** | 1,289,157 |
| Finance costs | 4F | **35,134** | 47,097 |
| Legal costs | 4G | **137,967** | 172,835 |
| Loss on revaluation of investment property | 7C | **-** | 3,278,600 |
| Audit fees | 14 | **45,600** | 45,200 |
| **Total expenses** | | **22,365,035** | 24,506,201 |
| **Deficit for the year** | | **(2,175,877)** | (5,159,921) |
| **Other comprehensive income** | | | |
| Items that will not be subsequently reclassified to surplus or deficit: | | | |
| Gain on revaluation of land and buildings | | - | - |
| **Total comprehensive loss for the year** | | **(2,175,877)** | (5,159,921) |

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 2026

| | Notes | 2026 $ | 2025 $ |
|---|---|---|---|
| **ASSETS** | | | |
| **Current assets** | | | |
| Cash and cash equivalents | 5A | **3,817,535** | 1,891,216 |
| Trade and other receivables | 5B | **1,628,873** | 1,784,681 |
| Financial assets | 6 | **6,359,289** | 9,879,115 |
| Other current assets | 5C | **1,821,564** | 1,718,125 |
| ***Total current assets*** | | **13,627,261** | 15,273,137 |
| **Non-current assets** | | | |
| Land and buildings | 7A | **19,213,746** | 19,719,262 |
| Plant and equipment | 7B | **1,324,205** | 1,653,056 |
| Investment property | 7C | **34,870,141** | 34,241,905 |
| Intangibles | 7D | **84,079** | 152,488 |
| Right-of-use assets | 7E | **335,634** | 548,435 |
| Other non-current assets | 7F | **13,796** | 2,605 |
| ***Total non-current assets*** | | **55,841,601** | 56,317,751 |
| **Total assets** | | **69,468,862** | 71,590,888 |
| **LIABILITIES** | | | |
| **Current liabilities** | | | |
| Trade payables | 8A | **1,236,023** | 1,354,468 |
| Other payables | 8B | **204,571** | 194,715 |
| Lease liabilities | 7E | **192,914** | 214,114 |
| Employee provisions | 9A | **3,771,369** | 3,393,056 |
| ***Total current liabilities*** | | **5,404,877** | 5,156,353 |
| **Non-current liabilities** | | | |
| Lease liabilities | 7E | **176,828** | 369,088 |
| Employee provisions | 9A | **37,749** | 40,162 |
| ***Total non-current liabilities*** | | **214,577** | 409,250 |
| **Total liabilities** | | **5,619,454** | 5,565,603 |
| **Net assets** | | **63,849,408** | 66,025,285 |
| **EQUITY** | | | |
| General funds | 10A | **35,812,011** | 35,812,011 |
| Retained earnings | | **28,037,397** | 30,213,274 |
| **Total equity** | | **63,849,408** | 66,025,285 |

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

# STATEMENT OF CHANGES IN EQUITY
## FOR THE YEAR ENDED 30 JUNE 2026

| | Notes | General funds $ | Retained earnings $ | Total equity $ |
|---|---|---|---|---|
| **Balance as at 1 July 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** |
| | | | | |
| Adjustment for errors | | - | - | - |
| Adjustment for changes in accounting policies | | - | - | - |
| Deficit for the year | | - | (2,175,877) | **(2,175,877)** |
| Other comprehensive income for the year | 10A | - | - | - |
| Transfer to/from asset revaluation reserve | | - | - | - |
| Transfer from retained earnings | | - | - | - |
| **Closing balance as at 30 June 2026** | | **35,812,011** | **28,037,397** | **63,849,408** |

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 2026

| | Notes | 2026 $ | 2025 $ |
|---|---|---|---|
| **OPERATING ACTIVITIES** | | | |
| **Cash received** | | | |
| Receipts from other reporting units / controlled entity(s) | 11B | **254,794** | 623,985 |
| Receipts from members and customers | | **19,103,020** | 17,906,860 |
| Interest | | **445,071** | 576,598 |
| Other | | **2,369,532** | 1,877,982 |
| **Cash used** | | | |
| Employees | | **(8,194,194)** | (8,275,043) |
| Suppliers | | **(11,898,948)** | (10,839,165) |
| Short-term lease payments | 7E | **(4,345)** | (4,231) |
| Variable lease payments not included in the measurement of the lease liability | 7E | **(8,346)** | (7,955) |
| Interest payments and other finance costs | 7E | **(35,134)** | (47,097) |
| Payment to other reporting units / controlled entity(s) | 11B | **(2,608,702)** | (2,452,571) |
| **Net cash used by operating activities** | 11A | **(577,252)** | (640,637) |
| **INVESTING ACTIVITIES** | | | |
| **Cash received** | | | |
| Proceeds from sale of plant and equipment | | **121,788** | 410,423 |
| Proceeds from sale of land and buildings | | **-** | - |
| Proceeds from redemption of financial assets | | **3,519,826** | 702,558 |
| Other | | **29,251** | - |
| **Cash used** | | | |
| Purchase of plant and equipment | | **(296,347)** | (1,357,596) |
| Purchase of land and buildings | | **-** | (490,843) |
| Purchase of intangibles | | **-** | (83,200) |
| Purchase of Investment Property | | **(657,487)** | - |
| Purchase of financial assets | | **-** | - |
| Other | | **-** | (175,505) |
| **Net cash from (used by) investing activities** | | **2,717,031** | (994,163) |
| **FINANCING ACTIVITIES** | | | |
| **Cash received** | | | |
| Contributed equity | | **-** | - |
| Other | | **-** | - |
| **Cash used** | | | |
| Repayment of lease liabilities | 7E | **(213,460)** | (200,822) |
| Other | | **-** | - |
| **Net cash used by financing activities** | | **(213,460)** | (200,822) |
| **Net increase (decrease) in cash held** | | **1,926,319** | (1,835,622) |
| Cash and cash equivalents at the beginning of the reporting period | | **1,891,216** | 3,726,838 |
| **Cash and cash equivalents at the end of the reporting period** | 5A | **3,817,535** | 1,891,216 |

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

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

# INDEX TO THE NOTES OF THE FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 30 JUNE 2026


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# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 30 JUNE 2026

### 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 2026

### 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 2026, 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 2026.

(ii) Impairment of Investment Properties

Investment properties were independently valued at 30 June 2025 by Charter Keck Cramer. 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 investment property, capitalisation rates, sales demand in the area, and recent sales data for similar properties. The valuation resulted in a revaluation decrement of $3,278,600 being recognised for the year end 30 June 2025.

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 30 JUNE 2026

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

At 30 June 2026, the Committee of Management reviewed the key assumptions made by the valuer at 30 June 2025. 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 2026.

(iii) *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.

### 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 2026-1 Amendments to Australian Accounting Standards – Disclosure about Uncertainties in the Financial Statements**

AASB 2026-1 amends AASB 136 Impairment of Assets and AASB 137 Provisions, Contingent Liabilities and Contingent Assets to add additional illustrative examples in the accompanying guidance. The examples illustrate how an entity applies the existing requirements of these Standards to disclose the effects of uncertainties in the financial statements using climate-related examples. Specifically, the additional example most likely relevant for reporting units demonstrate how an entity discloses information about the key assumptions it uses to determine the recoverable amounts of assets.

The amendments do not change existing requirements.
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.

## NOTES TO THE FINANCIAL STATEMENTS
### FOR THE YEAR ENDED 30 JUNE 2026

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

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.

**AASB 18 (NFP/super) Presentation and Disclosure in Financial Statements (Appendix D) [for not-for-profit and superannuation entities]**

AASB 18 Presentation and Disclosure in Financial Statements has been issued to improve how entities communicate in their financial statements, with a particular focus on information about financial performance in the statement of profit or loss. The key presentation and disclosure requirements established by AASB 18 are:

- The presentation of newly defined subtotals in the statement of profit or loss
- The disclosure of management-defined performance measures (MPM)
- Enhanced requirements for grouping information (i.e. aggregation and disaggregation)

AASB 18 is accompanied with limited consequential amendments to the requirements in other accounting standards, including AASB 107 Statement of Cash Flows. AASB 18 introduces three new categories for classification of all income and expenses in the statement of profit or loss: operating, investing and financing. Additionally, entities will be required to present subtotals for 'operating profit or loss', 'profit or loss before financing and income taxes' and 'profit or loss'.

For the purposes of classifying income and expenses into one of the three new categories, entities will need to assess their main business activity, which will require judgement. There may be more than one main business activity. AASB 18 also requires several disclosures in relation to MPMs, such as how the measure is calculated, how it provides useful information and a reconciliation to the most comparable subtotal specified by AASB 18 or another standard.

AASB 18 will replace AASB 101 Presentation of Financial Statements. This Standard applies to annual reporting periods beginning on or after 1 January 2028 for NFP entities. These amendments are applied retrospectively.

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.

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 30 JUNE 2026

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

### 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.

### 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.

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 30 JUNE 2026

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

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.

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.

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 30 JUNE 2026

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

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 obtains 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.

### 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.

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 30 JUNE 2026

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

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.

**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:

| | **2026** | 2025 |
|---|---|---|
| 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.

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 30 JUNE 2026

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

**Lease liabilities**

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

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

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

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

### 1.10 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.

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 30 JUNE 2026

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

### 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.

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.

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 30 JUNE 2026

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

**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.

**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.

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 30 JUNE 2026

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

**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.

### 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.

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 30 JUNE 2026

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

### 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.

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:

| | **2026** | 2025 |
|---|---|---|
| Land and buildings | **40 years** | 40 years |
| Plant and equipment | **1 to 40 years** | 1 to 40 years |

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 30 JUNE 2026

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

*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.

### 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:

| | **2026** | 2025 |
|---|---|---|
| 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.

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 30 JUNE 2026

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

***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.

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.

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

- 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.

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.

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 30 JUNE 2026

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

### 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.

### 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.

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 30 JUNE 2026

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

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.

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 30 JUNE 2026

## 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.

| | 2026 | 2025 |
|---|---|---|
| | $ | $ |
| **Type of revenue source** | | |
| Members | **17,017,962** | 16,213,207 |
| Other reporting units | - | - |
| Government | - | - |
| Other parties | - | - |
| **Total revenue from contracts with members or customers** | **17,017,962** | 16,213,207 |
| | | |
| **Note 3A: Net gains from sale of assets** | | |
| Land and buildings | - | - |
| Plant and equipment | **65,757** | 339,318 |
| Other | - | - |
| **Total net gain from sale of assets** | **65,757** | 339,318 |
| | | |
| **Note 3B: Investment income** | | |
| Interest: | | |
| Deposits | **400,911** | 523,147 |
| Loans | - | - |
| **Total investment income** | **400,911** | 523,147 |
| | | |
| **Note 3C: Rental income** | | |
| Properties: | | |
| Investment properties | **2,390,664** | 1,866,309 |
| Other | **8,118** | 11,673 |
| Lease incentive | **(29,251)** | - |
| Other | - | - |
| **Total rental income** | **2,369,531** | 1,877,982 |
| | | |
| **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 | **334,997** | 392,626 |
| **Total other income** | **334,997** | 392,626 |

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 30 JUNE 2026

| | 2026<br>$ | 2025<br>$ |
|---|---|---|
| **Note 4: Expenses** | | |
| **Note 4A: Employee expenses** | | |
| **Holders of office:** | | |
| Wages and salaries | **508,168** | 347,873 |
| Superannuation | **101,406** | 78,014 |
| Leave and other entitlements | **50,731** | 32,524 |
| Separation and redundancies | **-** | - |
| Other employee expenses | **53,151** | 36,101 |
| **Subtotal employee expenses - holders of office** | **713,456** | 494,512 |
| **Employees other than office holders:** | | |
| Wages and salaries | **7,163,389** | 6,923,906 |
| Superannuation | **1,018,792** | 888,380 |
| Leave and other entitlements | **1,134,970** | 999,258 |
| Separation and redundancies | **-** | - |
| Other employee expenses | **1,038,067** | 909,188 |
| **Subtotal employee expenses - employees other than office holders** | **10,355,218** | 9,720,732 |
| **Total employee expenses** | **11,068,674** | 10,215,244 |
| **Note 4B: Affiliation fees** | | |
| SDA National Office | **1,461,268** | 1,409,323 |
| SDA National Office – International Fund | **219,191** | 211,399 |
| ALP NSW | **308,780** | 290,049 |
| ALP ACT | **12,791** | 12,908 |
| Labor Council NSW | **310,421** | 239,950 |
| Labor Council ACT | **25,641** | 25,232 |
| Labor Council South Coast | **4,000** | 3,676 |
| **Total affiliation fees** | **2,342,092** | 2,192,537 |

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 30 JUNE 2026

| | 2026<br>$ | 2025<br>$ |
|---|---|---|
| **Note 4C: Administration expenses** | | |
| Total paid to employers for payroll deductions of membership subscriptions | **62,825** | 80,149 |
| Campaign levies | **65,912** | 255,680 |
| Fees/allowances - meeting and conferences | **52,400** | 47,290 |
| Conference and meeting expenses | **508,082** | 542,186 |
| Accommodation and travel | **559,188** | 598,609 |
| Contractors and consultants | **387,359** | 411,450 |
| Impairment loss expense | **(783)** | (20,377) |
| Membership propagation expense | **643,442** | 642,718 |
| Journal costs | **378,135** | 441,906 |
| Textbook, scholarships and teap payments | **85,491** | 117,714 |
| Occupancy expenses | **1,430,876** | 1,384,323 |
| Printing, postage, and stationery | **211,536** | 222,182 |
| Telephone | **645,443** | 357,004 |
| Insurance | **748,965** | 790,231 |
| Motor vehicle expenses | **591,708** | 533,496 |
| Other | **978,001** | 780,109 |
| **Subtotal administration expense** | **7,348,580** | 7,184,670 |
| Operating lease rentals: | | |
| Short term, low value, and variable lease payments | **12,691** | 12,186 |
| **Total administration expenses** | **7,361,271** | 7,196,856 |
| **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 | **3,875** | 2,093 |
| Total paid that exceeded $1,000 | **14,529** | 66,582 |
| **Total grants or donations** | **18,404** | 68,675 |
| The GST Inclusive amount of donations paid during the year was $19,007 (2025: $69,033) | | |
| **Note 4E: Depreciation and amortisation** | | |
| Depreciation: | | |
| Land and buildings | **614,920** | 622,921 |
| Plant and equipment | **672,564** | 613,672 |
| **Total depreciation** | **1,287,484** | 1,236,593 |
| Amortisation: | | |
| Intangibles | **68,409** | 52,564 |
| **Total amortisation** | **68,409** | 52,564 |
| **Total depreciation and amortisation** | **1,355,893** | 1,289,157 |

## NOTES TO THE FINANCIAL STATEMENTS
### FOR THE YEAR ENDED 30 JUNE 2026

| | 2026<br>$ | 2025<br>$ |
|---|---|---|
| **Note 4F: Finance costs** | | |
| Overdrafts / loans | - | - |
| Interest on lease liabilities | **35,134** | 47,097 |
| **Total finance costs** | **35,134** | 47,097 |
| | | |
| **Note 4G: Legal costs** | | |
| Litigation | **100,385** | 36,231 |
| Other legal matters | **37,582** | 136,604 |
| **Total legal costs** | **137,967** | 172,835 |

## Note 5: Current Assets

| | | |
|---|---|---|
| **Note 5A: Cash and cash equivalents** | | |
| Cash on hand | **850** | 1,300 |
| Cash at bank | **1,552,244** | 1,889,916 |
| Short term deposits | **2,264,441** | - |
| **Total cash and cash equivalents** | **3,817,535** | 1,891,216 |
| | | |
| **Note 5B: Trade and other receivables** | | |
| Trade receivables from other reporting units: | | |
| Nil | - | - |
| Less allowance for expected credit loss | - | - |
| | - | - |
| Trade receivables from members and customers: | | |
| Trade receivables | **1,185,508** | 1,263,782 |
| Less allowance for expected credit loss | **(11,855)** | (12,638) |
| | **1,173,653** | 1,251,144 |
| Other receivables: | | |
| GST receivable | **50,064** | 78,063 |
| Accrued interest income | **75,862** | 120,022 |
| Other sundry receivables | **329,294** | 335,452 |
| | **455,220** | 533,537 |
| **Total Trade and other receivables** | **1,628,873** | 1,784,681 |
| | | |
| The movement in the allowance for expected credit losses of trade and other receivables is as follows: | | |
| Opening loss allowance as at 1 July | **12,638** | 33,015 |
| Loss allowance recognised during the year | **(783)** | (20,377) |
| Write-off | - | - |
| **Closing loss allowance as at 30 June** | **11,855** | 12,638 |

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 30 JUNE 2026

### 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 2026 is determined below. These expected credit losses also incorporate forward looking information.

| 2026 | Current | > 30 days past due | > 60 days past due | > 90 days past due | Total |
|---|---|---|---|---|---|
| Expected loss rate | 1% | -% | -% | -% | |
| Gross carrying amount | 1,185,508 | - | - | - | 1,185,508 |
| Loss allowance provision | (11,855) | - | - | - | (11,855) |

| 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) |

**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.

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 30 JUNE 2026

| | 2026 | 2025 |
|---|---|---|
| | $ | $ |
| **Note 5B: Trade and other receivables (cont.)** | | |
| **Financial assets measured at amortised cost** | | |
| Trade receivables | **1,173,653** | 1,251,144 |
| Other receivables | **455,220** | 533,537 |
| | **1,628,873** | 1,784,681 |

**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 | **1,172,486** | 1,251,144 |
| Non-current receivables | **-** | - |
| | **1,172,486** | 1,251,144 |

| | | |
|---|---|---|
| **Note 5C: Other current assets** | | |
| Prepayments | **1,821,564** | 1,718,125 |
| Other | **-** | - |
| **Total other current assets** | **1,821,564** | 1,718,125 |

| | 2026<br>$ | 2025<br>$ |
|---|---|---|
| **Note 6: Financial Assets** | | |
| Financial assets at amortised cost | | |
| Current | | |
| Term deposits | **6,359,289** | 9,879,115 |
| Other | - | - |
| **Total financial assets at amortised cost** | **6,359,289** | 9,879,115 |

Term deposits have stated interest rates of 4.36% to 5.03% (2025: 4.00% to 4.97%) and mature in five to six months.

During the year ended 30 June 2026, the Association received interest income of $400,455 (2025: $522,970) 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.

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 30 JUNE 2026

| | 2026<br>$ | 2025<br>$ |
|---|---|---|

## Note 7: Non-current Assets

### Note 7A: Land and buildings

| | | |
|---|---|---|
| Land and buildings: | | |
| Fair value | **20,220,643** | 20,220,643 |
| Accumulated depreciation | **(1,006,897)** | (501,381) |
| **Total land and buildings** | **19,213,746** | 19,719,262 |
| | | |
| ***Reconciliation of opening and closing balances of land and buildings*** | | |
| **As at 1 July** | | |
| Gross book value | **19,719,262** | 19,729,800 |
| Accumulated depreciation and impairment | **-** | - |
| **Net book value 1 July** | **19,719,262** | 19,729,800 |
| Additions: | | |
| By purchase | **-** | 490,843 |
| From acquisitions of entities (including restructuring) | **-** | - |
| Revaluations | **-** | - |
| Impairments | **-** | - |
| Depreciation expense | **(505,516)** | (501,381) |
| Other movement: | | |
| Reversal of accumulated depreciation due to revaluation | **-** | - |
| Disposals: | | |
| From disposal of entities (including restructuring) | **-** | - |
| Other | **-** | - |
| **Net book value 30 June** | **19,213,746** | 19,719,262 |
| **Net book value as of 30 June represented by:** | | |
| Gross book value | **20,220,643** | 20,220,643 |
| Accumulated depreciation and impairment | **(1,006,897)** | (501,381) |
| **Net book value 30 June** | **19,213,746** | 19,719,262 |

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 /$m^2$ of strata area basis and compares the equivalent rates to the subject to establish the property's current market value.

## NOTES TO THE FINANCIAL STATEMENTS
### FOR THE YEAR ENDED 30 JUNE 2026

| | 2026 | 2025 |
|---|---|---|
| | $ | $ |

### 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** | 4,608,869 |
| Accumulated depreciation | **(2,955,813)** | (2,955,813) |
| **Total Plant and equipment** | **1,653,056** | 1,653,056 |

| ***Reconciliation of opening and closing balances of plant and equipment*** | | |
|---|---|---|
| **As at 1 July** | | |
| Gross book value | **4,608,869** | 4,096,450 |
| Accumulated depreciation and impairment | **(2,955,813)** | (3,219,611) |
| **Net book value 1 July** | **1,653,056** | 876,839 |
| Additions: | | |
| By purchase | **296,347** | 1,357,596 |
| From acquisitions of entities (including restructuring) | - | - |
| Impairments | - | - |
| Depreciation expense | **(569,167)** | (510,275) |
| Other movement: | | |
| Reversal of accumulated depreciation due to disposal | **170,364** | 774,073 |
| Disposals: | | |
| From disposal of entities (including restructuring) | - | - |
| Other | **(226,395)** | (845,177) |
| **Net book value 30 June** | **1,324,205** | 1,653,056 |
| **Net book value as of 30 June represented by:** | | |
| Gross book value | **4,678,821** | 4,608,869 |
| Accumulated depreciation and impairment | **(3,354,616)** | (2,955,813) |
| **Net book value 30 June** | **1,324,205** | 1,653,056 |

## NOTES TO THE FINANCIAL STATEMENTS
### FOR THE YEAR ENDED 30 JUNE 2026

| | 2026<br>$ | 2025<br>$ |
|---|---|---|
| **Note 7C: Investment property** | | |
| **Property** | | |
| Opening balance as at 1 July | **34,066,400** | 37,345,000 |
| Additions | **657,487** | - |
| Gain / (loss) from fair value adjustment | - | (3,278,600) |
| Closing balance as at 30 June | **34,723,887** | 34,066,400 |
| **Lease incentive** | | |
| Opening balance as at 1 July | **175,505** | - |
| Additions | - | 175,505 |
| Disposals | - | - |
| Less accumulated amortisation of lease incentive | **(29,251)** | - |
| Closing balance as at 30 June | **146,254** | 175,505 |
| **Total investment property** | **34,870,141** | 34,241,905 |

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 $2,390,664 (2025: $1,866,309).

Direct expenses incurred in relation to the investment properties that generated rental income during the year was $782,015 (2025: $766,163). 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 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).

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 30 JUNE 2026

| | 2026<br>$ | 2025<br>$ |
|---|---|---|
| **Note 7D: Intangibles** | | |
| Computer software at cost: | | |
| Internally developed | - | - |
| Purchased | **273,637** | 273,637 |
| Accumulated amortisation | **(189,558)** | (121,149) |
| Accumulated impairment | - | - |
| | **84,079** | 152,488 |

| ***Reconciliation of opening and closing balances of plant and equipment*** | | |
|---|---|---|
| **As at 1 July** | | |
| Gross book value | **273,637** | 190,437 |
| Accumulated depreciation and impairment | **(121,149)** | (68,585) |
| **Net book value 1 July** | **152,488** | 121,852 |
| Additions: | | |
| By purchase | - | 83,200 |
| Impairments | - | - |
| Amortisation | **(68,409)** | (52,564) |
| Other movement | - | - |
| Disposals | - | - |
| **Net book value 30 June** | **84,079** | 152,488 |
| **Net book value as of 30 June represented by:** | | |
| Gross book value | **273,637** | 273,637 |
| Accumulated depreciation and impairment | **(189,558)** | (121,149) |
| **Net book value 30 June** | **84,079** | 152,488 |

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 30 JUNE 2026

### 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 2024** | **250,351** | **455,799** | **706,150** |
| Additions | 67,222 | - | 67,222 |
| Depreciation expense | (121,540) | (103,397) | (224,937) |
| Impairment | - | - | - |
| Disposal | - | - | - |
| **As at 30 June 2025** | **196,033** | **352,402** | **548,435** |
| Additions | - | - | - |
| Depreciation expense | (109,404) | (103,397) | (212,801) |
| Impairment | - | - | - |
| Disposal | - | - | - |
| **As at 30 June 2026** | **86,629** | **249,005** | **335,634** |

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

| | 2026 | 2025 |
|---|---|---|
| | $ | $ |
| **As at 1 July** | **583,202** | 716,802 |
| Additions | - | 67,222 |
| Accretion of interest | **35,134** | 47,097 |
| Payments | **(248,594)** | (247,919) |
| **As at 30 June** | **369,742** | 583,202 |
| Current | **192,914** | 214,114 |
| Non-current | **176,828** | 369,088 |

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

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 30 JUNE 2026

| | 2026 | 2025 |
|---|---|---|
| | $ | $ |

### Note 7E: Leases (cont.)

The following are the amounts recognised in surplus or deficit:

| | | |
|---|---|---|
| Depreciation expense of right-of-use assets | **212,801** | 224,937 |
| Interest expense on lease liabilities | **35,134** | 47,097 |
| Expense relating to short-term leases | **4,345** | 4,231 |
| Expenses relating to lease of low-value assets (included in administrative expenses) | - | - |
| Variable lease payments | **8,346** | 7,955 |
| Total amount recognised in surplus or deficit | **260,626** | 284,220 |

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 |
|---|---|---|---|
| | $ | $ | $ |
| **2026** | | | |
| Fixed rent | 248,594 | 8,346 | 256,940 |
| Variable rent with minimum payment | - | - | - |
| Variable rent only | - | - | - |
| | **248,594** | **8,346** | **256,940** |
| **2025** | | | |
| Fixed rent | 247,919 | 7,955 | 255,874 |
| Variable rent with minimum payment | - | - | - |
| Variable rent only | - | - | - |
| | **247,919** | **7,955** | **255,874** |

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.

## 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:

| | **2026** | 2025 |
|---|---|---|
| | **$** | $ |
| Within one year | **2,527,070** | 2,432,276 |
| After one year but not more than five years | **9,738,353** | 10,714,819 |
| More than five years | **-** | 1,550,604 |
| | **12,265,423** | 14,697,699 |

The following table presents amounts reported in comprehensive income:

| | | |
|---|---|---|
| Lease income on operating leases | **2,398,782** | 1,877,982 |
| 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 2026

| | 2026<br>$ | 2025<br>$ |
|---|---|---|
| **Note 7F: Other non-current assets** | | |
| Prepayments | **13,796** | 2,605 |
| Other | **-** | - |
| **Total other non-current assets** | **13,796** | 2,605 |

## Note 8: Current Liabilities

| | | |
|---|---|---|
| **Note 8A: Trade payables** | | |
| Trade creditors and accruals | **1,236,023** | 1,354,468 |
| **Total trade payables** | **1,236,023** | 1,354,468 |

Settlement is usually made within 30 days.

| | | |
|---|---|---|
| **Note 8B: Other payables** | | |
| Income in advance - rent | **180,071** | 164,391 |
| GST payable | **-** | - |
| Other | **24,500** | 30,324 |
| **Total other payables** | **204,571** | 194,715 |
| Total other payables are expected to be settled in: | | |
| No more than 12 months | **204,571** | 194,715 |
| More than 12 months | **-** | - |
| **Total other payables** | **204,571** | 194,715 |

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

| | | |
|---|---|---|
| The following financial liabilities are measured at amortised cost: | | |
| Trade payables | **1,236,023** | 1,354,468 |
| Other payables | **204,571** | 194,715 |
| | **1,440,594** | 1,549,183 |

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 30 JUNE 2026

| | 2026<br>$ | 2025<br>$ |
|---|---|---|
| **Note 9: Employee Provisions** | | |
| **Note 9A: Employee provisions** | | |
| **Office holders:** | | |
| Annual leave | **209,233** | 161,029 |
| Long service leave | **270,090** | 187,694 |
| Separations and redundancies | **-** | - |
| Other | - | - |
| **Subtotal employee provisions – office holders** | **479,323** | 348,723 |
| **Employees other than office holders:** | | |
| Annual leave | **1,397,210** | 1,215,780 |
| Long service leave | **1,932,585** | 1,868,715 |
| Separations and redundancies | - | - |
| Other | - | - |
| **Subtotal employee provisions – employees other than office holders** | **3,329,795** | 3,084,495 |
| **Total employee provisions** | **3,809,118** | 3,433,218 |
| Current | **3,771,369** | 3,393,056 |
| Non-current | **37,749** | 40,162 |
| **Total employee provisions** | **3,809,118** | 3,433,218 |
| **Note 10: Equity** | | |
| **Note 10A: General funds** | | |
| **Asset revaluation reserve** | | |
| Balance at start of the year: | **35,812,011** | 35,812,011 |
| Transfers to reserve | **-** | - |
| Transfers out of reserve | **-** | - |
| Balance as at end of year | **35,812,011** | 35,812,011 |
| **Total reserves** | **35,812,011** | 35,812,011 |

## NOTES TO THE FINANCIAL STATEMENTS
**FOR THE YEAR ENDED 30 JUNE 2026**

| | 2026<br>$ | 2025<br>$ |
|---|---|---|
| **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 | **3,817,535** | 1,891,216 |
| Balance sheet | **3,817,535** | 1,891,216 |
| ***Difference*** | **-** | - |
| **Reconciliation of deficit to net cash from operating activities:** | | |
| Deficit for the year | **(2,175,877)** | (5,159,921) |
| **Adjustment for non-cash items:** | | |
| Depreciation and amortisation | **1,355,894** | 1,289,157 |
| Loss on revaluation of investment properties | **-** | 3,278,600 |
| Non-cash income: | | |
| Gain on disposal of assets | **(65,757)** | (339,318) |
| **Changes in assets/liabilities:** | | |
| (Increase)/decrease in net receivables | **127,809** | 132,358 |
| (Increase)/decrease in prepayments | **(114,631)** | (60,567) |
| Increase/(decrease) in supplier and other payables | **(80,590)** | (75,997) |
| Increase/(decrease) in employee provisions | **375,900** | 295,051 |
| **Net cash used in operating activities** | **(577,252)** | (640,637) |

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 30 JUNE 2026

| | 2026<br>$ | 2025<br>$ |
|---|---|---|
| **Note 11B: Cash flow information** | | |
| **Cash inflows from other reporting units:** | | |
| Shop, Distributive and Allied Employees' Association – National Office | **254,772** | 619,800 |
| Shop, Distributive and Allied Employees' Association – Newcastle and Northern Branch | **22** | 2,107 |
| Shop, Distributive and Allied Employees' Association – South Australian Branch | - | 390 |
| Shop, Distributive and Allied Employees' Association – Queensland Branch | - | 1,688 |
| | **254,794** | 623,985 |
| **Cash outflows to other reporting units:** | | |
| Shop, Distributive and Allied Employees' Association – National Office | **2,521,681** | 2,354,083 |
| Shop, Distributive and Allied Employees' Association – Newcastle and Northern Branch | **26,434** | 21,193 |
| Shop, Distributive and Allied Employees' Association – Northern Territory Branch | **3,037** | 3,208 |
| Shop, Distributive and Allied Employees' Association – Queensland Branch | **49** | 32,570 |
| Shop, Distributive and Allied Employees' Association – South Australian Branch | **23,319** | 12,708 |
| Shop, Distributive and Allied Employees' Association – Tasmanian Branch | - | - |
| Shop, Distributive and Allied Employees' Association – Victorian Branch | **14,473** | 14,412 |
| Shop, Distributive and Allied Employees' Association – Western Australian Branch | **19,709** | 14,397 |
| | **2,608,702** | 2,452,571 |

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 30 JUNE 2026

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

| | 1 July 2025 | Cash flows | Non-cash changes: Acquisition | Non-cash changes: Foreign exchange movements | Non-cash changes: Fair value changes | Non-cash changes: Re-classification | 30 June 2026 |
|---|---|---|---|---|---|---|---|
| Lease liabilities | 583,202 | (213,460) | - | - | - | - | 369,742 |
| **Total** | **583,202** | **(213,460)** | **-** | **-** | **-** | **-** | **369,742** |

| | **2026** | 2025 |
|---|---|---|
| | **$** | $ |

## Note 12: Contingent Liabilities, Assets and Commitments

**12A: Lease commitments**

| | | |
|---|---|---|
| Short-term | **4,345** | 4,231 |

**12B: Capital commitments**

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

# NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2026

| | 2026<br>$ | 2025<br>$ |
|---|---|---|
| **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:** | | |
| *Reimbursements – Other* | **261,778** | 563,455 |
| **Expenses paid to Shop Distributive and Allied Employees' Association National Office includes the following:** | | |
| *Affiliation fees* | **1,466,642** | 1,455,895 |
| *Federal Election Campaign Levy* | **-** | 142,178 |
| *Information Technology Fund* | **145,590** | 145,590 |
| *Industrial Campaign Levy* | **65,912** | 90,774 |
| *Other* | **394,297** | 87,254 |
| **Expenses paid to Shop Distributive and Allied Employees' Association National Office – International Fund includes the following:** | | |
| *Affiliation Fees – International Fund* | **219,996** | 218,384 |
| **Expenses paid to Australian Labor Party N.S.W. includes the following:** | | |
| *Affiliation fees* | **308,782** | 290,049 |
| *Donations – Campaign lunches / dinners* | **4,023** | 40,000 |
| *Other* | **-** | 15,454 |
| **Expenses paid to the Australian Labor Party A.C.T. includes the following:** | | |
| *Affiliation fees* | **12,791** | 12,908 |
| *Other* | **-** | 4,913 |

## NOTES TO THE FINANCIAL STATEMENTS
### FOR THE YEAR ENDED 30 JUNE 2026

| | 2026<br>$ | 2025<br>$ |
|---|---|---|
| **Note 13A: Related party transactions for the reporting period (cont.)** | | |
| **Expenses paid to the Labor Council N.S.W. includes the following:** | | |
| *Affiliation fees* | **310,421** | 239,950 |
| *Other* | **4,772** | 25,673 |
| **Expenses paid to Unions A.C.T. includes the following:** | | |
| *Affiliation fees* | **25,641** | 25,232 |
| **Expenses paid to the Labor Council South Coast includes the following:** | | |
| *Affiliation fees* | **4,000** | 3,676 |

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 2026, 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 (2025: $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.

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 30 JUNE 2026

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

| | 2026<br>$ | 2025<br>$ |
|---|---|---|
| **Short-term employee benefits** | | |
| Salary (including annual leave taken) | **503,012** | 347,873 |
| Annual leave accrued | **34,053** | 26,577 |
| Performance bonus | **-** | - |
| Non-Monetary (motor vehicle and parking) | **53,151** | 36,102 |
| **Total short-term employee benefits** | **590,216** | 410,552 |
| **Post-employment benefits** | | |
| Superannuation | **101,406** | 78,014 |
| **Total post-employment benefits** | **101,406** | 78,014 |
| **Other long-term benefits** | | |
| Long-service leave accrued | **16,678** | 5,946 |
| **Total other long-term benefits** | **16,678** | 5,946 |
| **Termination benefits** | **-** | - |
| **Total** | **708,300** | 494,512 |

## NOTES TO THE FINANCIAL STATEMENTS
### FOR THE YEAR ENDED 30 JUNE 2026

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

| Key management personnel | Bernie Smith Secretary | Felicity Smithson Assistant Secretary | Mitchell Worsley | Total |
|---|---|---|---|---|
| | $ | $ | $ | $ |
| **Remuneration for 2026** | | | | |
| **Short-term employee benefits:** | | | | |
| Salary (including annual leave taken) | 191,804 | 169,273 | 141,935 | 503,012 |
| Honorarium | - | - | | - |
| Annual leave accrued | 24,759 | 9,294 | - | 34,053 |
| Non-monetary (motor vehicle and parking) | 15,751 | 22,972 | 14,428 | 53,151 |
| **Total short-term employee benefits** | **232,314** | **201,539** | **156,363** | **590,216** |
| **Post-employment benefits:** | | | | |
| Superannuation | 48,131 | 35,816 | 17,459 | 101,406 |
| **Total post-employment benefits** | **48,131** | **35,816** | **17,459** | **101,406** |
| **Other long-term benefits:** | | | | |
| Long-service leave accrued | - | 9,294 | 7,384 | 16,678 |
| **Total other long-term benefits** | **-** | **9,294** | **7,384** | **16,678** |
| **Total** | **280,445** | **246,649** | **181,206** | **708,300** |
| **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** |

| | 2026<br>$ | 2025<br>$ |
|---|---|---|

## Note 14: Remuneration of Auditor

| | | |
|---|---|---|
| **Value of the services provided** | | |
| Financial statement audit services | **45,600** | 45,200 |
| Other services | **-** | - |
| **Total remuneration of auditor** | **45,600** | 45,200 |

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 | 2026<br>$ | 2025<br>$ |
|---|---|---|---|
| **Financial assets** | | | |
| Financial assets at amortised cost: | | | |
| Cash and cash equivalents | 5A | **3,817,535** | 1,891,216 |
| Trade and other receivables | 5B | **1,628,873** | 1,784,681 |
| Term deposits | 6 | **6,359,289** | 9,879,115 |
| | | **11,805,697** | 13,555,012 |
| **Financial liabilities** | | | |
| Financial liabilities at amortised cost: | | | |
| Trade and other payables | 8C | **1,440,594** | 1,549,183 |
| Lease liabilities | 7E | **369,742** | 583,202 |
| | | **1,810,336** | 2,132,385 |

### 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 2026**

## 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 | **2026** $ | 2025 $ |
|---|---|---|---|
| **Cash and cash equivalents** | | | |
| - AA Rated | 5A | **3,817,535** | 1,891,216 |
| **Short-term and fixed term deposits** | | | |
| - AA Rated | 6 | **6,359,289** | 9,879,115 |
| | | **10,176,824** | 11,770,331 |

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 30 JUNE 2026

## 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 | |
|---|---|---|---|---|---|---|---|---|
| | **2026** | 2025 | **2026** | 2025 | **2026** | 2025 | **2026** | 2025 |
| | **$** | $ | **$** | $ | **$** | $ | **$** | $ |
| **Financial Liabilities – due for payment** | | | | | | | | |
| Trade payables | **1,236,023** | 1,354,468 | **-** | - | **-** | - | **1,236,023** | 1,354,468 |
| Other payables | **204,571** | 194,715 | **-** | - | **-** | - | **204,571** | 194,715 |
| Lease liabilities | **192,914** | 214,114 | **176,828** | 369,088 | **-** | - | **369,742** | 583,202 |
| **Total expected outflows** | **1,633,508** | 1,763,297 | **176,828** | 369,088 | **-** | - | **1,810,336** | 2,132,385 |
| **Financial Assets – Cash flows realisable** | | | | | | | | |
| Cash and cash equivalents | **3,817,535** | 1,891,216 | **-** | - | **-** | - | **3,817,535** | 1,891,216 |
| Trade and other receivables | **1,628,873** | 1,784,681 | **-** | - | **-** | - | **1,628,873** | 1,784,681 |
| Term deposits | **6,359,289** | 9,879,115 | **-** | - | **-** | - | **6,359,289** | 9,879,115 |
| **Total expected inflows** | **11,805,697** | 13,555,012 | **-** | - | **-** | - | **11,805,697** | 13,555,012 |
| **Net (outflow) / inflow expected on financial instruments** | **10,172,189** | 11,791,715 | **(176,828)** | (369,088) | **-** | - | **9,995,361** | 11,422,627 |

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 30 JUNE 2026

## 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 2026** | | |
| +/- 1.0% in interest rates | +/- 101,768 | +/- 101,768 |
| **Year ended 30 June 2025** | | |
| +/- 1.0% in interest rates | +/- 117,703 | +/- 117,703 |

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 2026**

## 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 2026** $ | **Fair value 2026** $ | Carrying amount 2025 $ | Fair value 2025 $ |
|---|---|---|---|---|
| **Financial assets** | | | | |
| At amortised cost: | | | | |
| Cash and cash equivalents | **3,817,535** | **3,817,535** | 1,891,216 | 1,891,216 |
| Trade and other receivables | **1,628,873** | **1,628,873** | 1,784,681 | 1,784,681 |
| Term deposits | **6,359,289** | **6,359,289** | 9,879,115 | 9,879,115 |
| | **11,805,697** | **11,805,697** | 13,555,012 | 13,555,012 |
| **Financial liabilities** | | | | |
| At amortised cost: | | | | |
| Trade and other payables | **1,440,594** | **1,440,594** | 1,549,183 | 1,549,183 |
| Lease liabilities | **369,742** | **369,742** | 583,202 | 583,202 |
| | **1,810,336** | **1,810,336** | 2,132,385 | 2,132,385 |

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 2026**

## 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 2026**

## 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 2026 | | | |
|---|---|---|---|---|---|
| | | Level 1 | Level 2 | Level 3 | Total |
| | Note | $ | $ | $ | $ |
| **Recurring fair value measurements** | | | | | |
| *Non-financial assets:* | | | | | |
| Land and buildings | 7A | - | 19,213,746 | - | 19,213,746 |
| Investment property | 7C | - | - | 34,723,887 | 34,723,887 |
| **Total non-financial assets recognised at fair value on a recurring basis** | | - | **19,213,746** | **34,723,887** | **53,937,633** |

| | | 30 June 2025 | | | |
|---|---|---|---|---|---|
| | | Level 1 | Level 2 | Level 3 | Total |
| | Note | $ | $ | $ | $ |
| **Recurring fair value measurements** | | | | | |
| *Non-financial assets:* | | | | | |
| 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** |

There were no transfers between level 1 and level 2 for assets measured at fair value on a recurring basis during the reporting period (2025: 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 (2025: no transfers).

## NOTES TO THE FINANCIAL STATEMENTS
**FOR THE YEAR ENDED 30 JUNE 2026**

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

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

| Description | Valuation technique(s) | Input(s) used |
|---|---|---|
| *Non-financial assets:* | | |
| Land and buildings | Market approach using recent observable market data for similar properties; | - Price per square metre |
| | Income approach using discounted cash flow (DCF) methodology | - 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 |
|---|---|---|---|
| *Non-financial assets:* | | | |
| Investment properties | Income approach using discounted cash flow (DCF) methodology; | - Discount rate | 4.75% – 6.25% |
| | Income approach using income capitalisation methodology | - Income capitalisation rate | 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 2026**

## 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 |
|---|---|---|---|---|
| *Liabilities* | | | | |
| 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).

# NOTES TO THE FINANCIAL STATEMENTS
## FOR THE YEAR ENDED 30 JUNE 2026

## 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 2026.

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 officer: [redacted]

Dated: 18th August 2026