



AUSTRALIAN INDUSTRIAL REGISTRY

Level 35, Nauru House
80 Collins Street, Melbourne, VIC 3000
GPO Box 1994S, Melbourne, VIC 3001
Telephone: (03) 8661 7777
Fax: (03) 9654 6672

Mr Joe de Bruyn
National Secretary
Shop, Distributive & Allied Employees' Association
Fifth Floor
53 Queen Street
MELBOURNE 3000

Dear Mr de Bruyn

Re: Financial Documents for year ended 30 June 2003 - FR2003/484

Receipt is acknowledged of your statement pursuant to section 269 of the *Workplace Relations Act 1996* relating to particulars of grants and donations made by the organisation for the financial year ended 30 June 2003.

The contents of your statement have been noted.

The statement has been placed on a file which is not available to the public.

Yours sincerely

Sylvia van Riet
Statutory Services Branch
5 April 2004

FR 2003/484



Shop, Distributive & Allied Employees' Association

REGISTERED OFFICE: FIFTH FLOOR, 53 QUEEN STREET, MELBOURNE, 3000. TELEPHONE (03) 9629 2299 FAX (03) 9629 2646 EMAIL sdanat@c031.aone.net.au
ABN 99 789 302 470

NATIONAL PRESIDENT
Don Farrell

NATIONAL SECRETARY
Joe de Bruyn

jdb/cr
Wednesday 31st March, 2004

The Industrial Registrar
Nauru House
80 Collins Street
MELBOURNE VIC 3000

Attention: Sylvia Van Riet

Dear Sir,

Please find enclosed a statement pursuant to Section 269 of the Workplace Relations Act, 1996 relating to the audited accounts of the Association for the twelve months to the 30th June, 2003.

I apologise for the late submission of this return of information and appreciate the reminder that you gave in your letter dated 16th March, 2004. As I have been overseas on two occasions in recent weeks, it has taken me sometime to arrange for the preparation of the return.

Please contact me if you require any further information.

Yours faithfully,

J. de Bruyn
JOE DE BRUYN
National Secretary/Treasurer

encl: as above



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Mr Joe de Bruyn
National Secretary
Shop, Distributive & Allied Employees' Association
Fifth Floor
53 Queen Street
MELBOURNE 3000

Dear Mr de Bruyn

Re: Financial Documents for year ended 30 June 2003 - FR2003/484

Receipt is acknowledged of the financial documents of the federal office of the Shop, Distributive and Allied Employees' Association, including the New South Wales Deductions Account, for the year ended 30 June 2003; the documents were lodged in the Australian Industrial Registry on 25 February 2004.

While the documents have been filed the following matters concerning the financial reporting requirements of the *Workplace Relations Act 1996* are drawn to your attention.

Disclosure of donations in income and expenditure statement

Section 269(1) requires an organisation to lodge in the Industrial Registry as soon as practicable after each financial year a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 made by the organisation during the financial year.

Inspection of the income and expenditure statement of the federal office of the organisation indicates donations of \$215,096 having been made during the financial year ended 30 June 2003.

Would you please arrange lodgment in the Industrial Registry of a section 269(1) statement covering any donation exceeding \$1,000 - such statement should include particulars as required by subsection 269(5).

New legislation

As you may know the *Workplace Relations (Registration and Accountability of Organisations)* legislation (the RAO legislation) generally came into operation on 12 May 2003.

The RAO legislation establishes a **Registration and Accountability of Organisations Schedule** (the RAO Schedule) inserted as Schedule IB within the *Workplace Relations Act 1996* (the WR Act) pertaining to registered organisations. Many of the provisions relating to registered organisations in the WR Act have been replicated in the new RAO Schedule, with some amendments. Other matters have been substantially changed by the RAO Schedule, particularly the financial reporting requirements.

Please note that the reporting obligations for the financial year ending 30 June 2004 will be governed by the requirements of the RAO Schedule (whereas your organisation has been required to complete the financial reporting obligations for the financial year ending 30 June 2003 under the previous provisions of the WR Act). This is because the relevant provisions of the *Workplace Relations Legislation Amendment (Registration of Accountability of Organisations) (Consequential Provisions) 2002 Act* apply to the first complete financial year subsequent to the commencement of the legislation [(see item 44(1))].

Should you wish to discuss this letter or if you require further information on the financial reporting requirements of the *Workplace Relations Act 1996*, I may be contacted on 03-8661 7985.

Yours sincerely



Sylvia van Riet
Statutory Services Branch
16 March 2004

Shop, Distributive & Allied Employees' Association



REGISTERED OFFICE: FIFTH FLOOR, 53 QUEEN STREET, MELBOURNE, 3000. TELEPHONE (03) 9629 2299 FAX (03) 9629 2646 EMAIL sdanat@c031.aone.net.au
ABN 99 789 302 470

NATIONAL PRESIDENT
Don Farrell

NATIONAL SECRETARY
Joe de Bruyn

jdb/cr
23rd February, 2004

FR 2003/484

Recd 28/2/04

The Industrial Registrar
Principal Registry
Nauru House
80 Collins Street
Melbourne Vic 3000

Dear Sir,

Please find enclosed a copy of the audited financial accounts and statements of the Shop, Distributive & Allied Employees' Association, New South Wales Deductions Account for the twelve months ended 30th June 2003 which is forwarded to you for filing under the Workplace Relations Act.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'J. de Bruyn'. The signature is written in a cursive, flowing style.

Joe de Bruyn
National Secretary-Treasurer

encl: as above

**THE WORKPLACE RELATIONS
ACT, 1996**

IN THE MATTER OF:

The Shop, Distributive &
Allied Employees'
Association.

AND IN THE MATTER OF:

Information to be filed with
the Industrial Registrar under
the Act.


STATUTORY DECLARATION

I, **JOSEPH de BRUYN** of 5th Floor, 53 Queen Street, **MELBOURNE** in the State of Victoria, **Trade Union Officer**, do solemnly and sincerely declare as follows:

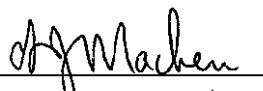
1. I am the National Secretary-Treasurer of the Shop, Distributive & Allied Employees' Association, an organisation of employees registered under the Workplace Relations Act, 1996.
2. I am authorised to make this Statutory Declaration pursuant to the Rules of the said Association.
3. Attached hereto and marked with the letter "A" are the report, accounts and statements of the Shop, Distributive & Allied Employees' Association, New South Wales Deductions Account for the twelve months ended 30th June, 2003.
4. I say that the documents referred to in paragraph 3 hereof were presented to a duly convened meeting of the National Executive of the said Association held at the Country Club Casino at Launceston in the State of Tasmania from Tuesday 17th February, 2004 to Friday 20th February, 2004 pursuant to the said Workplace Relations Act.

AND I make this solemn declaration by virtue of the Statutory Declarations Act 1959 and subject to the penalties provided by the Act for the making of false statements in statutory declarations, conscientiously believing the statements contained in this declaration to be true in every particular.

DECLARED at MELBOURNE the |
23rd day of February, 2004 |


Joseph de Bruyn
National Secretary-Treasurer

Before me: _____


A. J. Macken
Solicitor.

"A"

**SHOP, DISTRIBUTIVE AND
ALLIED EMPLOYEES'
ASSOCIATION N.S.W.
DEDUCTIONS ACCOUNT
OFFICE**

A.B.N 74 415 123 375

FINANCIAL REPORT

**FOR THE YEAR ENDED
30 JUNE 2003**

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W.
DEDUCTIONS ACCOUNT OFFICE**

**RESOLUTION REGARDING TRANSFER OF FUNDS SURPLUS
TO THE REQUIREMENT OF THE DEDUCTIONS ACCOUNT OFFICE**

Resolved:

The National Council ratifies the transfer of an amount of \$2,883,791 from the Shop, Distributive and Allied Employees' Association N.S.W. Deductions Account, to the account of the New South Wales Branch of the Association, such funds being surplus to the requirement of the Deductions Account Office for the year ended 30 June 2003.

Dated at Newcastle this 20th day of October 2003.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W.
DEDUCTIONS ACCOUNT OFFICE**

**RESOLUTION REGARDING RECEIVING OF ACCOUNTS AND STATEMENT
BY THE COMMITTEE OF MANAGEMENT**

Resolved:

1. That the accounts of the Shop, Distributive and Allied Employees' Association N.S.W. Deductions Account Office for the year ended 30 June 2003 be received.
2. That it is the opinion of this Committee of Management that:
 - a) The accounts show a true and fair view of the financial affairs of the Association as at 30 June 2003;
 - b) During the financial year ended 30 June 2003 meetings of the Committee of Management were held in accordance with the rules of the Association;
 - c) To the knowledge of any member of the Committee, there have not been during the year ended 30 June 2003, instances where records of the organisation or other documents (not being documents containing information made available to a member of the organisation under subsection 274(2) of the Act), or copies of those records or other documents, or copies of the rules of the organisation, have not been furnished, or made available to members of the organisation in accordance with the Act, these regulations or the rules of the organisation, as the case may be;
 - d) In relation to the report prepared in accordance with section 276 of the Act by the auditor of the organisation in respect of the 30 June 2002 financial year, and in relation to any accounts and statements prepared in accordance with subsection 273(1) of the Act to which that report relates, the organisation has complied with subsection 279(1) and 279(6) of the Act.
3. That two members of the Committee be authorised to sign the certificate on behalf of the Committee of Management.

Dated at Newcastle this 20th day of October 2003.

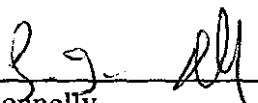
**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W.
DEDUCTIONS ACCOUNT OFFICE**

STATEMENT OF THE COMMITTEE OF MANAGEMENT

In accordance with a resolution of the Committee of Management of Shop, Distributive and Allied Employees' Association N.S.W. Deductions Account Office, we state that in the opinion of the Committee:

- a) The accounts show a true and fair view of the financial affairs of the Association as at 30 June 2003;
- b) During the financial year ended 30 June 2003, meetings of the Committee of Management were held in accordance with the rules of the Association;
- c) To the knowledge of any member of the Committee, there have not been during the year ended 30 June 2003, instances where records of the Association or other documents (not being documents containing information made available to a member of the Association under subsection 274(2) of the Act), or copies of those records or other documents, or copies of the rules of the Association, have not been furnished, or made available to members of the Association in accordance with the Act, these regulations or the rules of the Association, as the case may be;
- d) In relation to the report prepared in accordance with section 276 of the Act by the auditor of the Association in respect of the financial year ended 30 June 2002, and in relation to any accounts and statements prepared in accordance with subsection 273(1) of the Act to which that report relates, the Association has complied with subsection 279(1) and 279(6) of the Act.

Signed on behalf of the Committee of Management:



Greg Donnelly
Committee of Management



Joe de Bruyn
Committee of Management

Dated at Newcastle this 20th day of October 2003.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W.
DEDUCTIONS ACCOUNT OFFICE**

STATEMENT OF THE PRINCIPAL ACCOUNTING OFFICER

I, Joe de Bruyn, being the officer responsible for keeping the accounting records of the Association, certify that as at 30 June 2003, the number of members in the New South Wales Branch was 62,974 (2002: 61,270).

In my opinion:

- i) The accompanying accounts show a true and fair view of the financial affairs of the Association as at 30 June 2003.
- ii) A record has been kept of all monies paid by or collected from members of the Association and all monies so paid or collected have been credited to the bank account to which those monies are to be credited in accordance with the rules of the Association.
- iii) Before any expenditure was incurred by the Association, approval of the incurring of the expenditure was obtained in accordance with the rules of the Association.
- iv) No payments were made out of funds or accounts operated by the Association in respect of compulsory levies raised by the Association or voluntary contributions collected from members of the Association or other funds, the operation of which is required by the rules of the Association for a purpose other than the purpose for which the fund was operated.
- v) No loans or other financial benefits other than remuneration in respect of their full-time employment with the Association were made to persons holding office in the Association.
- vi) The register of members of the Association was maintained in accordance with the Workplace Relations Act 1996.



Joe de Bruyn
Principal Accounting Officer

Dated at Newcastle this 20th day of October 2003.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W.
DEDUCTIONS ACCOUNT OFFICE**

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2003**

	Note	2003 \$	2002 \$
Income			
Members contributions		11,027,681	10,335,588
Less: Commissions paid/payable		<u>(1,064,593)</u>	<u>(992,096)</u>
Net members' contributions		9,963,088	9,343,492
Interest received		450,903	419,035
Rent received		897,203	878,964
Profit on sale of fixed assets		<u>15,649</u>	<u>20,838</u>
	2	<u>11,326,843</u>	<u>10,662,329</u>
Less: Expenditure			
Administration expenses		2,516,527	2,480,847
Audit fees		37,000	35,000
Depreciation		356,794	344,674
Legal fees and litigation costs		205,974	69,358
Provision for annual leave		310,749	349,599
Provision for long service leave		81,786	116,894
Salaries - Elected officers		158,125	145,184
- Employees		3,347,321	3,287,647
- Superannuation		<u>344,082</u>	<u>306,303</u>
		7,358,358	7,135,506
Excess of income over expenditure		<u>3,968,485</u>	<u>3,526,823</u>
Transfer to SDA to New South Wales Branch	3	<u>2,883,791</u>	<u>2,854,218</u>
Profit from ordinary activities	14	<u>1,084,694</u>	<u>672,605</u>
Net increase in asset revaluation reserve	13	<u>-</u>	<u>599,237</u>
Net surplus		<u><u>1,084,694</u></u>	<u><u>1,271,842</u></u>

The statement of financial performance is to be read in conjunction with the notes to the financial statement set out on pages 8 to 21.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W.
DEDUCTIONS ACCOUNT OFFICE**

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2003**

	Note	2003 \$	2002 \$
Current assets			
Cash assets	6	6,885,126	10,008,219
Receivables	7	730,029	882,130
Other	8	245,278	75,350
Total current assets		<u>7,860,433</u>	<u>10,965,699</u>
Non-current assets			
Property, plant and equipment	9	15,171,739	11,018,771
Total non-current assets		<u>15,171,739</u>	<u>11,018,771</u>
Total assets		<u>23,032,172</u>	<u>21,984,470</u>
Current liabilities			
Payables	10	525,204	580,115
Income in advance	11	-	74,767
Provisions	12	680,607	350,505
Total current liabilities		<u>1,205,811</u>	<u>1,005,387</u>
Non-current liabilities			
Provisions	12	335,240	572,656
Total non-current liabilities		<u>335,240</u>	<u>572,656</u>
Total liabilities		<u>1,541,051</u>	<u>1,578,043</u>
Net assets		<u>21,491,121</u>	<u>20,406,427</u>
Equity			
Reserves	13	599,237	599,237
Retained Profits	14	20,891,884	19,807,190
Total equity		<u>21,491,121</u>	<u>20,406,427</u>

The statement of financial position is to be read in conjunction with the notes to the financial statement set out on pages 8 to 21.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W.
DEDUCTIONS ACCOUNT OFFICE**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2003**

	Note	2003 \$	2002 \$
Cash flows from operating activities			
Cash receipts in the course of operations		10,040,421	9,119,376
Cash payments in the course of operations		(10,017,511)	(9,507,454)
Interest Received		450,903	419,035
Rent Received		897,203	878,964
Net cash provided by operating activities	17(b)	<u>1,371,016</u>	<u>909,921</u>
Cash Flows from Investing Activities			
Proceeds on disposal of non-current assets		48,000	107,164
Payments for property plant and equipment		(4,542,109)	(339,827)
Net cash used in investing activities		<u>(4,494,109)</u>	<u>(232,663)</u>
Net increase/(decrease) in cash held		(3,123,093)	667,258
Cash at the beginning of the financial year		10,008,219	9,330,961
Cash at the end of the financial year	17(a)	<u>6,885,126</u>	<u>10,008,219</u>

The statement of cash flows is to be read in conjunction with the notes to the financial statement set out on pages 8 to 21.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W.
DEDUCTIONS ACCOUNT OFFICE**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

1. Statement of significant accounting policies

The significant accounting policies, which have been adopted in the preparation of this financial report, are:

(a) Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Workplace Relations Act 1996.

The financial report covers the Shop, Distributive and Allied Employees' Association N.S.W. Deductions Account Office as an individual entity. The Shop, Distributive and Allied Employees' Association is a trade union registered pursuant to the Workplace Relations Act 1996.

The financial report has been prepared on a accrual basis and is based on historical costs and except where stated, does not take into account changing money values or fair value of assets.

The accounting policies have been consistently applied, unless otherwise stated.

(b) Revenue recognition – Note 2

Revenues are recognised at fair value of the consideration received net of the amount of goods and services tax (GST) payable to the taxation authority. Exchanges of goods and services of the same nature and value without any cash consideration are not recognised as revenues.

Members' contributions

Members' contributions are accounted for on the accruals basis to the extent that contributions received or receivable subsequent to 30 June 2003, but which relate to the period then ended, have been brought to account as income, where as members' contributions received prior to 30 June 2003 but which relate to the period subsequent to that date, have been carried forward.

Interest Revenue

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial assets.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W.
DEDUCTIONS ACCOUNT OFFICE**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

(b) Revenue recognition – Note 2 (continued)

Sale of non-current assets

The gross proceeds of non-current asset sales are included as revenue at the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed.

The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal (including incidental costs).

(c) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(d) Income Tax

No provision for income tax is necessary as Trade Unions are exempt from income tax under the Income Tax Assessment Act 1936, as amended.

(e) Acquisition of assets

All assets acquired, including property, plant and equipment are initially recorded at their cost of acquisition at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition.

Subsequent additional costs

Costs incurred on assets subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the company in future years, otherwise, expected as incurred.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W.
DEDUCTIONS ACCOUNT OFFICE**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

(f) Receivables – Note 7

The collectibility of debts is assessed at reporting date and specific provision is made for any doubtful accounts.

Trade debtors

Trade debtors to be settled within 60 days are carried at amounts due.

(g) Recoverable amount of non-current assets valued on cost basis

The carrying amounts of non-current assets valued on the cost basis are reviewed to determine whether they are in excess of their recoverable amount at reporting date. If the carrying amount of a non-current asset exceeds its recoverable amount, the asset is written down to the lower amount. The write-down is expensed in the reporting period in which it occurs.

Where a group of assets working together supports the generation of cash flows, recoverable amount is assessed in relation to that group of assets.

In assessing recoverable amounts of non-current assets, the relevant cash flows have been discounted to their present value.

(h) Revaluations of non-current assets

Classes of non-current assets measured at fair value are revalued with sufficient regularity to ensure the carrying amount of each asset in the class does not differ materially from fair value at reporting date. Independent valuations are obtained at least every three years. Revaluation increments, on a class of assets basis, are recognised in the asset revaluation reserve except for amounts reversing a decrement previously recognised as an expense, which are recognised as revenues. Revaluation decrements are only offset against revaluation increments relating to the same class of asset and any excess is recognised as an expense.

Potential capital gains tax is only taken into account if the asset is held for sale.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W.
DEDUCTIONS ACCOUNT OFFICE**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

(i) Depreciation

Useful lives

All assets have limited useful lives and are depreciated/amortised using the straight line method over their estimated useful lives, taking into account estimated residual values, with the exception of finance lease assets which are amortised over the term of the relevant lease, or where it is likely the company will obtain ownership of the asset, the life of the asset.

Assets are depreciated or amortised from the date of acquisition or, in respect of internally constructed assets, from the time an asset is completed and held ready for use. Properties held for investment purposes are not subject to depreciation.

Depreciation and amortisation rates and methods are reviewed annually for appropriateness. When changes are made, adjustments are reflected prospectively in current and future periods only. Depreciation and amortisation are expensed.

The depreciation rates for each class of asset are as follows:

	2003 %	2002 %
Plant and equipment		
Motor Vehicles – at cost	15.00%	15.00%
Office Equipment & Fittings – at cost	20.00%	20.00%
Computer Equipment – at cost	20.00%	20.00%
Property – at cost	2.50%	2.50%

(j) Payables – Note 10

Liabilities are recognised for amounts to be paid in the future for goods or services received. Trade accounts payable are normally settled within 60 days.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W.
DEDUCTIONS ACCOUNT OFFICE**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

(k) Employee benefits – Note 12

Wages, salaries, annual leave and sick leave

Liabilities for employee benefits for wages, salaries, annual leave and sick leave expected to be settled within 12 months of the year-end represent present obligations resulting from employees' services provided to reporting date, calculated at undiscounted amounts based on remuneration wage and salary rates that the company expects to pay as at reporting date including related on-costs.

Long service leave

The provision for employee benefits to long service leave represents the present value of the estimated future cash outflows to be made resulting from employees' services provided to reporting date.

The provision is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates based on turnover history and is discounted using the rates attaching to national government bonds at reporting date which most closely match the terms of maturity of the related liabilities. The unwinding of the discount is treated as long service leave expense.

Superannuation plan

The Association contributes to defined contribution superannuation plans. Contributions are recognised as an expense as they are made.

(l) Provisions

A provision is recognised when there is a legal, equitable or constructive obligation as a result of a past event and it is probable that a future sacrifice of economic benefits will be required to settle the obligation, the timing or amount of which is uncertain.

If the effect is material, a provision is determined by discounting the expected future cash flows (adjusted for expected future risks) required to settle the obligation at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability, being risk free rates on government bonds most closely matching the expected future payments. The unwinding of the discount is treated as part of the expense related to the particular provision.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W.
DEDUCTIONS ACCOUNT OFFICE**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

	2003 \$	2002 \$
2. Revenue from ordinary activities		
Rendering of services revenue from operating activities	<u>9,963,088</u>	<u>9,343,492</u>
Other revenues:		
<i>From operating activities</i>		
Interest:		
- Other parties	450,903	419,035
<i>From outside operating activities</i>		
Gross proceeds from sale of non-current assets	15,649	20,838
Rent received	<u>897,203</u>	<u>878,964</u>
Total other revenues	<u>1,363,755</u>	<u>1,318,837</u>
Total revenue from ordinary activities	<u>11,326,843</u>	<u>10,662,329</u>
3. Profit from ordinary activities before income tax expense		
(a) Individually significant expenses/(revenues) included in profit from ordinary activities before income tax expense		
Transfer surplus to New South Wales Branch	2,883,791	2,854,218
Administration expenses	2,516,527	2,480,847
Salaries & Wages Expenses	3,849,528	3,739,134
Employee Provision Expenses	392,535	466,493
Legal fees and litigation costs	<u>205,974</u>	<u>69,358</u>
(b) Profit from ordinary activities before income tax expense has been arrived at after charging/(crediting) the following items:		
Cost of Sales - Commissions paid & payable	1,064,593	992,096
Depreciation of property, plant and equipment	356,794	344,674
Remuneration of auditor		
- audit services	<u>37,000</u>	<u>35,000</u>

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W.
DEDUCTIONS ACCOUNT OFFICE**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

	2003 \$	2002 \$
4. Auditors' Remuneration		
Audit services:		
Auditors of the Association		
- audit and review of financial reports	<u>37,000</u>	<u>35,000</u>
5. Segment Reporting		
The Association is a trade union operating in the state of New South Wales and obtains its income predominantly from contributions by its members.		
6. Cash assets		
Cash on hand	1,025	1,025
Cash at bank	6,884,101	7,978,125
Bank short term deposits	-	2,029,069
	<u>6,885,126</u>	<u>10,008,219</u>
7. Receivables		
Trade debtors	693,040	863,480
Other debtors	36,989	18,650
	<u>730,029</u>	<u>882,130</u>
Other debtor amounts generally arise from transactions outside the usual operating activities of the Association. Interest may be charged at market rates where the terms of repayment exceed three months. Collateral is generally not obtained.		
8. Other current assets		
Prepayments	<u>245,278</u>	<u>75,350</u>

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W.
DEDUCTIONS ACCOUNT OFFICE**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

9. Property, plant and equipment	2003	2002
	\$	\$
Motor vehicles - at cost	1,150,450	1,139,584
Less: Accumulated depreciation	<u>530,144</u>	<u>461,817</u>
	<u>620,306</u>	<u>677,767</u>
Office equipment & fittings - at cost	824,698	770,466
Less: Accumulated depreciation	<u>719,042</u>	<u>658,174</u>
	<u>105,656</u>	<u>112,292</u>
Computer Equipment - at cost	120,485	51,642
Less Accumulated Depreciation	<u>41,524</u>	<u>20,130</u>
	<u>78,961</u>	<u>31,512</u>
Land & Building -- at cost	3,944,117	-
Less: Accumulated depreciation	<u>9,185</u>	-
	<u>3,934,932</u>	-
Land & Building – at independent valuation 2001	2,920,000	2,920,000
Less: Accumulated depreciation	<u>145,600</u>	<u>72,800</u>
	<u>2,774,400</u>	<u>2,847,200</u>
Land & Building – at independent valuation 2002	7,350,000	7,350,000
Capital in progress	<u>307,484</u>	-
Total property, plant and equipment	<u>15,171,739</u>	<u>11,018,771</u>

Valuations of land and buildings

Land and buildings are measured on a fair value basis, being the amount for which the assets could be exchanged between knowledgeable and willing parties in an arm's-length transaction, having regard to the highest and best use of the asset for which parties would be willing to pay.

An independent valuation on the Day Street property was conducted during the financial year ended 30 June 2002 by Mr. H. Richardson AAPI. The independent valuation is on the basis of the open market value of the strata property concerned in their existing use. The Committee of Management is of the opinion that this basis provides a reasonable estimate of recoverable amount. This valuation is in accordance with the Association's policy of obtaining an independent valuation of the strata property and ancillaries every three years.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W.
DEDUCTIONS ACCOUNT OFFICE**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

Valuations of land and buildings (cont)

An independent valuation on the Haymarket property and car spaces was conducted during the financial year ended 30th June 2001 by Mr. B.M. Galletti AAPI. The independent valuation is on the basis of the open market value of the strata property concerned in their existing use. The Committee of Management is of the opinion that this basis provides a reasonable estimate of recoverable amount. This valuation is in accordance with the Association's policy of obtaining an independent valuation of the strata property and ancillaries every three years.

	2003 \$	2002 \$
9. Property, plant and equipment (cont)		
Reconciliations		
Reconciliations of the carrying amounts for each class of property, plant and equipment are set out below:		
<i>Land and buildings – at cost</i>		
Carrying amount at beginning of year	-	-
Additions	3,944,117	-
Disposals	-	-
Depreciation	(9,185)	-
Carrying amount at end of year	<u>3,934,932</u>	<u>-</u>
<i>Land and buildings – at valuation June 2002</i>		
Carrying amount at beginning of year	7,350,000	6,750,764
Additions	-	-
Disposals	-	-
Revaluation increment	-	599,236
Carrying amount at end of year	<u>7,350,000</u>	<u>7,350,000</u>
<i>Land and buildings – at valuation June 2001</i>		
Carrying amount at beginning of year	2,847,200	2,920,000
Additions	-	-
Disposals	-	-
Depreciation	(72,800)	(72,800)
Carrying amount at end of year	<u>2,774,400</u>	<u>2,847,200</u>
<i>Motor vehicles – at cost</i>		
Carrying amount at beginning of year	677,767	657,559
Additions	167,468	307,019
Disposals	(32,351)	(90,779)
Depreciation	(192,578)	(197,032)
Carrying amount at end of year	<u>620,306</u>	<u>677,767</u>

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W.
DEDUCTIONS ACCOUNT OFFICE**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

	2003 \$	2002 \$
9. Property, plant and equipment (cont)		
<i>Office equipment and fittings – at cost</i>		
Carrying amount at beginning of year	112,292	151,943
Additions	54,232	19,585
Disposals	-	-
Depreciation	(60,868)	(59,236)
Carrying amount at end of year	<u>105,656</u>	<u>112,292</u>
<i>Computer equipment – at cost</i>		
Carrying amount at beginning of year	31,512	30,445
Additions	68,812	18,076
Disposals	-	(1,403)
Depreciation	(21,363)	(15,606)
Carrying amount at end of year	<u>78,961</u>	<u>31,512</u>
<i>Capital in progress – at cost</i>		
Carrying amount at beginning of year	-	-
Additions	307,484	-
Disposals	-	-
Depreciation	-	-
Carrying amount at end of year	<u>307,484</u>	<u>-</u>
10. Payables		
Trade creditors	405,711	404,485
Other creditors and accruals	119,494	175,630
	<u>525,204</u>	<u>580,115</u>
11. Income in advance		
Current		
Rent received in advance	-	74,767
	<u>-</u>	<u>74,767</u>
12. Provisions		
Current		
Employee benefits	680,607	350,505
	<u>680,607</u>	<u>350,505</u>
Non-current		
Employee benefits	335,240	572,656
	<u>335,240</u>	<u>572,656</u>

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W.
DEDUCTIONS ACCOUNT OFFICE**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

13. Reserves

Asset revaluation	<u>599,237</u>	<u>599,237</u>
Movements during the year		
<i>Asset revaluation</i>		
Balance at beginning of year	599,237	-
Revaluation increment/(decrements):		
- land and buildings	-	<u>599,237</u>
Balance at end of year	<u>599,237</u>	<u>599,237</u>

14. Retained profits

Retained profits at the beginning of year	19,807,190	19,134,585
Net profit attributable to the Association	<u>1,084,694</u>	<u>672,605</u>
Retained profits at end of year	<u>20,891,884</u>	<u>19,807,190</u>

15. Commitments

Capital expenditure commitments

Plant and equipment

Contracted but provided for and payable:

- Within one year	<u>782,079</u>	-
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Non-cancellable operating lease expense commitments

Future operating lease commitments not provided for in the financial statements and payable:

- Within one year	3,112	3,112
- One year or later and no later than five years	6,847	9,959
- Later than five years	-	-
	<u>9,959</u>	<u>13,071</u>

The Association leases property under non-cancellable operating leases expiring in four years. Leases generally provide the Association with a right of renewal at which time all terms are renegotiated. The lease payments are payable monthly.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W.
DEDUCTIONS ACCOUNT OFFICE**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

16. Additional financial instruments disclosure

(a) Interest Rate Risk

The Association's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and liabilities is set out below:

	Weighted Average Effective Interest Rate		Floating Interest Rate	
	2003	2002	2003	2002
Financial Assets	%	%	\$	\$
Cash at bank and on Deposit	4.50	4.60	6,884,101	7,978,125
Bank Endorsed Bills	4.80	4.78	-	2,029,069
Total Financial Assets			<u>6,884,101</u>	<u>10,007,194</u>

(b) Credit Risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to and forming part of the financial statements.

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

(c) Net Fair Values

The net fair values of listed investments have been valued at the quoted market bid price at balance date adjusted for transaction costs expected to be incurred. For other assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the Association intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to and forming part of the financial statements.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W.
DEDUCTIONS ACCOUNT OFFICE**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

17. Notes to the statements of cash flows

(a) Reconciliation of cash

For the purposes of the statements of cash flows, cash includes cash on hand and at bank and short term deposits at call, net of outstanding bank overdrafts. Cash as at the end of the financial year as shown in the statements of cash flows is reconciled to the related items in the statement of financial position as follows:

	2003	2002
	\$	\$
Cash	6,885,126	7,979,150
Short term deposits	-	2,029,069
	<u>6,885,126</u>	<u>10,008,219</u>

**(b) Reconciliation of net cash provided by
operating activities to profit from
ordinary activities**

Profit from ordinary activities	1,084,694	672,605
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Non-cash flows in profit from ordinary activities:

Profit on sale of fixed assets	(15,649)	(20,838)
Depreciation	<u>356,794</u>	<u>344,674</u>

Net cash (used in) provided by operating
activities before changes in assets and
liabilities

	1,425,839	996,441
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Changes in assets and liabilities:

Increase/(decrease) in provisions	92,682	81,898
(Increase)/decrease in receivables	152,101	(224,116)
(Increase)/decrease in other assets	(169,928)	(13,357)
Increase/(decrease) in payables	(54,911)	(5,712)
Increase/(decrease) in other liabilities	<u>(74,767)</u>	<u>74,767</u>
Net cash (used in) provided by operating activities	<u>1,371,016</u>	<u>909,921</u>

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W.
DEDUCTIONS ACCOUNT OFFICE**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

18. National Officers

The name of each person holding the position of national officer of the Association during the financial year are Messrs J de Bruyn (National Secretary), I Blandthorn (Assistant National Secretary), D Farrell (President) and G Williams (National Vice President).

19. Information to be provided to members or registrar

In accordance with the requirements of the Workplace Relations Act 1996, the attention of members is drawn to the provisions of subsections (1), (2) and (3) of section 274, which states as follows:

- 1) A member of an organisation, or a Registrar, may apply to the organisation for specified prescribed information in relation to the organisation.
- 2) An organisation shall, on application made under subsection (1) by a member of the organisation or a Registrar, make the specified information available to the member or Registrar in such manner and within such time, as is prescribed.
- 3) A Registrar may only make an application under subsection (1) at the request of a member of the organisation concerned, and the Registrar shall provide to a member information received because of an application made at the request of the member.

20. Association details

The principal place of business of the Association is:
Shop, Distributive and Allied Employees' Association N.S.W
Deductions Account Office
Level 4
8 Quay Street
SYDNEY NSW 2000

INDEPENDENT AUDITOR' REPORT TO THE MEMBERS OF SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W. DEDUCTIONS ACCOUNT OFFICE

Scope

We have audited the financial statements of Shop, Distributive and Allied Employees' Association N.S.W. Deductions Account Office for the financial year ended 30 June 2003, consisting of the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, accompanying notes, and the Statement by the Committee of Management as set out on pages 3 to 21. The Committee of Management are responsible for the preparation and presentation of the financial statements and the information they contain. We have conducted an independent audit of these financial statements in order to express an opinion on them to the members of the Association.

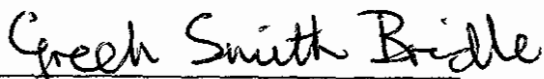
Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial statements are free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements and statutory requirements so as to present a view which is consistent with our understanding of the Association's financial position and the results of its operations.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion the financial report presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements the financial position of Shop, Distributive and Allied Employees' Association N.S.W. Deductions Account Office as at 30 June 2003, the results of its operations and its cash flows for the year then ended. In accordance with the Workplace Relations Act 1996:

- 1) Satisfactory accounting records were kept by the Association in respect of the year, detailing the sources and nature of the income of the Association (including income from members) and the nature and purposes of expenditure;
- 2) The attached accounts and statements as set out on pages 3 to 21 prepared under the historical cost convention, and in accordance with section 273 of the Workplace Relations Act 1996, are properly drawn up so as to give a true and fair view of:
 - a) the financial affairs of the Association as at 30 June 2003;
 - b) the income and expenditure and surplus of the Association for the year ended on that date.
- 3) All the information and explanations that under subsection 276(2) of the Workplace Relations Act 1996, that officers or employees of the organisation were required to provide, were provided.



Grech Smith Bridle
Chartered Accountants



Joseph Paul Grech
Partner
A Registered Company Auditor

Dated at Sydney this 21st day of October 2003.



Shop, Distributive & Allied Employees' Association

REGISTERED OFFICE: FIFTH FLOOR, 53 QUEEN STREET, MELBOURNE, 3000. TELEPHONE (03) 9629 2299 FAX (03) 9629 2646 EMAIL sdanat@c031.aone.net.au
ABN 99 789 302 470

NATIONAL PRESIDENT
Don Farrell

NATIONAL SECRETARY
Joe de Bruyn

R 2003/484

jdb/cr
23rd February, 2004

Rec'd 23/2/04

The Industrial Registrar
Principal Registry
Nauru House
80 Collins Street
Melbourne Vic 3000

Dear Sir,

Please find enclosed a copy of the audited financial accounts and statements of the Shop, Distributive & Allied Employees' Association, for the twelve months ended 30th June 2003 which is forwarded to you for filing under the Workplace Relations Act.

Yours faithfully,

Joe de Bruyn
National Secretary-Treasurer

encl: as above

**THE WORKPLACE RELATIONS
ACT, 1996**

IN THE MATTER OF:

The Shop, Distributive &
Allied Employees'
Association.

AND IN THE MATTER OF:

Information to be filed with
the Industrial Registrar under
the Act.

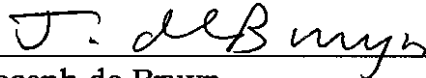
STATUTORY DECLARATION

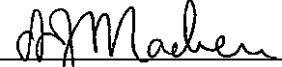
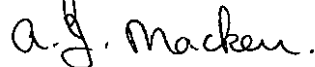
I, JOSEPH de BRUYN of 5th Floor, 53 Queen Street, **MELBOURNE** in the State of Victoria, **Trade Union Officer**, do solemnly and sincerely declare as follows:

1. I am the National Secretary-Treasurer of the Shop, Distributive & Allied Employees' Association, an organisation of employees registered under the Workplace Relations Act, 1996.
2. I am authorised to make this Statutory Declaration pursuant to the Rules of the said Association.
3. Attached hereto and marked with the letter "A" are the report, accounts and statements of the Shop, Distributive & Allied Employees' Association for the twelve months ended 30th June, 2003.
4. I say that the documents referred to in paragraph 3 hereof were presented to a duly convened meeting of the National Executive of the said Association held at the Country Club Casino at Launceston in the State of Tasmania from Tuesday 17th February, 2004 to Friday 20th February, 2004 pursuant to the said Workplace Relations Act.

AND I make this solemn declaration by virtue of the Statutory Declarations Act 1959 and subject to the penalties provided by the Act for the making of false statements in statutory declarations, conscientiously believing the statements contained in this declaration to be true in every particular.

DECLARED at MELBOURNE the |
23rd day of February, 2004 |


Joseph de Bruyn
National Secretary-Treasurer

Before me: 

Solicitor

**SHOP DISTRIBUTIVE AND
ALLIED EMPLOYEES' ASSOCIATION
NATIONAL COUNCIL
AND ITS CONTROLLED ENTITY**

**ANNUAL FINANCIAL REPORT
30 JUNE 2003**

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
NATIONAL COUNCIL AND ITS CONTROLLED ENTITY**

CONTENTS

Independent Auditors' Report	1
Certificate by National Council	3
Certificate by National Secretary	4
Statements of Financial Position	5
Statements of Financial Performance	6
Statements of Cash Flows	8
Notes to the Financial Statements	9

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE
SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
NATIONAL COUNCIL**

Scope

We have audited the financial report of the Shop Distributive and Allied Employees' Association National Council ("the Association") for the financial year ended 30 June 2003, being a general purpose financial report, consisting of the Certificate by National Council, Certificate by National Secretary, statements of financial position, statements of financial performance, statements of cash flows and accompanying notes set out on pages 3 to 26. The financial report comprises the accounts of the Association including the National Council, the Mannequins and Models Guild of Australia and the International Fund, and the consolidated accounts of the consolidated entity being the Association and its controlled entity, WT Travel Pty Ltd. The National Officers of the Association are responsible for the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of the Association.

The financial report has been prepared for distribution to the members of the Association for the purpose of fulfilling the requirements of subsections 279(1) and 279(6) of the Workplace Relations Act 1996 ("the Act") in relation to the financial report and the independent auditors' report.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements and statutory requirements in Australia, so as to present a view which is consistent with our understanding of the Association's and the consolidated entity's financial position and performance, as represented by the results of their operations and their cash flows.

The audit opinion expressed in this report has been formed on the above basis.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE
SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
NATIONAL COUNCIL**

Audit Opinion

In our opinion :-

- (i) all information and explanations that, under subsection 276(2) of the Act, officers or employees of the Association were required to provide were provided;
- (ii) there were kept by the Association, in respect of the year, satisfactory accounting records detailing the nature and sources of the income of the Association (including income from members) and the nature and purposes of expenditure in accordance with subsection 276(4) of the Act; and
- (iii) the financial report of the Shop Distributive and Allied Employees' Association National Council is properly drawn up in accordance with section 273 of the Act, applicable Australian Accounting Standards and other mandatory professional reporting requirements so as to give a true and fair view of:
 - (a) the financial position of the Association and the consolidated entity as at 30 June 2003; and
 - (b) the profit and loss, and any surplus or deficit, of the Association and the consolidated entity for the financial year ended 30 June 2003.

Dated at Melbourne this *23* day of October 2003.

KPMG

KPMG



G C Matthews
Partner

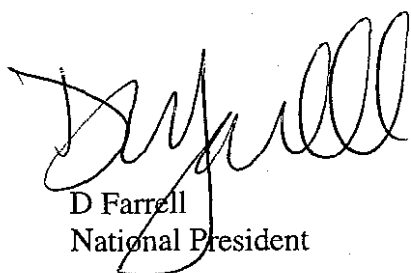
**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
NATIONAL COUNCIL AND ITS CONTROLLED ENTITY**


CERTIFICATE BY NATIONAL COUNCIL

We, Donald Farrell and Joseph de Bruyn, being two members of the National Council of the Association, do state on behalf of the National Council and in accordance with a resolution passed by the National Council that:-

- (i) in the opinion of the National Council, the accompanying financial report set out on pages 5 to 26 is drawn up so as to give a true and fair view of the results and cash flows for the financial year ended 30 June 2003, and the state of affairs at 30 June 2003 of the Association and the consolidated entity;
- (ii) in the opinion of the National Council, meetings of the executive were held during the year ended 30 June 2003 in accordance with the rules of the Association;
- (iii) to the knowledge of any member of the National Council, there have been no instances where records of the Association or other documents (not being documents containing information made available to a member of the Association under subsection 274(2) of the Workplace Relations Act 1996) or copies of those records or other documents, or copies of the rules of the Association, have not been furnished or made available to members in accordance with the requirements of the Workplace Relations Act 1996, the Regulations thereto or the rules of the Association; and
- (iv) the Association has complied with subsections 279(1) and 279(6) of the Workplace Relations Act 1996 in relation to the financial report in respect of the year ended 30 June 2002 and the independent auditors' report thereon.

Dated at Newcastle this 20th day of October 2003.


D Farrell
National President


J de Bruyn
National Secretary

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
NATIONAL COUNCIL AND ITS CONTROLLED ENTITY**

CERTIFICATE BY NATIONAL SECRETARY

I, Joseph de Bruyn, being the officer responsible for keeping the accounting records of the Association certify that as at 30 June 2003 the number of members of the Association was 214,029.

In my opinion:-

- (i) the accompanying financial report set out on pages 5 to 26 shows a true and fair view of the financial position of the Association and the consolidated accounts of the consolidated entity, being the Association and its controlled entity as at 30 June 2003;
- (ii) a record has been kept of all monies paid by or collected from members of the Association and all monies so paid or collected have been credited to the bank account to which those monies are to be credited in accordance with the rules of the Association;
- (iii) before any expenditure was incurred by the Association, approval of the incurring of the expenditure was obtained in accordance with the rules of the Association;
- (iv) no payments were made out of funds or accounts operated by the Association in respect of compulsory levies raised by the Association or voluntary contributions collected from members of the Association or other funds, the operation of which is required by the rules of the Association for a purpose other than the purpose for which the funds or accounts were operated;
- (v) no loans or other financial benefits other than remuneration in respect of their full time employment with the Association were made to persons holding office in the Association; and
- (vi) the Register of Members of the Association was maintained in accordance with the Workplace Relations Act 1996.

Dated at Newcastle this 20th day of October 2003.



J de Bruyn
National Secretary

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
NATIONAL COUNCIL AND ITS CONTROLLED ENTITY**

STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2003

	Note	Consolidated		Association	
		2003	2002	2003	2002
		\$	\$	\$	\$
Accumulated funds		<u>16,598,358</u>	<u>15,086,502</u>	<u>16,598,358</u>	<u>15,086,502</u>
Represented by:-					
Current assets	5	10,951,643	15,156,506	10,951,643	15,107,649
Non-current assets	6	<u>6,253,267</u>	<u>518,466</u>	<u>6,253,267</u>	<u>518,466</u>
Total Assets		<u>17,204,910</u>	<u>15,674,972</u>	<u>17,204,910</u>	<u>15,626,115</u>
Current liabilities	7	598,118	580,184	598,118	531,327
Non-current liabilities	8	<u>8,434</u>	<u>8,286</u>	<u>8,434</u>	<u>8,286</u>
Total Liabilities		<u>606,552</u>	<u>588,470</u>	<u>606,552</u>	<u>539,613</u>
Net Assets		<u>16,598,358</u>	<u>15,086,502</u>	<u>16,598,358</u>	<u>15,086,502</u>

The statements of financial position are to be read in conjunction with the notes to the financial statements set out on pages 9 to 26.

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
NATIONAL COUNCIL AND ITS CONTROLLED ENTITY**

**STATEMENTS OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2003**

	Consolidated		Association	
	2003	2002	2003	2002
	\$	\$	\$	\$
Income				
Rent - ACT building	67,701	52,690	67,701	52,690
Rent - Queen St Melbourne	382,461	-	382,461	-
Care director's fees	23,214	24,298	23,214	24,298
Gown of the Year entry fees	33,526	20,973	33,526	20,973
Gown of the Year showing	100,735	149,169	100,735	149,169
Gown of the Year ticket sales	135,835	48,020	135,835	48,020
Interest received	477,784	591,978	477,602	588,045
Membership subscriptions	3,816,502	3,714,908	3,816,502	3,714,908
Video sales	-	18	-	18
Sponsorship	4,114	5,400	4,114	5,400
Sundry	22,870	-	21,590	-
Travel agency revenue	-	4,823,510	-	-
	<u>5,064,742</u>	<u>9,430,964</u>	<u>5,063,280</u>	<u>4,603,521</u>
Expenditure				
ACT building - expenses	16,244	20,730	16,244	20,730
53 Queen St Melb - expenses	333,544	-	333,544	-
Advertising and promotion	130	12,142	-	-
Affiliation fees	847,927	808,841	847,927	808,841
Amortisation of goodwill	-	26,566	-	-
Auditors' remuneration	63,450	64,940	63,450	64,940
Accounting and secretarial fees	54,812	137,330	54,812	137,330
Bank charges and interest	9,248	43,476	8,783	9,759
Consulting, legal and professional fees	198,785	200,955	197,480	200,955
Computer reservation system	(991)	44,105	-	-
Delegates expenses	304,936	401,650	304,936	401,650
Depreciation	55,102	65,954	55,102	62,353
Diminution in value of investment	-	-	-	26,566
Donations	215,096	311,673	215,096	311,673
Doubtful debts	-	(200)	-	141,626
FEDSDA outgoings	13,692	14,670	13,692	14,670
Fringe benefits tax	9,109	12,073	8,880	9,934
Holiday pay	10,719	(43,439)	10,719	(4,385)

The statements of financial performance are to be read in conjunction with the notes to the financial statements set out on pages 9 to 26.

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
NATIONAL COUNCIL AND ITS CONTROLLED ENTITY**

**STATEMENTS OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2003**

	Consolidated		Association	
	2003	2002	2003	2002
	\$	\$	\$	\$
Expenditure (Continued)				
Insurance	25,269	5,481	25,436	145
Long service leave	23,977	24,945	23,977	28,199
Loss on disposal of assets	-	2,727	-	-
Meeting expenses	106,781	111,167	106,781	111,167
Gown of the Year – Gala Night/Show				
Tour expenses	158,888	55,966	158,888	55,966
Other administration expenses	48,789	94,913	47,693	57,708
Payroll tax	49,524	65,364	49,524	65,364
Printing, postage and stationery	57,627	84,573	57,627	71,843
Prizes	18,093	9,229	18,093	9,229
Rates and taxes	-	662	-	-
Rent	18,200	156,868	18,200	109,200
Remuneration to employees	691,168	1,033,608	691,168	765,991
Subscriptions	24,005	32,933	24,005	29,770
Superannuation benefits	100,569	122,852	100,569	105,101
Telephone	22,223	50,299	22,329	28,673
Travel agency purchases	-	4,572,772	-	-
Travelland franchise	-	10,084	-	-
Travelling expenses	60,636	30,976	60,636	114,444
Workcare	15,334	15,563	15,833	15,563
	<u>3,552,886</u>	<u>8,602,448</u>	<u>3,551,424</u>	<u>3,775,005</u>
Operating profit	1,511,856	828,516	1,511,856	828,516
Accumulated funds opening balance	15,086,502	14,257,986	15,086,502	14,257,986
	<u>16,598,358</u>	<u>15,086,502</u>	<u>16,598,358</u>	<u>15,086,502</u>
Accumulated funds closing balance				

The statements of financial performance are to be read in conjunction with the notes to the financial statements set out on pages 9 to 26.

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
NATIONAL COUNCIL AND ITS CONTROLLED ENTITY**

**STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2003**

	Note	Consolidated		Association	
		2003	2002	2003	2002
		\$	\$	\$	\$
Cash flows from operating activities					
Cash receipts in the course of operations		4,509,592	8,792,890	4,486,721	4,006,582
Cash payments in the course of operations		(3,402,016)	(8,661,913)	(3,351,696)	(3,487,109)
Interest received		545,172	624,566	544,990	529,036
Net cash provided by operating activities	13	<u>1,652,748</u>	<u>755,543</u>	<u>1,680,015</u>	<u>1,048,509</u>
Cash flows from investing activities					
Payments for property, plant and equipment		(5,789,903)	(11,759)	(5,789,903)	(11,759)
Proceeds from property, plant and equipment		-	5,255	-	-
Proceeds from investments		8,421,191	3,186,298	8,421,191	3,186,298
Payments for investments		(4,712,104)	(5,437,775)	(4,712,104)	(5,437,775)
Net cash used in investing activities		<u>(2,080,816)</u>	<u>(2,257,981)</u>	<u>(2,080,816)</u>	<u>(2,263,236)</u>
Cash flows from financing activities					
Payment to controlled entity		-	-	(5,000)	(110,815)
Repayment of loan from controlled entity		-	-	47,470	25,000
Net cash used in financing activities		<u>-</u>	<u>-</u>	<u>42,470</u>	<u>(85,815)</u>
Net increase/(decrease) in cash held		(428,068)	(1,502,438)	(358,331)	(1,300,542)
Cash at the beginning of the financial year		<u>1,209,446</u>	<u>2,711,884</u>	<u>1,139,709</u>	<u>2,440,251</u>
Cash at the end of the financial year	13	<u>781,378</u>	<u>1,209,446</u>	<u>781,378</u>	<u>1,139,709</u>

The statements of cash flows are to be read in conjunction with the notes to the financial statements set out on pages 9 to 26.

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
NATIONAL COUNCIL AND ITS CONTROLLED ENTITY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant policies which have been adopted in the preparation of this financial report are:

Basis of preparation

The financial report is a general purpose financial report which has been drawn up in accordance with Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the Workplace Relations Act 1996.

It has been prepared on the basis of historical costs and except where stated, does not take into account changing money values or fair values of non-current assets.

These accounting policies have been consistently applied by each entity in the consolidated entity and, except where there is a change in accounting policy, are consistent with those of the previous year.

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year amounts and other disclosures.

Principles of consolidation

The consolidated financial statements of the economic entity include the financial statements of the Association, including the National Council, the Mannequins and Models Guild of Australia and the International Fund, being the parent entity (the "Association"), and its controlled entity, WT Travel Pty Ltd (the "consolidated entity").

Where an entity either began or ceased to be controlled during the year, the results are included only from the date control commenced or up to the date control ceased.

The balances, and effects of transactions, between controlled entities included in the consolidated financial statements have been eliminated.

Goodwill

Goodwill, representing the excess of the purchase consideration plus incidental costs over the fair value of the identifiable net assets acquired on the acquisition of the controlled entity, WT Travel Pty Ltd, is amortised over the period of time during which benefits are expected to arise.

Goodwill is amortised on a straight line basis over 10 years.

The unamortised balance of goodwill is reviewed at least at each reporting date. Where the balance exceeds the value of expected benefits, the difference is charged to the statements of financial performance.

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
NATIONAL COUNCIL AND ITS CONTROLLED ENTITY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Tax

The Association is exempt from income tax under the income tax legislation.

Revenue recognition

Membership subscriptions

Membership subscriptions represent revenue earned from affiliation fees received from the various state branches.

Gown of the Year showing

Gown of the Year showing represents revenue earned from the Gown of the Year showings held throughout Australia during the year.

Interest and rental income

Interest and rental income is recognised as it accrues.

Travel agency revenue

Travel agency revenue comprises revenue earned (net of returns, discounts and allowances) from the sale of travel products and services. Travel agency revenue is recognised when the travel products and services are taken.

Special levies

Special levies are periodically collected from state branches.

Other revenue

Other revenue includes grants, entry fees, sponsorships and book sales.

Recognition of Gown of the Year Showing Income and Expenses

In accordance with the principle of matching revenue with expenses, all revenue and expenses of a particular year's Gown of the Year showing are recognised in the calendar year in which the showing is held. Revenue received and expenses incurred prior to the next showing are carried forward as deferred income and prepaid expenses in the financial statements at the end of the financial year.

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
NATIONAL COUNCIL AND ITS CONTROLLED ENTITY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Current Assets

Trade debtors

Trade debtors to be settled are carried at amounts due. The collectibility of debts is assessed at balance date and specific provision is made for any doubtful accounts. The carrying amount of trade debtors approximate net fair value.

Bank bills

Bank bills mature within 8 to 91 days (2002: 31 to 107 days) from balance date and pay interest at 4.44% to 4.65% (2002: 4.40% to 4.80%).

Short term deposits

Bank short term deposits mature in 26 days (2002: 25 to 36 days) from balance date and pay interest of 4.54% (2002: 1.70% to 4.80%).

Recoverable Amount of Non-Current Assets Valued on Cost Basis

The carrying amounts of non-current assets valued on the cost basis are reviewed to determine whether they are in excess of their recoverable amount at balance date. If the carrying amount of a non-current asset exceeds the recoverable amount, the asset is written down to the lower amount. The write-down is recognised as an expense in the net profit or loss in the reporting period in which it occurs. In assessing recoverable amounts of non-current assets the relevant cash flows have not been discounted to their present value. Except where specifically stated, non-current assets are recorded at the lower of cost and recoverable amount.

Property, Plant and Equipment

Acquisition

Items of property, plant and equipment are initially recorded at cost and depreciated as outlined below.

Depreciation and amortisation

Items of property, plant and equipment including buildings and leasehold property, are depreciated/amortised using the straight line method over their estimated useful lives.

The depreciation rates used for each class of asset are as follows:

Furniture and fittings	5.0% to 40.0%
Investment property	2.5%
Leasehold improvements	10.0%
Motor vehicles	15.0%

Assets are depreciated or amortised from the date of acquisition.

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
NATIONAL COUNCIL AND ITS CONTROLLED ENTITY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, Plant and Equipment (continued)

Leased property

Payments made under operating leases are charged against profits in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property.

Investments

Controlled entity

Investments in controlled entities are carried in the consolidated financial statements at the lower of cost and recoverable amount. Dividends and distributions are brought to account in the statements of financial performance when they are declared by the controlled entities.

Other companies

Investments in other listed and unlisted companies are carried at the lower of cost, and recoverable amount.

Investment properties

The investment properties comprise readily realisable investment interests in land and buildings held for the purpose of letting to produce rental income. Land and buildings comprising the investment properties are regarded as a composite assets, and are disclosed as such in the consolidated financial statements. The investment properties are valued at cost and depreciation has been calculated on a straight line basis at 2.5%.

Accounts Payable

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Association or consolidated entity. The carrying amount of accounts payable approximate net fair value.

Employee Entitlements

Wages, salaries and annual leave

The provisions for employees' entitlements to wages, salaries and annual leave represents the amount which the consolidated entity has a present obligation to pay resulting from employees' services provided up to balance date. The provisions have been calculated at undiscounted amounts based on wage and salary rates that the entity expects to pay as at reporting date, and includes related on-costs.

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
NATIONAL COUNCIL AND ITS CONTROLLED ENTITY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Employee Entitlements (continued)

Long service leave

The liability for employee entitlements to long service leave represents the present value of the estimated future cash outflows to be made by the employer resulting from employees' services provided up to the balance date.

In determining the liability for employee entitlements, consideration has been given to future increases in wage and salary rates, and the consolidated entity's experience with staff departures. Related on-costs have also been included in the liability.

Superannuation plan

Contributions are charged against income as they are made.

Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statements of financial position.

Cash flows are included in the statements of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

2. CHANGES IN ACCOUNTING POLICIES

The consolidated entity has applied the revised AASB 1028 "Employee Benefits" for the first time from 1 July 2002.

The liability for wages and salaries, annual leave and sick leave is now calculated using the remuneration rates the Company expects to pay as at each reporting date, not wage and salary rates current at reporting date.

There are no initial adjustments to the consolidated financial report as at 1 July 2002, and no impact on net profit for the current financial year to 30 June 2003.

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
NATIONAL COUNCIL AND ITS CONTROLLED ENTITY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

3. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of the Workplace Relations Act 1996, the attention of members is drawn to the provisions of subsections (1), (2) and (3) of section 274, which states as follows:

- (1) A member of an organisation, or a Registrar, may apply to the organisation for specified prescribed information in relation to the organisation.
- (2) An organisation shall, on application made under subsection (1) by a member of the organisation or a Registrar, make the specified information available to the member or Registrar in such manner, and within such time, as is prescribed.
- (3) A Registrar may only make an application under subsection (1) at the request of a member of the organisation concerned, and the Registrar shall provide to a member information received because of an application made at the request of the member.

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
NATIONAL COUNCIL AND ITS CONTROLLED ENTITY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

4. DISCONTINUING OPERATIONS

WT Travel

On 15 June 2002, the Association's controlled entity, WT Travel Pty Ltd ceased its travel agency operations. WT Travel Pty Ltd provided travel and related products to the public through its two branches at Doncaster and Eastwood, and provided the same services to Members of the Association on a discounted basis. Travel agency operations were ceased due to ongoing losses being sustained by the entity. Transactions for the year ended 30 June 2003 were made in relation to the wind-up of operations, settlement of trade debtors and creditors and the forgiveness of remaining loans by SDA. Refer to Note 16 for outstanding contingent liabilities.

Financial information for WT Travel was as follows:

	2003	2002
	\$	\$
Financial performance information for the year ended 30 June 2003		
Revenue from ordinary activities	290,213	4,910,911
Expenses from ordinary activities	1,462	5,052,537
Total surplus/(deficit)	<u>288,751</u>	<u>(141,626)</u>
Financial position information as at 30 June 2003		
Segment assets	-	69,737
Segment liabilities	-	(358,488)
Deficiency in Net Assets	<u>-</u>	<u>(288,751)</u>
Cash flow information for the year ended 30 June 2003		
Net cash provided by/(used in) operating activities	(27,267)	(292,966)
Net cash provided by/(used in) investing activities	-	5,255
Net cash provided by/(used in) financing activities	<u>(42,470)</u>	<u>85,815</u>
Net increase/(decrease) in cash held	<u>(69,737)</u>	<u>(201,896)</u>

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
NATIONAL COUNCIL AND ITS CONTROLLED ENTITY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

	Consolidated		Association	
	2003	2002	2003	2002
	\$	\$	\$	\$
5. CURRENT ASSETS				
Accrued income	89,061	102,518	89,061	102,518
Cash at bank	75,355	201,567	75,355	131,830
Money market at call	706,023	1,007,879	706,023	1,007,879
Prepayments	126,375	169,375	126,375	169,375
Bank bills	9,494,174	13,204,663	9,494,174	13,204,663
Short term deposits	430,655	429,253	430,655	429,253
GST receivable	30,000	41,251	30,000	41,251
	<u>10,951,643</u>	<u>15,156,506</u>	<u>10,951,643</u>	<u>15,086,769</u>
Loan to controlled entity	-	-	-	309,631
Less provision for doubtful debts	-	-	-	(288,751)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,880</u>
	<u>10,951,643</u>	<u>15,156,506</u>	<u>10,951,643</u>	<u>15,107,649</u>

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
NATIONAL COUNCIL AND ITS CONTROLLED ENTITY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

	Consolidated		Association	
	2003	2002	2003	2002
	\$	\$	\$	\$
6. NON-CURRENT ASSETS				
Furniture and fittings, at cost	270,309	274,661	270,309	274,661
Less accumulated depreciation	(248,446)	(232,260)	(248,446)	(232,260)
	<u>21,863</u>	<u>42,401</u>	<u>21,863</u>	<u>42,401</u>
Goodwill, at cost	118,070	118,070	-	-
Less accumulated amortisation	(118,070)	(118,070)	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Investment properties, at cost	6,344,954	555,051	6,344,954	555,051
Less accumulated depreciation	(148,699)	(138,014)	(148,699)	(138,014)
	<u>6,196,255</u>	<u>417,037</u>	<u>6,196,255</u>	<u>417,037</u>
Leasehold improvements, at cost	137,114	137,114	137,114	137,114
Less accumulated depreciation	(117,471)	(103,759)	(117,471)	(103,759)
	<u>19,643</u>	<u>33,355</u>	<u>19,643</u>	<u>33,355</u>
Motor vehicles, at cost	67,785	67,785	67,785	67,785
Less accumulated depreciation	(52,279)	(42,112)	(52,279)	(42,112)
	<u>15,506</u>	<u>25,673</u>	<u>15,506</u>	<u>25,673</u>
Shares in unlisted company, (AFI Pty Ltd), at cost	33,171	33,171	33,171	33,171
Less provision for diminution	(33,171)	(33,171)	(33,171)	(33,171)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Shares in controlled entity, at cost	-	-	112,250	112,250
Less provision for diminution	-	-	(112,250)	(112,250)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>6,253,267</u>	<u>518,466</u>	<u>6,253,267</u>	<u>518,466</u>

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
NATIONAL COUNCIL AND ITS CONTROLLED ENTITY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

	Consolidated		Association	
	2003	2002	2003	2002
	\$	\$	\$	\$
6. NON-CURRENT ASSETS				
Furniture and fittings				
Carrying amount at the beginning of the year	42,401	64,261	42,401	58,431
Additions	-	11,759	-	11,759
Write-down	(4,352)	(3,882)	(4,352)	-
Depreciation	(16,186)	(29,737)	(16,186)	(27,789)
Carrying amount at end of year	<u>21,863</u>	<u>42,401</u>	<u>21,863</u>	<u>42,401</u>
Goodwill				
Carrying amount at the beginning of the year	-	26,566	-	-
Amortisation	-	(26,566)	-	-
Carrying amount at end of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Investment property				
Carrying amount at the beginning of the year	417,037	427,722	417,037	427,722
Additions	5,789,903	-	5,789,903	-
Depreciation	(10,685)	(10,685)	(10,685)	(10,685)
Carrying amount at end of year	<u>6,196,255</u>	<u>417,037</u>	<u>6,196,255</u>	<u>417,037</u>
Leasehold improvements				
Carrying amount at the beginning of the year	33,355	47,067	33,355	47,067
Depreciation	(13,712)	(13,712)	(13,712)	(13,712)
Carrying amount at end of year	<u>19,643</u>	<u>33,355</u>	<u>19,643</u>	<u>33,355</u>
Motor vehicles				
Carrying amount at the beginning of the year	25,673	41,593	25,673	35,840
Disposals	-	(4,100)	-	-
Depreciation	(10,167)	(11,820)	(10,167)	(10,167)
Carrying amount at end of year	<u>15,506</u>	<u>25,673</u>	<u>15,506</u>	<u>25,673</u>

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
NATIONAL COUNCIL AND ITS CONTROLLED ENTITY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

	Consolidated		Association	
	2003	2002	2003	2002
	\$	\$	\$	\$
6. NON-CURRENT ASSETS				
(Continued)				
Shares in controlled entity				
Carrying amount at the beginning of the year	-	-	26,566	26,566
Provision for diminution	-	-	(26,566)	(26,566)
Carrying amount at end of year	-	-	-	-
7. CURRENT LIABILITIES				
Deferred income	-	23,435	-	23,435
Other creditors	-	184,201	-	135,344
Provision for holiday pay	120,545	110,472	120,545	110,472
Provision for long service leave	270,336	259,469	270,336	259,469
Accruals	207,237	2,607	207,237	2,607
	<u>598,118</u>	<u>580,184</u>	<u>598,118</u>	<u>531,327</u>
8. NON-CURRENT LIABILITIES				
Provision for long service leave	<u>8,434</u>	<u>8,286</u>	<u>8,434</u>	<u>8,286</u>
9. EMPLOYEE ENTITLEMENTS				
Aggregate employee entitlements, including on-costs:				
Current	390,881	369,941	390,881	369,941
Non-current	8,434	8,286	8,434	8,286
	<u>399,315</u>	<u>378,227</u>	<u>399,315</u>	<u>378,227</u>
Number of employees				
Number of employees at year end	13	14	13	14

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
NATIONAL COUNCIL AND ITS CONTROLLED ENTITY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

**10. OFFICERS'
REMUNERATION**

Officers' Income	Association	
	2003	2002
The number of National Officers whose income, inclusive of superannuation contributions, from the Association falls within the following bands:		
\$ 0 - \$ 9,999	2	2
\$70,000 - \$79,999	-	1
\$80,000 - \$89,999	1	-
\$90,000 - \$99,999	1	1
	Consolidated	
	2003	2002
	\$	\$
	Association	
	2003	2002
	\$	\$
Total income, inclusive of superannuation contributions, paid or payable or otherwise made available, to all National Officers from the Association	<u>187,680</u>	<u>183,572</u>
Total income, inclusive of superannuation contributions, paid or payable or otherwise made available, to all National Officers and directors in the consolidated entity from the Association or its controlled entity	<u>187,680</u>	<u>305,228</u>

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
NATIONAL COUNCIL AND ITS CONTROLLED ENTITY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

11. RELATED PARTY DISCLOSURES

Officers

The names of each person holding the position of National Officer of the Association during the financial year are Messrs D Farrell, G Williams, J de Bruyn and I Blandthorn.

Details of Officers' remuneration are set out in Note 10.

Wholly-Owned Group

Loans

On 29 May 2003, the Association released its controlled entity, WT Travel Pty Ltd from all liability in respect of an outstanding loan. The debt forgiven was \$267,161 (2002 Balance: \$309,631).

12. PARTICULARS IN RELATION TO THE CONTROLLED ENTITY

Name

Shop Distributive and Allied Employees' Association National Council, including the Mannequins and Models Guild of Australia and the International Fund.

	Class of Share	2003	2002
		<i>%</i>	<i>%</i>
<i>Controlled entity</i>			
WT Travel Pty Ltd	Ord	100	100

WT Travel Pty Ltd, an Australian controlled entity, was purchased by the Shop Distributive and Allied Employees' Association National Council on 30 September 1993.

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
NATIONAL COUNCIL AND ITS CONTROLLED ENTITY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

13. NOTES TO THE STATEMENTS OF CASH FLOWS

Reconciliation of Cash

For the purposes of the statements of cash flows, cash includes cash on hand and at bank and short term deposits at call, net of outstanding bank overdrafts. Cash as at the end of the financial year as shown in the statements of cash flows is reconciled to the related items in the statements of financial position as follows:

	Consolidated		Association	
	2003	2002	2003	2002
	\$	\$	\$	\$
Cash at bank	75,355	201,567	75,355	131,830
Money market account at call	706,023	1,007,879	706,023	1,007,879
	<u>781,378</u>	<u>1,209,446</u>	<u>781,378</u>	<u>1,139,709</u>

Reconciliation of operating profit to net cash provided by operating activities

Operating profit	1,511,856	828,516	1,511,856	828,516
Add non-cash items:				
Doubtful debts expense	-	(200)	-	141,626
Provision for/(writeback of) diminution	-	-	(21,590)	26,566
Loss on disposal of assets	-	2,727	-	-
Amortisation of goodwill	-	26,566	-	-
Depreciation	55,102	65,954	55,102	62,353
	<u>1,566,958</u>	<u>923,563</u>	<u>1,545,368</u>	<u>1,059,061</u>
Net cash provided by operating activities before change in assets and liabilities				
Change in assets and liabilities during the financial year:				
Decrease/(Increase) in accrued income	13,456	(58,690)	13,456	(58,690)
Decrease/(Increase) in prepayments	43,000	32,907	43,000	20,679
Decrease/(Increase) in deposits	-	(319)	-	(319)
Decrease/(Increase) in debtors	9,038	52,227	11,251	(10,512)
Increase/(Decrease) in deferred income	(23,435)	(8,894)	(23,435)	(8,894)
Increase/(Decrease) in other creditors	(181,988)	74,281	(135,344)	26,053
Increase/(Decrease) in provisions	21,089	(47,904)	21,089	23,815
Increase/(Decrease) in accruals	204,630	(2,684)	204,630	(2,684)
Increase/(Decrease) in trade creditors	-	(147,636)	-	-
Increase/(Decrease) in travel deposits	-	(61,308)	-	-
Net cash provided by operating activities	<u>1,652,748</u>	<u>755,543</u>	<u>1,680,015</u>	<u>1,048,509</u>

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
NATIONAL COUNCIL AND ITS CONTROLLED ENTITY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

14. FINANCIAL INSTRUMENTS DISCLOSURE

Interest rate risk exposure

The consolidated entity's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and financial liabilities is set out below:

2003	Note	Floating interest rate \$	Fixed interest maturing in 1 year or less \$	Non-interest bearing \$	Total \$
<i>Financial assets</i>					
Accrued income	5	-	-	89,061	89,061
Cash	5	781,378	-	-	781,378
Bank bills	5	-	9,494,174	-	9,494,174
Short term deposits	5	-	430,655	-	430,655
		781,378	9,924,829	89,061	10,795,268
Weighted average interest rate		3.60%	4.48%		
<i>Financial liabilities</i>					
Provision for holiday pay	7	-	-	120,545	120,545
Provision for long service leave	7,8	-	-	278,770	278,770
Accrued expenses	7	-	-	207,237	207,237
		-	-	606,552	606,552

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
NATIONAL COUNCIL AND ITS CONTROLLED ENTITY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

14. FINANCIAL INSTRUMENTS DISCLOSURE (continued)

2002	Note	Floating interest rate \$	Fixed interest maturing in 1 year or less \$	Non-interest bearing \$	Total \$
<i>Financial assets</i>					
Accrued income	5	-	-	102,518	102,518
Cash	5	1,209,446	-	-	1,209,446
Bank bills	5	-	13,204,663	-	13,204,663
Short term deposits	5	-	429,253	-	429,253
		1,209,446	13,633,916	102,518	14,945,880
Weighted average interest rate		3.38%	4.58%		
<i>Financial liabilities</i>					
Deferred income	7	-	-	23,435	23,435
Other creditors	7	-	-	184,201	184,201
Provision for holiday pay	7	-	-	110,472	110,472
Provision for long service leave	7,8	-	-	267,755	267,755
Accrued expenses	7	-	-	2,607	2,607
		-	-	588,470	588,470

Credit risk exposure

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted.

Recognised financial instruments

The credit risk on financial assets, excluding investments, of the consolidated entity which have been recognised on the statements of financial position, is the carrying amount, net of any provisions for doubtful debts.

Net fair values of financial assets and liabilities

The carrying amounts of financial assets and liabilities in the statements of financial position approximate net fair value.

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
NATIONAL COUNCIL AND ITS CONTROLLED ENTITY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

	Consolidated		Association	
	2003	2002	2003	2002
	\$	\$	\$	\$
15. COMMITMENTS				
 Operating Lease Commitments				
Future operating lease rentals not provided for in the financial statements and payable:				
not later than one year	-	109,200	-	109,200
	<u>-</u>	<u>109,200</u>	<u>-</u>	<u>109,200</u>

16. CONTINGENT LIABILITIES

Controlled Entity

The Shop Distributive and Allied Employees' Association National Council has provided the following guarantees in respect of its controlled entity, WT Travel Pty Ltd:

- (1) Guarantees in favour of the Travel Compensation Fund of \$202,000 (2002: \$202,000).
- (2) Guarantees in favour of the International Air Transport Association of \$228,655 (2002: \$226,934).

There are two outstanding demands for payment from the administrators of Ansett with respect to travel booked between 27th August 2001 and 16th September 2001 as follows:

Doncaster Travel Branch	\$19,339.49
Traveland Eastwood	\$ 7,183.00

The officers of the National Council believe that the administrators of Ansett have no valid claim and are seeking further advice.

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
NATIONAL COUNCIL AND ITS CONTROLLED ENTITY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2003**

17. STATEMENT OF OPERATIONS OF SEGMENTS

Industry Segments	Travel Agency		Trade Union		Adjustments		Consolidated	
	2003	2002	2003	2002	2003	2002	2003	2002
	\$	\$		\$		\$		\$
Total revenue	290,213	4,910,911	5,063,280	4,603,521	(288,751)	(83,468)	5,064,742	9,430,964
Total expenses	1,462	5,052,537	3,551,424	3,775,005	-	(225,094)	3,552,886	8,602,448
Total surplus/ (deficit) by segment	288,751	(141,626)	1,511,856	828,516	(288,751)	141,626	1,511,856	828,516
Total assets by segment	-	69,737	17,204,910	15,626,115	-	(20,880)	17,204,910	15,674,972
Total liabilities by segment	-	358,488	606,552	539,613	-	(309,631)	606,552	588,470

The operations of the Shop Distributive and Allied Employees' Association National Council and W T Travel Pty Ltd are considered to be complementary business segments as the services provided by both entities are for the benefit of union members.

The consolidated entity operates predominantly in Australia.