



Australian Government
Australian Industrial Registry

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80 Collins Street, Melbourne, VIC 3000
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Telephone: (03) 8661 7817
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Mr Joe de Bruyn
National Secretary-Treasurer
Shop, Distributive and Allied Employees Association
Fifth Floor, 53 Queen Street
MELBOURNE VIC 3000

Dear Mr de Bruyn,

Re: Financial report for year ended 30 June 2004 - FR2004/262
Schedule 1B of the Workplace Relations Act 1996 (RAO Schedule)

Thank you for the financial reports of the Shop, Distributive and Allied Employees Association and the New South Wales Deductions Account for the year ended 30 June 2004. The documents were lodged in the Industrial Registry on 25 February 2005.

The documents have been filed.

I draw your attention to the following comments concerning the above reports and the financial reporting obligations under the RAO Schedule. Please note that these matters are generally advised for assistance in the future preparation of financial reports.

Designated Officer's Certificate: (Secretary's Certificate)

While your declaration of 22 February 2005 could be seen as not providing sufficient detail, I am mindful of our conversations last year, and your letter of 17 September 2004 to the Registrar, concerning the organisation's inability to meet the reporting deadlines imposed by the RAO Schedule. Your letter appeared to set out realistic timeframes for the above financial reports, and provided remedies that could overcome the compressed timeframes imposed by the new legislation with future financial reporting.

Operating Report:

The National Council's operating report omits whether or not there were any significant changes in the organisation during the financial year in the nature of its activities and financial affairs (s254(2)(a) and (b)). We ask that the reports indicate that there were no significant changes, if that is the case.

I also note that membership of the organisation is stated 'as at 31 December 2003'. Regulation 159(a) of the *Workplace Relations (Registration and Accountability of Organisations) Regulations* seeks information on the number of persons that were members at the end of the financial year to which the report relates.

Committee of Management Statement:

While the Committee of Management's statement (Certificate by National Council) provides that the statement was made in accordance with a resolution of the National Council, I note the date of passage of the resolution is not evident - as required by item 18(b) of the Registrar's Reporting Guidelines. You may also wish to note that under item 18(d) of the Reporting Guidelines this statement need only be signed by a designated officer.

Accounting officer's certificate:

Your report titled "Certificate by National Secretary" appears to replicate the Accounting Officer's certificate previously required under former provisions of the Act. Please note that there is no requirement under the RAO Schedule to lodge an Accounting Officer's certificate.

Auditor's Report:

It would seem that a typographic error was made in the Auditor's report of the NSW Deductions Account. Paragraph (2) of the Audit Opinion should refer to section 253 of Schedule 1B.

Should you wish to discuss any of the matters raised in this letter, please contact me on (03) 8661 7817 or by email: robert.pfeiffer@air.gov.au.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'R. Pfeiffer', written in a cursive style.

Robert Pfeiffer
Statutory Services Branch, Melbourne

5 May 2005

FR2004/262



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
Tuesday 22nd February, 2005

Rec'd 25/2/05

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

Dear Sir,

Please find enclosed a copy of the Auditor's Report, and the general purpose financial report of the Shop Distributive & Allied Employees' Association, for the twelve months ended 30th June, 2004, together with a certificate under Section 270(7) of the Act.

Yours faithfully

J. de Bruyn
JOE DE BRUYN
National Secretary

Encl: as above

**THE WORKPLACE RELATIONS
ACT, 1996**

IN THE MATTER OF:

The Shop, Distributive &
Allied Employees'
Association.

AND IN THE MATTER OF:

A certificate under Section 270(7) of
the Act.

DECLARATION

I, **JOSEPH de BRUYN** of 5th Floor, 53 Queen Street, **MELBOURNE** in the State of Victoria, **Trade Union Officer**, 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 Declaration pursuant to the Rules of the said Association.
3. Attached hereto and marked with the letter "A" are the Auditor's Report and the general purpose financial report of the Shop, Distributive & Allied Employees' Association for the twelve months ended 30th June, 2004.
4. I certify that the information contained in the general purpose financial report is correct.

DECLARED at MELBOURNE the]
22nd day of February, 2005]



Joseph de Bruyn
National Secretary-Treasurer

"A"



**SHOP DISTRIBUTIVE AND
ALLIED EMPLOYEES' ASSOCIATION
NATIONAL COUNCIL**

**ANNUAL FINANCIAL REPORT
30 JUNE 2004**

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
NATIONAL COUNCIL**

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**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 2004, being a general purpose financial report, consisting of the Certificate by National Council, Certificate by National Secretary, statement of financial position, statement of financial performance, statement of cash flows and accompanying notes set out on pages 5 to 25. The financial report comprises the accounts of the Association including the National Council, the Mannequins and Models Guild of Australia and the International Fund. 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 265(1) and 265(5) of the Registration and Accountability of Organisations Schedule ("RAO") (Schedule 1B of the Workplace Relations Act 1996) 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 section 257 of the RAO Schedule, officers or employees of the Association were required to provide were provided;
- (ii) the financial report of the Shop Distributive and Allied Employees' Association National Council is properly drawn up in accordance with section 253 of the RAO Schedule, applicable Accounting Standards and other mandatory professional reporting requirements in Australia so as to give a true and fair view of:
 - (a) the financial position of the Association as at 30 June 2004; and
 - (b) the income and expenditure, and any surplus or deficit, of the Association for the financial year ended 30 June 2004.

Dated at Melbourne this th 4th day of November 2004.

KPMG

KPMG



G C Matthews
Partner

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
NATIONAL COUNCIL**

OPERATING REPORT

Membership

Membership of the Association as at 31st December 2003 was 217,018.

Persons eligible to do so under the rules of the Association were actively encouraged to join the Association. Pursuant to s174 of the Workplace Relations Act 1996, members could resign from the Association by written notice to the appropriate Branch of the Association.

Principal Activities

The Association maintained its industrial awards and agreements at a high, up-to-date standard.

New enterprise agreements were negotiated with a wide range of employers including Coles-Myer, Woolworths, Bunnings, Just Jeans, Pretty Girl, Freedom Furniture, Burger King, Hungry Jacks, McDonald's, Super Cheap Auto, Wendy's and others. These agreements all resulted in improved wages and working conditions for the employees covered by them.

The Association played a leading role in the 'Test Cases' before the AIRC on the minimum wage, redundancy and work and family matters. These cases resulted in improved wages and redundancy standards for many Australian workers.

The Association participated in inquiries conducted by the Federal Parliament on industrial relations, poverty, small business, vocational education and training in schools, participation in paid work, taxation, aging, skill shortages and the budget. Officers of the Association discussed a range of issues relevant to members with Federal and State Parliamentarians.

The Association produced a range of publications for members.

At 30 June 2004, there were 14 persons employed by the national office of the Association.

Affiliations & Directorships

The Association, through its Branches (excluding Tasmania), is affiliated with the Australian Labor Party ("ALP"). Delegates were credentialed to various state and national meetings of the ALP. The National Secretary-Treasurer is a member of the ALP National Executive.

The Association is affiliated with the Australian Council of Trade Unions ("ACTU"). Delegates were credentialed to the 2003 ACTU Congress. The National Secretary-Treasurer is Senior Vice President of the ACTU. Officers of the Association are active on a range of ACTU Committees, including health and safety, women, and vocational education and training.

The Association is affiliated with Union Network International ("UNI"). Various members of the Association hold elected positions within UNI. The National Secretary-Treasurer is the Regional President of UNI in the Asia Pacific Region.

Two representatives of the Association are Directors of the Service Industries Skills Council.

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
NATIONAL COUNCIL**

OPERATING REPORT (continued)

Superannuation Trustees

Four representatives of the Association are Directors of the Retail Employees Superannuation Trust ("REST"). These are Mr J De Bruyn, the National Secretary- Treasurer, Mr D Farrell, the National President, Mr J. Maher and Ms S Burnley. The four Alternate Employee Directors are Mr I Blandthorn, Mr G Williams, Mr J Bullock, and Mr M Donovan.

Committee of Management

The members of the National Executive of the Association at any time during or since the end of the financial year were:

<i>Name</i>	<i>Experience</i>
Mr. D. Farrell National President	National Executive member since 1994 Appointed National President 1995
Mr. G. Williams National Vice President	National Executive member since 1978 Appointed National Vice President 1995
Mr. J. De Bruyn National Secretary- Treasurer	National Executive member since 1978 Appointed National Secretary-Treasurer 1978
Mr. I. Blandthorn National Assistant Secretary	National Executive member since 1986 Appointed National Assistant Secretary 1986
Mr. G. Donnelly	National Executive member since 1992
Mr. M. Donovan	National Executive member since 1996
Mr. J. Bullock	National Executive member since 1996
Mr. C. Ketter	National Executive member since 1996
Mr. P. Griffin	National Executive member since 1990

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

Dated at Brisbane this 28th day of October 2004.



J de Bruyn
National Secretary

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
NATIONAL COUNCIL**

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 in relation to the accompanying general purpose financial report that, in the opinion of the National Council:-

- (a) the financial statements and notes set out on pages 7 to 25 comply with the Australian Accounting Standards;
- (b) the financial statements and notes set out on pages 7 to 25 comply with the reporting guidelines of the Industrial Registrar;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Association for the financial year ended 30 June 2004;
- (d) there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable;
- (e) during the financial year ended 30 June 2004 and since the end of that year:
 - (i) meetings of the executive were held in accordance with the rules of the Association;
 - (ii) the financial affairs of the Association have been managed in accordance with the rules of the Association;
 - (iii) the financial records of the Association have been kept and maintained in accordance with Schedule 1B to the Workplace Relations Act 1996 - Registration and Accountability of Organisations Schedule ("RAO") and the RAO Regulations;
 - (iv) the financial records of the Association have been kept, as far as practicable, in a consistent manner to each of the branches of the Association;
 - (v) to the knowledge of any member of the National Council, there have been no instances of information sought in any request of a member of the Association or a Registrar duly made under section 272 of the RAO Schedule that have not been furnished to the member or Registrar; and
 - (vi) no orders for inspection of financial records have been made by the Commission under section 273 of the RAO Schedule.

Dated at Brisbane this ^{28th} day of October 2004.



D Farrell
National President



J de Bruyn
National Secretary

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
NATIONAL COUNCIL**

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 2004 the number of members of the Association was 217,018.

In my opinion:-

- (i) the accompanying financial report set out on pages 7 to 25 shows a true and fair view of the financial position of the Association as at 30 June 2004;
- (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 Brisbane this 25th day of October 2004.



J de Bruyn
National Secretary

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
NATIONAL COUNCIL**

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2004

	Note	2004	2003
		\$	\$
Accumulated funds		<u>17,704,036</u>	<u>16,598,358</u>
Represented by:-			
Current assets	5	11,958,481	10,951,643
Non-current assets	6	<u>6,455,160</u>	<u>6,253,267</u>
Total Assets		<u>18,413,641</u>	<u>17,204,910</u>
Current liabilities	7	705,235	598,118
Non-current liabilities	8	<u>4,370</u>	<u>8,434</u>
Total Liabilities		<u>709,605</u>	<u>606,552</u>
Net Assets		<u>17,704,036</u>	<u>16,598,358</u>

The statements of financial position are to be read in conjunction with the notes to the financial statements set out on pages 11 to 25.

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
NATIONAL COUNCIL**

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2004**

	2004	2003
	\$	\$
Income		
53 Queen St, Melbourne - rent	417,719	382,461
ACT building - rent	71,549	67,701
Care director's fees	17,460	23,214
Gown of the Year - entry fees	-	33,526
Gown of the Year - ticket sales	-	135,835
Gown of the Year - showings	46,255	100,735
Gown of the Year - sponsorship	-	3,854
Interest received	512,880	477,602
Membership subscriptions	3,898,827	3,816,502
Profit on sale of fixed assets	6,591	260
WT Travel Pty Ltd receipts	3,200	21,590
	<u>4,974,481</u>	<u>5,063,280</u>
Expenditure		
53 Queen St, Melbourne - expenses	417,045	333,544
53 Queen St, Melbourne - refurbishment costs	446,379	-
ACT building - expenses	17,109	16,244
Affiliation fees	820,051	847,927
Amortisation of AFI shares	19,753	-
Auditors' remuneration	19,400	63,450
Accounting and secretarial fees	1,890	54,812
Bank charges and interest	3,619	8,783
Consulting, legal and professional fees	113,367	197,480
Delegates expenses	193,844	304,936
Depreciation	50,470	55,102
Donations	344,419	215,096
Electricity	3,111	2,988
FEDSDA outgoings - 53 Queen St, Melbourne	-	13,692
Fringe benefits tax	9,851	8,880
General Office expenses	31,183	19,764
Gown of the Year - expenses	2,379	176,981
Holiday pay	7,739	10,719

The statements of financial performance are to be read in conjunction with the notes to the financial statements set out on pages 11 to 25.

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
NATIONAL COUNCIL**

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2004**

	2004	2003
	\$	\$
Expenditure (Continued)		
Insurance	34,196	25,436
Long service leave	18,113	23,977
Meeting expenses	105,054	106,781
Other administration expenses	34,886	24,936
Payroll tax	41,075	49,524
Postage	8,670	5,892
Publishing	98,816	51,735
Rent - 53 Queen Street Melbourne	-	18,200
Remuneration to employees	751,550	691,168
Subscriptions/publications	27,258	24,005
Superannuation benefits	84,200	100,569
Telephone	20,150	22,329
Travel	142,189	60,636
Workcare	1,037	15,833
	3,868,803	3,551,424
 Operating profit	 1,105,678	 1,511,856
 Accumulated funds opening balance	 16,598,358	 15,086,502
 Accumulated funds closing balance	 17,704,036	 16,598,358

The statements of financial performance are to be read in conjunction with the notes to the financial statements set out on pages 11 to 25.

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
NATIONAL COUNCIL**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2004**

	Note	2004 \$	2003 \$
Cash flows from operating activities			
Cash receipts in the course of operations		4,508,995	4,486,721
Cash payments in the course of operations		(3,616,221)	(3,351,696)
Interest received		439,045	544,990
Net cash provided by operating activities	13	<u>1,331,819</u>	<u>1,680,015</u>
Cash flows from investing activities			
Payments for investment property		(27,500)	(5,789,903)
Payments for shares in unlisted company		(155,814)	-
Payments for property, plant and equipment		(100,388)	-
Proceeds on disposal of property, plant and equipment		18,177	-
Proceeds from investments		4,920,951	8,421,191
Payments for investments		(6,448,121)	(4,712,104)
Net cash used in investing activities		<u>(1,792,695)</u>	<u>(2,080,816)</u>
Cash flows from financing activities			
Payment to controlled entity		-	(5,000)
Repayment of loan from controlled entity		-	47,470
Net cash used in financing activities		<u>-</u>	<u>42,470</u>
Net increase/(decrease) in cash held		(460,876)	(358,331)
Cash at the beginning of the financial year		<u>781,378</u>	<u>1,139,709</u>
Cash at the end of the financial year	13	<u><u>320,502</u></u>	<u><u>781,378</u></u>

The statements of cash flows are to be read in conjunction with the notes to the financial statements set out on pages 11 to 25.

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
NATIONAL COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

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, the Corporations Act 2001 and the Workplace Relations Act 1996.

The financial report comprises the accounts of the Association including the National Council, the Mannequins and Models Guild of Australia Division and the International Fund. Consolidated financial statements that include the controlled entity, WT Travel Pty Ltd are no longer required as that entity ceased trading in June 2002.

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 assets.

These accounting policies have been consistently applied by each entity in the Association 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.

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.

The activities of Gown of the Year ceased during the current financial year.

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
NATIONAL COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

Membership subscriptions

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

Interest income

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

Rental income

Rental income is recognised as it accrues.

Sale of non-current assets

The gross proceeds of non-current asset sales are recognised 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 the incidental costs).

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.

Income Tax

The Association is exempt from income tax under Division 50, section 50-15 of the Income Tax Assessment Act 1997.

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
NATIONAL COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Current Assets

Sundry debtors

Sundry 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 5 to 68 days (2003: 8 to 91 days) from balance date and pay interest at 5.30% to 5.41% (2003: 4.44% to 4.65%).

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 expensed 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 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.

Depreciation and amortisation

Items of property, plant and equipment including buildings and leasehold property have limited useful lives and 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	12.5% to 15.0%

Assets are depreciated or amortised from the date of acquisition.

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
NATIONAL COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

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 Association's 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.

The controlled entity has been dormant during the financial year, therefore consolidated accounts have not been prepared.

Other entities

Investments in other listed and unlisted entities 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 carried at the lower of cost and recoverable amount and depreciation has been calculated on a straight line basis at 2.5%.

Payables

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

Employee Benefits

Wages, salaries and annual leave

Liabilities for employee benefits for wages, salaries and annual leave represent present obligations resulting from employees' services provided to reporting date, calculated at undiscounted amounts based on remuneration wage and salary rates that the Association expects to pay as at reporting date including related on-cost, such as, workers compensation insurance and payroll tax.

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
NATIONAL COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Employee Benefits (continued)

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 wages 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 a defined benefit superannuation plan. Contributions are recognised as an expense as they are made. Further information is set out in Note 12.

2. INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of subsection 272(5) of the RAO Schedule, the attention of members is drawn to the provisions of subsections (1), (2) and (3) of section 272, which states as follows:

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

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
NATIONAL COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

	2004	2003
	\$	\$
3. AUDITORS' REMUNERATION		
Audit Services:		
<i>KPMG Melbourne</i>		
- review of financial reports	4,200	-
- audit of financial reports	9,400	9,000
	<u>13,600</u>	<u>9,000</u>
Other Services:		
<i>KPMG Melbourne</i>		
- preparation of financial reports	-	47,500
- other services	5,800	6,950
	<u>5,800</u>	<u>54,450</u>

4. SEGMENT REPORTING

The Association operates in one geographical location, being Australia and in one industry, being trade union activities for the benefit of its members.

5. CURRENT ASSETS

Cash at bank	55,452	75,355
Money market at call	265,050	706,023
Bank bills	11,451,999	9,494,174
Short term deposits	-	430,655
Accrued income	108,911	89,061
Prepayments	32,676	126,375
Sundry debtors	44,393	30,000
	<u>11,958,481</u>	<u>10,951,643</u>

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
NATIONAL COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

	2004	2003
	\$	\$
6. NON-CURRENT ASSETS		
Furniture and fittings, at cost	275,584	270,309
Less accumulated depreciation	<u>(260,562)</u>	<u>(248,446)</u>
	<u>15,022</u>	<u>21,863</u>
Investment properties, at cost	6,372,454	6,344,954
Less accumulated depreciation	<u>(159,384)</u>	<u>(148,699)</u>
	<u>6,213,070</u>	<u>6,196,255</u>
Leasehold improvements, at cost	137,114	137,114
Less accumulated depreciation	<u>(131,182)</u>	<u>(117,471)</u>
	<u>5,932</u>	<u>19,643</u>
Motor vehicles, at cost	91,966	67,785
Less accumulated depreciation	<u>(6,891)</u>	<u>(52,279)</u>
	<u>85,075</u>	<u>15,506</u>
Shares in unlisted company (AFI Pte Ltd), at cost	188,985	33,171
Less provision for diminution	<u>(52,924)</u>	<u>(33,171)</u>
	<u>136,061</u>	<u>-</u>
Shares in controlled entity, at cost	112,250	112,250
Less provision for diminution	<u>(112,250)</u>	<u>(112,250)</u>
	<u>-</u>	<u>-</u>
	<u>6,455,160</u>	<u>6,253,267</u>

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
NATIONAL COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

	2004	2003
	\$	\$
6. NON-CURRENT ASSETS (continued)		
Reconciliations		
Reconciliations of the carrying amounts for each class of asset are set out below:		
Furniture and fittings		
Carrying amount at beginning of the year	21,863	42,401
Additions	8,422	-
Write-down	-	(4,352)
Depreciation	(15,263)	(16,186)
Carrying amount at end of year	15,022	21,863
Investment properties		
Carrying amount at beginning of the year	6,196,255	417,037
Additions	27,500	5,789,903
Depreciation	(10,685)	(10,685)
Carrying amount at end of year	6,213,070	6,196,255
Leasehold improvements		
Carrying amount at beginning of the year	19,643	33,355
Depreciation	(13,711)	(13,712)
Carrying amount at end of year	5,932	19,643
Motor vehicles		
Carrying amount at beginning of the year	15,506	25,673
Additions	91,966	-
Disposals	(11,586)	-
Depreciation	(10,811)	(10,167)
Carrying amount at end of year	85,075	15,506

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
NATIONAL COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

	2004	2003
	\$	\$
6. NON-CURRENT ASSETS (Continued)		
Shares in unlisted company		
Carrying amount at beginning of the year	-	-
Additions	155,814	-
Provision for diminution	(19,753)	-
Carrying amount at end of year	136,061	-
Shares in controlled entity		
Carrying amount at beginning of the year	-	26,566
Provision for diminution	-	(26,566)
Carrying amount at end of year	-	-
7. CURRENT LIABILITIES		
Accounts payable	281,517	207,237
Provision for holiday pay	130,168	120,545
Provision for long service leave	293,550	270,336
	705,235	598,118
8. NON-CURRENT LIABILITIES		
Provision for long service leave	4,370	8,434

9. 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.

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
NATIONAL COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

10. OFFICERS' REMUNERATION

Officers' Income	2004	2003
The number of National Officers whose income, inclusive of superannuation contributions, from the Association falls within the following bands:		
\$ 0 - \$ 9,999	2	2
\$80,000 - \$89,999	1	1
\$90,000 - \$99,999	-	1
\$100,000 - \$109,999	1	-
	2004	2003
	\$	\$
 Total income, inclusive of superannuation contributions, paid or payable or otherwise made available, to all National Officers from the Association	 <u>196,819</u>	 <u>187,680</u>

11. CONTROLLED ENTITIES

Parent Entity

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

	Class of Share	2004 %	2003 %
<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. It formerly traded as a travel agency, but is currently a dormant company.

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
NATIONAL COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

12. EMPLOYEE BENEFITS

Aggregate liability for employee benefits,
including on-costs

Current	423,718	390,881
Non-current	4,370	8,434
	428,088	399,315

Number of employees

Number of employees at year end	14	13
---------------------------------	----	----

Superannuation plan

The Association contributes to the SDA Superannuation Plan, a defined benefit superannuation sub-plan of Acumen, a division of REST superannuation. The plan provides defined benefits based on years of service and final average salary for employees of the National Office and the SDA Victoria Branch.

There is a legally enforceable obligation on the Association to make contributions to the plan, based on the advice of the plan's actuaries and trustees, and are reassessed annually.

An actuarial assessment of the plan as at 1 July 2001 was carried out by Mr R R Codron FIA, FIAA of William M Mercer Pty Ltd on 3 January 2002. The actuary concluded that the assets of the plans were sufficient to meet all benefits payable in the event of the plan's termination, or the voluntary or compulsory termination of employment of each employee of the Association.

The net market value of plan assets, accrued benefits and vested benefits are set out below. Accrued benefits are benefits which the plan is presently obliged to pay at some future date, as a result of membership of the plan. Vested benefits are benefits which are not conditional upon the continued membership of the plan or any factor, other than resignation from the plan.

SDA Superannuation Plan	2004	2003
Plan Assets	1,580,169	1,457,820
Accrued Benefits <i>(based on actuarial reviews performed as at 1 July 2001)</i>	1,314,270	1,314,270
Excess/(Deficit)	265,899	143,550
Vested Benefits	1,371,790	1,315,505

Plan assets at net market value and plan vested benefits have been calculated at 12 March 2004, being the date of the most recent financial statements of the plan, and represent the Association National Office proportionate interest.

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
NATIONAL COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

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:

	2004	2003
	\$	\$
Cash at bank	55,452	75,355
Money market account at call	265,050	706,023
	<u>320,502</u>	<u>781,378</u>
Reconciliation of operating profit to net cash provided by operating activities		
Operating profit	1,105,678	1,511,856
Add/less non-cash items:		
Provision for/(writeback of) diminution	19,753	(21,590)
Depreciation	50,470	55,102
Gain on disposal of property, plant and equipment	(6,591)	-
	<u>1,169,310</u>	<u>1,545,368</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	(19,850)	13,456
Decrease/(Increase) in prepayments	93,699	43,000
Decrease/(Increase) in debtors	(14,393)	11,251
Increase/(Decrease) in deferred income	-	(23,435)
Increase/(Decrease) in other creditors	-	(135,344)
Increase/(Decrease) in provisions	28,773	21,089
Increase/(Decrease) in accruals	74,280	204,630
	<u>1,331,819</u>	<u>1,680,015</u>
Net cash provided by operating activities		

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
NATIONAL COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

14. FINANCIAL INSTRUMENTS DISCLOSURE

Interest rate risk exposure

The 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:

2004	Note	Floating interest rate \$	Fixed interest maturing in 1 year or less \$	Non-interest bearing \$	Total \$
<i>Financial assets</i>					
Accrued income	5	-	-	108,911	108,911
Cash	5	320,502	-	-	320,502
Bank bills	5	-	11,451,999	-	11,451,999
		<u>320,502</u>	<u>11,451,999</u>	<u>108,911</u>	<u>11,881,412</u>
Weighted average interest rate		3.74%	5.36%		
<i>Financial liabilities</i>					
Provision for holiday pay	7	-	-	130,168	130,168
Provision for long service leave	7,8	-	-	297,920	297,920
Accrued expenses	7	-	-	281,517	281,517
		<u>-</u>	<u>-</u>	<u>709,605</u>	<u>709,605</u>

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
NATIONAL COUNCIL**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

14. FINANCIAL INSTRUMENTS DISCLOSURE (continued)

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>					
Deferred income					
Other creditors					
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

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 Association 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**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2004**

15. CONTINGENT LIABILITIES

Claim by Administrators of Ansett Australia Ltd

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
Traveland Eastwood	\$ 7,183

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

16. EVENTS SUBSEQUENT TO REPORTING DATE

International Financial reporting standards

The Australian Accounting Standards Board (AASB) is adopting Australian equivalents to International Financial Reporting Standards (AIFRS) for application to reporting periods beginning on or after 1 January 2005.

The adoption of AIFRS will be first reflected in the Association's financial statements for the year ending 30 June 2006.

The Association is in the process of analysing the full impact of AIFRS, which will depend upon the particular circumstances and conditions prevailing at the time. For these reasons it is not yet practicable to fully quantify the impact of the transaction on the Association.

Based on work undertaken to date, the following key impacts have been identified:

- (a) Investment properties will be measured at either fair value (with changes recognised in the income statement) or at cost (and depreciated accordingly).

Refurbishment of investment property

Since 30 June 2004, the Association has entered into a contract to refurbish its investment property at 53 Queen Street, Melbourne. The budgeted cost is approximately \$10 million and is expected to be completed by February 2006. The refurbishment project will be funded from existing cash reserves.

The financial effects of the above transaction have not been brought to account in the financial statements for the year ended 30 June 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
Tuesday 22nd February, 2005

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

Dear Sir,

Please find enclosed a copy of the Auditor's Report, and the general purpose financial report of the Shop Distributive & Allied Employees' Association New South Wales Deductions Account for the twelve months ended 30th June, 2004, together with a certificate under Section 270(7) of the Act.

Yours faithfully


JOSEPH DE BRUYN
National Secretary

Encl: as above

**THE WORKPLACE RELATIONS
ACT, 1996**

IN THE MATTER OF:

The Shop, Distributive &
Allied Employees'
Association.

AND IN THE MATTER OF:

A certificate under Section 270(7) of
the Act.

DECLARATION

I, **JOSEPH de BRUYN** of 5th Floor, 53 Queen Street, **MELBOURNE** in the State of Victoria, **Trade Union Officer**, 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 Declaration pursuant to the Rules of the said Association.
3. Attached hereto and marked with the letter "B" are the Auditor's Report and the general purpose financial report of the Shop, Distributive & Allied Employees' Association New South Wales Deductions Account for the twelve months ended 30th June, 2004.
4. I certify that the information contained in the general purpose financial report is correct.

DECLARED at MELBOURNE the]
22nd day of February, 2005]



Joseph de Bruyn
National Secretary-Treasurer

" B "

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 2004**

**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 \$3,472,519 from the Shop, Distributive and Allied Employees' Association N.S.W. Deductions Account Office, to the account of the N.S.W. Branch of the Association, such funds being surplus to the requirement of the Deductions Account Office for the year ended 30 June 2004.

Dated at Brisbane this 25th day of October 2004.

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

OPERATING REPORT

Membership

Membership as at 30 June 2004 was 66,637 (2003 : 62,974).

Persons eligible to do so under the rules of the Association were actively encouraged to join the Association. Pursuant to s174 of the Workplace Relations Act 1996, members could resign from the Association by written notice to the appropriate Branch of the Association.

Principal activities

The principal activities of the reporting unit 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.

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

At 30 June 2004, there were 69 persons employed by the N.S.W. Deductions Account Office of the Association.

Affiliations & 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
- Labor Council of N.S.W.
- South Coast Labour Council
- Unions A.C.T.

The N.S.W. Branch Secretary-Treasurer of the Association is on the Administrative Committee of the Australian Labor Party, N.S.W. Branch and is also an Executive Member of the Labor Council of N.S.W.

A representative of the N.S.W. Branch of the Association is a Director of the N.S.W. Retail, Wholesale & Associated Services Industry Training Council Ltd.

Superannuation Trustees

Four representatives of the Association are Directors of the Retail Employees Superannuation Trust (REST). These are Mr J de Bruyn, the National Secretary-Treasurer, Mr D Farrell, the National President, Mr J. Maher and Ms S Burnley. The four Alternate Employee Directors are Mr I Blandthorn, Mr G Williams, Mr J Bullock, and Mr M Donovan.

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

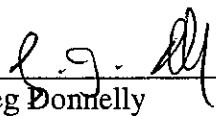
OPERATING REPORT (CONT.)

Committee of Management

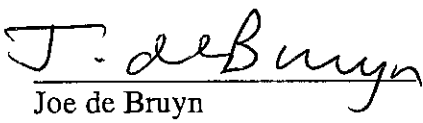
The members of the National Executive of the Association at any time during or since the end of the financial year were:

<i>Name</i>	<i>Experience</i>
Mr. D. Farrell National President	National Executive member since 1994 Appointed National President 1995
Mr. G. Williams National Vice President	National Executive member since 1978 Appointed National Vice-President 1995
Mr. J. de Bruyn National Secretary- Treasurer	National Executive member since 1978 Appointed National Secretary - Treasurer 1978
Mr. I. Blandthorn National Assistant Secretary	National Executive member since 1986 Appointed National Assistant Secretary 1986
Mr. G. Donnelly	National Executive member since 1992
Mr. M. Donovan	National Executive member since 1996
Mr. J. Bullock	National Executive member since 1996
Mr. C. Ketter	National Executive member since 1996
Mr. P. Griffin	National Executive member since 1992

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



Greg Donnelly
Committee of Management



Joe de Bruyn
Committee of Management

Dated at Brisbane this 25th day of October 2004.

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


STATEMENT OF THE COMMITTEE OF MANAGEMENT

On 25 October 2004 the Committee of Management of Shop, Distributive and Allied Employees' Association N.S.W. Deductions Account Office passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2004:

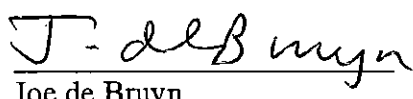
The Committee of Management declares in relation to the GPFR that in its opinion:

- a) The financial statements and notes comply with the Australian Accounting Standards;
- b) The financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- 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;
- 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;
 - 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;
 - iii) The financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations;
 - iv) Where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation;
 - v) The information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
 - vi) There has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

Signed on behalf of the Committee of Management:



Greg Donnelly
Committee of Management



Joe de Bruyn
Committee of Management

Dated at Brisbane this 25th day of October 2004.

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

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2004**

	Note	2004 \$	2003 \$
Income			
Members contributions		12,449,877	11,027,681
Less: Commissions paid/payable	3(b)	(1,258,144)	(1,064,593)
Net members' contributions	2	<u>11,191,733</u>	<u>9,963,088</u>
Interest received	2	270,743	450,903
Rent received	2	1,010,119	897,203
Profit on sale of fixed assets	2	34,130	15,649
Other revenue	2	11,282	-
	2	<u>12,518,007</u>	<u>11,326,843</u>
Less: Expenditure			
Administration expenses	3(a)	2,676,582	2,516,527
Audit fees	3(b)	38,500	37,000
Depreciation	3(b)	205,636	356,794
Legal fees and litigation costs	3(a)	99,708	205,974
Loss on disposal of fixed assets		63,306	-
Provision for annual leave		278,302	310,749
Provision for long service leave		180,271	81,786
Salaries - Elected officers		166,976	158,125
- Employees		3,713,026	3,347,321
- Superannuation		394,796	344,082
		<u>7,817,103</u>	<u>7,358,358</u>
Excess of income over expenditure		<u>4,700,904</u>	<u>3,968,485</u>
Transfer to N.S.W. Branch	3(a)	<u>3,472,519</u>	<u>2,883,791</u>
Profit from ordinary activities	13	<u>1,228,385</u>	<u>1,084,694</u>
Net surplus		<u>1,228,385</u>	<u>1,084,694</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 2004**

	Note	2004 \$	2003 \$
Current assets			
Cash assets	6	6,030,472	6,885,126
Receivables	7	752,955	730,029
Other	8	258,435	245,278
Total current assets		<u>7,041,862</u>	<u>7,860,433</u>
Non-current assets			
Property, plant and equipment	9	19,278,783	15,171,739
Total non-current assets		<u>19,278,783</u>	<u>15,171,739</u>
Total assets		<u>26,320,645</u>	<u>23,032,172</u>
Current liabilities			
Payables	10	1,412,844	525,204
Provisions	11	1,072,732	680,607
Total current liabilities		<u>2,485,576</u>	<u>1,205,811</u>
Non-current liabilities			
Provisions	11	35,563	335,240
Total non-current liabilities		<u>35,563</u>	<u>335,240</u>
Total liabilities		<u>2,521,139</u>	<u>1,541,051</u>
Net assets		<u>23,799,506</u>	<u>21,491,121</u>
Equity			
Reserves	12	1,679,237	599,237
Retained Profits	13	22,120,269	20,891,884
Total equity		<u>23,799,506</u>	<u>21,491,121</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 2004**

	Note	2004 \$	2003 \$
Cash flows from operating activities			
Cash receipts in the course of operations		12,438,233	10,040,421
Cash payments in the course of operations		(11,311,894)	(10,017,511)
Interest Received		270,743	450,903
Rent Received		1,010,119	897,203
Net cash provided by operating activities	16(b)	<u>2,407,201</u>	<u>1,371,016</u>
Cash Flows from Investing Activities			
Proceeds on disposal of non-current assets		168,658	48,000
Payments for property plant and equipment		(3,430,513)	(4,542,109)
Net cash used in investing activities		<u>(3,261,855)</u>	<u>(4,494,109)</u>
Net increase/(decrease) in cash held		(854,654)	(3,123,093)
Cash at the beginning of the financial year		6,885,126	10,008,219
Cash at the end of the financial year	16(a)	<u>6,030,472</u>	<u>6,885,126</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 2004

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 Schedule 1B 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 Schedule 1B of 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 2004, but which relate to the period then ended, have been brought to account as income, where as members' contributions received prior to 30 June 2004 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 2004

(b) Revenue recognition – Note 2 (cont.)

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 2004

(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 2004

(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:

	2004 %	2003 %
Plant and equipment		
Motor Vehicles – at cost	15-25%	15.00%
Office Equipment & Fittings – at cost	5-25%	20.00%
Computer Equipment – at cost	20-25%	20.00%
Property – at cost	2-5%	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 2004

(k) Employee benefits – Note 11

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 2004

	2004 \$	2003 \$
2. Revenue from ordinary activities		
Rendering of services revenue from operating activities	<u>11,191,733</u>	<u>9,963,088</u>
Other revenues:		
<i>From operating activities</i>		
Interest:		
- Other parties	270,743	450,903
<i>From outside operating activities</i>		
Profit from sale of non-current assets	34,130	15,649
Rent received	1,010,119	897,203
Other Revenue	11,282	-
Total other revenues	<u>1,326,274</u>	<u>1,363,755</u>
Total revenue from ordinary activities	<u><u>12,518,007</u></u>	<u><u>11,326,843</u></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 NSW Branch	3,472,519	2,883,791
Administration expenses	2,676,582	2,516,527
Salaries & Wages Expenses	4,274,798	3,849,528
Employee Provision Expenses	458,573	392,535
Legal fees and litigation costs	<u>99,708</u>	<u>205,974</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	1,258,144	1,064,593
Depreciation of property, plant & equipment	205,636	356,794
Remuneration of auditor:		
- audit services	<u>38,500</u>	<u>37,000</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

	2004 \$	2003 \$
4. Auditors' Remuneration		
Audit services:		
Auditors of the Association		
- audit and review of financial reports	<u>38,500</u>	<u>37,000</u>
5. Segment Reporting		
The Association is a trade union operating in the state of N.S.W. and obtains its income predominantly from contributions by its members.		
6. Cash assets		
Cash on hand	1,150	1,025
Cash at bank	<u>6,029,322</u>	<u>6,884,101</u>
	<u>6,030,472</u>	<u>6,885,126</u>
7. Receivables		
Trade debtors	729,176	693,040
Other debtors	<u>23,779</u>	<u>36,989</u>
	<u>752,955</u>	<u>730,029</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>258,435</u>	<u>245,278</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

	2004 \$	2003 \$
9. Property, plant and equipment		
Motor vehicles - at cost	1,217,125	1,150,450
Less: Accumulated depreciation	344,870	530,144
	<u>872,255</u>	<u>620,306</u>
Office equipment & fittings - at cost	730,212	824,698
Less: Accumulated depreciation	94,565	719,042
	<u>635,647</u>	<u>105,656</u>
Computer Equipment - at cost	234,073	120,485
Less Accumulated Depreciation	56,403	41,524
	<u>177,670</u>	<u>78,961</u>
Land & Building – at cost	6,009,880	3,944,117
Less: Accumulated depreciation	111,207	9,185
	<u>5,898,673</u>	<u>3,934,932</u>
Land & Building – at independent valuation 2004	4,000,000	2,920,000
Less: Accumulated depreciation	-	145,600
	<u>4,000,000</u>	<u>2,774,400</u>
Land & Building – at independent valuation 2002	<u>7,350,000</u>	<u>7,350,000</u>
Capital in progress	<u>344,538</u>	<u>307,484</u>
Total property, plant and equipment	<u>19,278,783</u>	<u>15,171,739</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 2004

9. Property, plant and equipment (cont.)

Valuations of land and buildings (cont.)

An independent valuation on Level 4 of the Haymarket property and car spaces was conducted during the financial year ended 30th June 2004 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.

	2004 \$	2003 \$
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	3,934,932	-
Additions	1,758,279	3,944,117
Disposals	-	-
Depreciation	(102,022)	(9,185)
Transfers in	307,484	-
Carrying amount at end of year	<u>5,898,673</u>	<u>3,934,932</u>
<i>Land and buildings – at valuation June 2002</i>		
Carrying amount at beginning of year	7,350,000	7,350,000
Additions	-	-
Disposals	-	-
Revaluation increment	-	-
Carrying amount at end of year	<u>7,350,000</u>	<u>7,350,000</u>
<i>Land and buildings – at valuation June 2004</i>		
Carrying amount at beginning of year	2,774,400	2,847,200
Additions	-	-
Disposals	-	-
Depreciation	-	(72,800)
Write back of depreciation	145,600	-
Revaluation increment	1,080,000	-
Carrying amount at end of year	<u>4,000,000</u>	<u>2,774,400</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

	2004	2003
	\$	\$
9. Property, plant and equipment (cont.)		
<i>Motor vehicles – at cost</i>		
Carrying amount at beginning of year	620,306	677,767
Additions	579,028	167,468
Disposals	(133,919)	(32,351)
Depreciation	(193,160)	(192,578)
Carrying amount at end of year	<u>872,255</u>	<u>620,306</u>
<i>Office equipment and fittings – at cost</i>		
Carrying amount at beginning of year	105,656	112,292
Additions	617,202	54,232
Disposals	(56,572)	-
Depreciation	(30,639)	(60,868)
Carrying amount at end of year	<u>635,647</u>	<u>105,656</u>
<i>Computer equipment – at cost</i>		
Carrying amount at beginning of year	78,961	31,512
Additions	131,466	68,812
Disposals	(7,342)	-
Depreciation	(25,415)	(21,363)
Carrying amount at end of year	<u>177,670</u>	<u>78,961</u>
<i>Capital in progress – at cost</i>		
Carrying amount at beginning of year	307,484	-
Additions	344,538	307,484
Disposals	(307,484)	-
Depreciation	-	-
Carrying amount at end of year	<u>344,538</u>	<u>307,484</u>
10. Payables		
Trade creditors	514,226	405,710
Other creditors and accruals	898,618	119,494
	<u>1,412,844</u>	<u>525,204</u>
11. Provisions		
Current		
Employee benefits	<u>1,072,732</u>	<u>680,607</u>
Non-current		
Employee benefits	<u>35,563</u>	<u>335,240</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

	2004	2003
	\$	\$
12. Reserves		
Asset revaluation	<u>1,679,237</u>	<u>599,237</u>
Movements during the year		
<i>Asset revaluation</i>		
Balance at beginning of year	599,237	599,237
Revaluation increment/(decrements):		
- land and buildings	1,080,000	-
Balance at end of year	<u>1,679,237</u>	<u>599,237</u>
13. Retained profits		
Retained profits at the beginning of year	20,891,884	19,807,190
Net profit attributable to the Association	1,228,385	1,084,694
Retained profits at end of year	<u>22,120,269</u>	<u>20,891,884</u>
14. Commitments		
Capital expenditure commitments		
<i>Plant and equipment</i>		
Contracted but provided for and payable:		
- Within one year	<u>934,553</u>	<u>782,079</u>
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	3,735	6,847
- Later than five years	-	-
	<u>6,847</u>	<u>9,959</u>

The Association leases property under non-cancellable operating leases expiring in three 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 2004

15. 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	
	2004 %	2003 %	2004 \$	2003 \$
Financial Assets				
Cash at bank and on Deposit	4.18	4.50	6,030,472	6,884,101
Total Financial Assets			<u>6,030,472</u>	<u>6,884,101</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 2004

16. 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:

	2004	2003
	\$	\$
Cash	<u>6,030,472</u>	<u>6,885,126</u>

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

Profit from ordinary activities	1,228,385	1,084,694
Non-cash flows in profit from ordinary activities:		
Loss/(Profit) on sale of fixed assets	29,176	(15,649)
Depreciation	<u>205,636</u>	<u>356,794</u>
Net cash (used in) provided by operating activities before changes in assets and liabilities	1,463,197	1,425,839
Changes in assets and liabilities:		
Increase/(decrease) in provisions	92,448	92,682
(Increase)/decrease in receivables	(22,926)	152,101
(Increase)/decrease in other assets	(13,158)	(169,928)
Increase/(decrease) in payables	108,516	(54,911)
Increase/(decrease) in other liabilities	779,124	(74,767)
Net cash (used in) provided by operating activities	<u>2,407,201</u>	<u>1,371,016</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

17. 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-Treasurer), I Blandthorn (Assistant National Secretary), D Farrell (President) and G Williams (National Vice-President).

18. Information to be provided to members or registrar

In accordance with the requirements of subsection 272(5) of Schedule 1B of the Workplace Relations Act 1996, the attention of members is drawn to the provisions of subsections (1), (2) and (3) of section 272, which states as follows:

- 1) A member of a reporting unit, or a Registrar, 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).

19. Association Details

The principal place of business of the Association is:

Shop, Distributive and Allied Employees' Association
N.S.W. Branch
Level 3
8 Quay Street
SYDNEY NSW 2000

**INDEPENDENT AUDITORS' 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 2004, consisting of the Statement of the Committee of Management, Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and accompanying notes as set out on pages 4 to 21. The Committee of Management is 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 of them to the members of the Association.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance 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, the results of its operations and its cash flow.

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 2004, 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 4 to 21 prepared under the historical cost convention, and in accordance with section 273 of Schedule 1B 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 2004; and
 - 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 section 257 of Schedule 1B 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, Registered Company Auditor

Dated at Sydney this 26th day of October 2004.