



Australian Government
Australian Industrial Registry

24 March 2009

Mr Joseph de Bruyn
Secretary-Treasurer
Shop, Distributive and Allied Employees Association
email: general@sda.org.au

Dear Mr de Bruyn

Re: Financial Report for the Shop, Distributive and Allied Employees Association and the Shop, Distributive and Allied Employees Association, N.S.W. Deductions Account Office for year ended 30 June 2008 – FR2008/312

I acknowledge receipt of the revised designated officer's certificates and audit reports for the Shop, Distributive and Allied Employees Association (the Association) and the Shop, Distributive and Allied Employees Association, N.S.W. Deductions Account Office (NSW Office) for the year ended 30 June 2008 in response to correspondence of the Registry dated 9 December 2008. The documents were lodged with the Registry on 13 and 20 March 2009.

The financial reports have now been filed.

Association Report

I make the following comments in relation to the Association full report to assist you when you next prepare a financial report. You are not required to take any further action in respect of the report lodged.

Committee of Management Statement

Recovery of wages activity

The Reporting Guidelines of the Registrar (the Guidelines) require the Committee of Management Statement to include information in relation to recovery of wages activity. If there has been no recovery of wages activity you may wish to consider words such as:

"in relation to the recovery of wages activity, there has been no such activity undertaken by the reporting unit."

Operating Report

Right of members to resign

Subsection 254(2)(c) of Schedule 1 of the Workplace Relations Act 1996 (the RAO Schedule) requires the operating report to "give details" of the right of members to resign from the reporting unit under section 174 of the RAO Schedule. This requirement may be met by the inclusion of a statement that a member has the right to resign and a reference to the relevant rule, which makes such provision. Alternatively, the complete text of the relevant resignation rule may be reproduced in the report. It would appear in this case that rule 27 of the organisation's Rules is applicable.

Audit Report

The correspondence from the Association's Auditor accompanying the revised Audit Report dated 6 March 2009 will be responded to in a separate piece of correspondence.

Auditor's Qualification

The correspondence of 9 December 2008 requested that the Auditor indicate in the Audit Report whether or not the Auditor is an approved Auditor. In this regard I draw your attention to the definitions of approved auditor in regulation 4 of the Workplace Relations (Registration and Accountability of Organisations) Regulations 2003. In all likelihood the Auditor is such a person however, it is our preference that this is made explicit in the Report.

NSW Office

I make the following comments in relation to the NSW Office full report to assist you when you next prepare a financial report. You are not required to take any further action in respect of the report lodged.

Operating Report

Right of members to resign

Subsection 254(2)(c) requires the operating report to "give details" of the right of members to resign from the reporting unit under section 174 of the RAO Schedule. This requirement may be met by the inclusion of a statement that a member has the right to resign and a reference to the relevant rule, which makes such provision. Alternatively, the complete text of the relevant resignation rule may be reproduced in the report. It would appear in this case that rule 16B of the organisation's Rules is applicable.

Committee of Management Statement

The Committee of Management Statement records the date of passage of the resolution as being "September 2008". Item 26(b) of the Guidelines of the Registrar requires the statement to record the date of the passage of the resolution. Could the Branch ensure that future reports include the full date of the resolution.

Consistency with other reporting units

Paragraph 25 of the Guidelines, as made under section 255 of the RAO Schedule states:

"The committee of management statement must include declarations by the committee of management as to whether in the opinion of the committee of management

. . .

- (e) (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;"*

The Committee of Management's Statement has repeated the wording as provided in paragraph 25(e)(iv). Such statement should indicate whether or not the financial records have been kept in a consistent manner to each of the other reporting units of the organisation.

I suggest, if the records have been kept in a consistent manner to each of the organisation's reporting units, that the words "where the organisation consists of 2 or more reporting units" be deleted.

Recovery of wages activity

The Reporting Guidelines require the Committee of Management Statement to include information in relation to recovery of wages activity. If there has been no recovery of wages activity you may wish to consider words such as:

"in relation to the recovery of wages activity, there has been no such activity undertaken by the reporting unit."

Notes to financial reports

Loans, Grants and Donations

I have noted that donations totalling \$69,373 were made in 2007-8. Under subsection 237(1) of the RAO Schedule there are certain steps that need to be taken if an individual donation exceeds \$1000.

The Branch has provided a subsection 237(1) statement to the Registry and we assume that no single donation exceeded \$1000. Should this not be the case, please immediately advise the Registry of the details and ensure that there is compliance with the reporting requirements of section 237, other than with respect to the required timeframe. I have attached a template Statement you may wish to use (if appropriate).

If you wish to discuss any of the matters referred to above I can be contacted on (03) 8661 7764.

Yours sincerely



Kevin Donnellan

Statutory Services Branch

Principal Registry

Email: kevin.donnellan@airc.gov.au

cc. Gerald Dwyer, Secretary, SDAEA, NSW Branch - secretary@sdansw.asn.au

CERTIFICATE OF SECRETARY OR OTHER AUTHORISED OFFICER

S268 of Schedule 1 Workplace Relations Act 1996

I, Gerard Andrew Dwyer, Branch Secretary-Treasurer of the Shop, Distributive and Allied Employees Association, New South Wales Branch certify:

- That the documents lodged herewith are copies of the full report, referred to in s268 of the RAO Schedule; and
- That the full report, was provided to members on 29 October 2008; and
- That the full report was presented to a meeting of the committee of management of the reporting unit on 25 November 2008; in accordance with section 266 of the RAO Schedule.

Signed:



Gerard Andrew Dwyer

Branch Secretary-Treasurer

Shop, Distributive & Allied Employees' Association, NSW Branch

Date:

20 March 2008

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

**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 report of Shop, Distributive and Allied Employees' Association N.S.W. Deductions Account Office for the financial year ended 30 June 2008 as set out on pages 5 to 24.

The financial report includes the financial statements of the individual entity at year end. The Association's Committee of Management 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.

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 in Australia and statutory requirements so as to present a view which is consistent with our understanding of the Association's financial position and performance as represented by the results of their operations and their cash flow.

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

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional and ethical pronouncements.

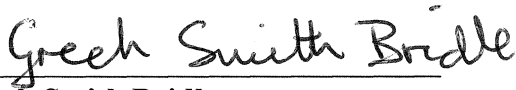
We declare to the best of our knowledge and belief that the auditor's independence declaration, set out on page 6 of the financial report, has not changed as at the date of providing our audit opinion.

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

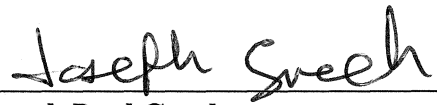
**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W.
DEDUCTIONS ACCOUNT OFFICE (CONT)**

Audit Opinion

In our opinion the general purpose financial report is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the RAO Schedule of the Workplace Relations Act 1996.



Grech Smith Bridle
Chartered Accountants



Joseph Paul Grech
Partner, Registered Company Auditor

Dated at Sydney this 9th day of September 2008.



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Melbourne Vic 3000

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Mr Kevin Donnellan
Statutory Services Branch
Australian Industrial Registry
Level 5, 11 Exhibition Street
Melbourne VIC 3000

Your ref Shop, Distributive and Allied
Employees' Association
Our ref SDA08-letter to Australian
Industrial Registry

6 March 2009

Dear Sir

Financial Report for the Shop Distributive and Allied Employees' Association for the year ended 30 June 2008

As indicated in your letter to Mr Joseph de Bruyn, Secretary-Treasurer of Shop Distributive and Allied Employees' Association ("SDA"), you would like us to change the wording of our audit opinion from using the wording "a true and fair view" to "presents fairly". We have made this change and attach a revised audit opinion to this letter.

In addition, you also asked that we refer to the whole of Part 3, Chapter 8 of the RAO Schedule of the Workplace Relations Act ("Part 3"). Section 257 *Powers and duties of auditors* is the only section that we have identified in Part 3 that specifically relates to the auditor's report and our obligations under the Workplace Relations Act and therefore do not believe that we have an obligation to report on the whole of Part 3. Additionally, we have not been engaged by SDA to give an audit opinion on the whole of Part 3.

With respect to future audit opinions, we would be pleased to discuss with you the proposed inclusion of the whole of Part 3. In the event that this is required, we would then seek an engagement letter from SDA to include this requirement.

If you would like to discuss further, please feel free to contact myself (03 9288 6685) or the SDA audit manager, Melissa Buttigieg (03 8626 0911).

Yours faithfully

Graeme Matthews
Partner



Independent Audit 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 2008, consisting of the income statement, statement of recognised income and expense, balance sheet, statement of cash flows, accompanying notes [1 to 22], and the Certificate by National Council and National Secretary-Treasurer set out on pages [5] to [26]. The members of the National Council 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 1 of the Workplace Relations Act 1996) in relation to the financial report and 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 Australian Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with our understanding of the Association's financial position, and performance as represented by the results of its operations and its cash flows.

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

Audit opinion

In our opinion, the general purpose financial report of the Shop Distributive and Allied Employees' Association National Council is presented fairly in accordance with Section 257 of the RAO Schedule, applicable Accounting Standards and other mandatory professional reporting requirements in Australia.

KPMG

KPMG

Graeme C Matthews
Melbourne
6 March 2009

Building on a Century of Service
1908-2008



Shop, Distributive & Allied Employees' Association

REGISTERED OFFICE: SIXTH FLOOR, 53 QUEEN STREET, MELBOURNE 3000 TELEPHONE: (03) 8611 7000 FAX: (03) 8611 7099 E-MAIL: general@sda.org.au
ABN 99 789 302 470

NATIONAL PRESIDENT
Don Farrell

NATIONAL SECRETARY
Joe de Bruyn

Jdb/cr
Friday 6th March, 2009

Mr Kevin Donnellan
Statutory Services Branch
Australian Industrial Registry
Level 5, 11 Exhibition Street
Melbourne Vic 3000

Dear Sir,

**Re: Financial Report for the Shop Distributive and Allied
Employees Association for the year ended 30th June, 2008 –
FR2008/312**

I refer to your letter dated 9th December, 2008 regarding the above.

As requested please find enclosed a revised designated officer's certificate addressing the matters raised.

The revised Audit Report requested will be forwarded to you directly by our Auditors, KPMG next week.

If you require any further information please contact me.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'J. de Bruyn'.

JOE DE BRUYN
National Secretary - Treasurer

Encl: as above

Workplace Relations Act 1996
Section 268 RAO Schedule

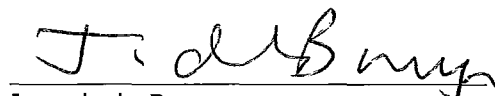
REVISED CERTIFICATE BY A PRESCRIBED DESIGNATED OFFICER

I, Joseph de Bruyn, National Secretary/Treasurer of the Shop Distributive and Allied Employees Association, being the prescribed designated officer of the Association, do certify:

1. That a true copy of the Annual Financial Report for the year ended 30th June, 2008 of the Shop Distributive and Allied Employees' Association, as required by Section 268 of the RAO Schedule is attached; and
2. That the Report was received and adopted by the Committee of Management of the Association at a special meeting of the National Executive on 8 September 2008; and
3. That the Report was provided to all members by way of the respective branch journals in accordance with Section 265(7) of the RAO Schedule in early October 2008; and
4. That the Report was presented to and adopted by a meeting of the National Council on Monday 17 November 2008 in accordance with Section 266(3) of the RAO Schedule.

Dated: 6th March 2009

Signed:



Joseph de Bruyn
National Secretary /Treasurer
Shop Distributive and Allied Employees Association



Australian Government
Australian Industrial Registry

Level 5, 11 Exhibition Street
Melbourne, VIC 3000
GPO Box 1994, Melbourne, VIC 3001
Telephone: (03) 8661 7764
Fax: (03) 9655 0410
Email: kevin.donnellan@airc.gov.au

Mr Joseph de Bruyn
Secretary-Treasurer
Shop, Distributive and Allied Employees Association

email: general@sda.org.au

Dear Mr de Bruyn

Re: Financial Report for the Shop, Distributive and Allied Employees Association and the Shop, Distributive and Allied Employees Association, N.S.W. Deductions Account Office for year ended 30 June 2008 – FR2008/312

I acknowledge receipt of the financial reports for the Shop, Distributive and Allied Employees Association (the Association) and the Shop, Distributive and Allied Employees Association, N.S.W. Deductions Account Office (NSW Office) for the year ended 30 June 2008. The reports were lodged with the Registry on 27 November 2008.

The financial report has not been filed.

The following matters require your attention before any action can be taken to file the above reports.

Audit Report

Auditor's Opinion

The Audit Report for the Association contained the following 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 2008; and*
 - (b) the income and expenditure, and any surplus or deficit, of the Association for the financial year ended 30 June 2008.”*

Also, the Audit Report for the NSW Office contained the following opinion:

“Audit Opinion

In our opinion the financial report of Shop, Distributive and Allied Employees' Association N.S.W. Deductions Account Office is in accordance with:

- (a) the Workplace Relations Act 1996, including:*
 - i) 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;*
 - ii) The attached accounts and statements as set out on pages 5 to 24 prepared under the historical cost convention, and in accordance with section 253 of the RAO Schedule 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 2008; and*
 - b) The income and expenditure and surplus of the Association for the year ended on that date.*
 - iii) All the information and explanations that, under section 257 of the RAO Schedule of the Workplace Relations Act 1996, that officers or employees of the organisation were required to provide, were provided.*
- (b) other mandatory professional reporting requirements.”*

The NSW Office report appears to be in the terms of ss.276(4) of the former Workplace Relation Act 1996. The financial reporting requirements previously found in Division 11 of Part IX of the Workplace Relations Act 1996 differ materially from those found in Part 3, Chapter 8 of Schedule 1 (RAO Schedule).

Notwithstanding the opening words in paragraph (a)(i), the Association’s Auditor’s Report appears to adopt in part the former ss.276(4), notably the opinion required under ss.276(4)(a)(ii).

Subsection 257(5) of the RAO Schedule sets out the matters upon which an auditor is required to give an opinion in relation to the general purpose financial report. The following wording in the auditor’s opinion would satisfy the requirements:

“In our opinion the general purpose financial report is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the RAO Schedule of the Workplace Relations Act 1996.”

Audit Report***Auditor's Qualification***

It is not clear from the Association's Report whether or not the Auditor is an approved Auditor. In this regard I draw your attention to the definition of approved auditor in regulation 4 of the Workplace Relations (Registration and Accountability of Organisations) Regulations 2003. In all likelihood the Auditor is such a person however, it is our preference that this is made explicit in the Report.

Designated Officer's Certificate

The designated officer's certificates for the Association and the NSW Office reports did not include the dates when the full report was distributed to members and presented to meetings of the Committees of Management. Could revised designated officer's certificates be provided for both reports recording the dates when the full reports were distributed to members and presented to meetings of the Committees of Management.

Could the Association obtain from both Auditors, revised Audit Reports and provide revised designated officer's certificates addressing the matters raised and lodge the documentation in the Registry. Once this documentation is provided further action can be taken to finalise both reports.

If you wish to discuss any of the matters referred to above I can be contacted on (03) 8661 7764.

Yours sincerely

A handwritten signature in black ink, appearing to be 'K Donnellan', with a long horizontal stroke extending to the right.

Kevin Donnellan
Statutory Services Branch

9 December 2008

Workplace Relations Act 1996
Section 268 RAO Schedule

CERTIFICATE BY A PRESCRIBED DESIGNATED OFFICER

I, Joseph de Bruyn, National Secretary/Treasurer of the Shop Distributive and Allied Employees Association, being the prescribed designated officer of the Association, do certify that, a true copy of the full report of the Shop Distributive and Allied Employees' Association for the twelve months to 30th June, 2008 as required by Section 265(1)(a) of the RAO Schedule and which was presented to a meeting of the Committee of Management of the Association in accordance with Section 266(3) of the RAO Schedule, is attached.

Dated: 25th November 2008

Signed: J. de Bruyn
Joseph de Bruyn
National Secretary /Treasurer
Shop Distributive and Allied Employees Association



**SHOP DISTRIBUTIVE AND
ALLIED EMPLOYEES' ASSOCIATION**

**ANNUAL FINANCIAL REPORT
30 JUNE 2008**

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Shop, Distributive & Allied Employees' Association Annual Financial Report – 30 June 2008

Operating report

For the year ended 30 June 2008

The members of the National Executive present their report together with the financial report of Shop, Distributive & Allied Employees' Association ('the Association') for the financial year ended 30 June 2008 and the auditor's report thereon.

1. Membership

Membership of the Association as at 30 June 2008 was 201,510.

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.

2. Committee of Management

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

<i>Name</i>	<i>Experience</i>
Mr. Don Farrell National President	National Executive Member since 1994 Elected National President 1995
Mr. Joseph Bullock National Vice President	National Executive Member since 1996 Elected National Vice President 2004
Mr. Joseph De Bruyn National Secretary-Treasurer	National Executive Member since 1978 Elected National Secretary-Treasurer 1978
Mr Ian Blandthorn National Assistant Secretary	National Executive Member since 1986 Elected National Assistant Secretary 1986
Mr. Michael Donovan	National Executive Member since 1996
Mr Gerard Dwyer	National Executive Member since 2005
Mr. Paul Griffin	National Executive Member since 1990
Mr. Chris Ketter	National Executive Member since 1996
Ms. Barbara Nebart	National Executive Member since 2004

3. Affiliations & Directorships

The Association, through its Branches, 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 and the Australian Labor Advisory Council.

The Association is affiliated with the Australian Council of Trade Unions ("ACTU"). The National Secretary-Treasurer is Senior Vice President of the ACTU. Three other representatives of the Association are also members of the ACTU Executive. Officials of the Association are active on a range of ACTU Committees, including health and safety, women, vocational education and training, future strategies, international and award modernisation.

The Association is affiliated to Union Network International ("UNI"). Various officials 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 & Allied Employees' Association

Annual Financial Report – 30 June 2008

Operating report (continued)

For the year ended 30 June 2008

4. Principal activities

The Association maintained its industrial awards and agreements at a high, up-to-date standard, and produced a range of publications for its members.

New enterprise agreements were negotiated with a wide range of employers including the Coles Group, Bunnings, Woolworths, Red Rooster, Freedom Furniture, Dominos, McDonald's, Best and Less, Myer, and others. These agreements all resulted in improved wages and working conditions for the Employees covered by them.

The Association participated in inquiries and investigations conducted by the Federal Parliament. Officers of the Association discussed a range of issues relevant to members with Federal and State Parliamentarians.

There were no significant changes in the Association during the financial year in the nature of its activities and financial affairs. At 30 June 2008, there were 12 persons employed by the national office of the Association.

5. Superannuation Trustees

Four representatives of the Association were Directors of the Retail Employees' Superannuation Trust ("REST") in the 12 months to 30 June 2008. These were 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 for the period were Mr I Blandthorn, Mr G Williams, Mr J Bullock, and Mr M Donovan. Ms S Burnley is also a director of CARE Super Pty Ltd.


On 1 July 2008, Mr D Farrell resigned as Director and was replaced by Mr G Williams on 24 July 2008. On 27 August 2008, Mr J Bullock and Ms B Nebart were appointed as alternate directors for Mr G Williams and Mr J De Bruyn respectively.

6. 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).

Dated at Melbourne this 8th day of September, 2008



Donald Farrell
National President



Joseph de Bruyn
National Secretary-Treasurer

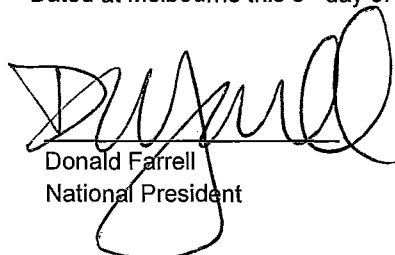
Shop, Distributive & Allied Employees' Association Annual Financial Report – 30 June 2008

Certificate by National Executive

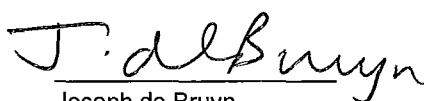
We, Donald Farrell and Joseph de Bruyn, being two members of the National Executive of the Association, do state on behalf of the National Executive and in accordance with a resolution passed by the National Executive on 8th September 2008 in relation to the accompanying general purpose financial report that, in the opinion of the National Executive:-

- (a) the financial statements and notes set out on pages 7 to 26 comply with the Australian Accounting Standards;
- (b) the financial statements and notes set out on pages 7 to 26 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 2008;
- (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 2008 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 1 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 for each of the branches of the Association;
 - (v) to the knowledge of any member of the National Executive, 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 Melbourne this 8th day of September, 2008



Donald Farrell
National President



Joseph de Bruyn
National Secretary-Treasurer

**Shop, Distributive & Allied Employees' Association
Annual Financial Report – 30 June 2008**

Certificate by National Secretary-Treasurer

I, Joseph de Bruyn, being the officer responsible for keeping the accounting records of the Association certify that as at 30 June 2008 the number of members of the Association was 201,510.

In my opinion:-

- (i) the accompanying financial report set out on pages 7 to 26 shows a true and fair view of the financial position of the Association as at 30 June 2008;
- (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 Melbourne this 8th day of September 2008.



Joseph de Bruyn
National Secretary-Treasurer

Shop, Distributive & Allied Employees' Association
Annual Financial Report – 30 June 2008

Income Statement

For the year ended 30 June 2008

Revenue	Note	2008	2007
Branch contribution to ACTU IR Campaign Levy		1,650,510	1,090,773
Branch contribution to Federal ALP Campaign		150,000	-
Interest received		476,064	318,831
Membership subscriptions		5,025,831	4,995,221
		<u>7,302,405</u>	<u>6,404,825</u>
 Other income	 7	 1,038,269	 1,519,117
		<u>8,340,674</u>	<u>7,923,942</u>
 Expenditure			
53 Queen St, Melbourne – direct operating expenses		383,674	411,893
ACTU IR Advertising Campaign Levy		1,650,510	1,090,773
Affiliation fees		981,353	941,649
Auditors' remuneration	8	19,000	16,510
Bank charges and interest		333	128
Consulting - legal fees		8,750	30,419
Consulting - professional fees		41,598	10,481
Delegates expenses		329,174	190,599
Depreciation	13	40,323	47,039
Donations		599,062	193,266
Electricity		7,095	5,708
Fringe benefits tax		11,726	11,481
General Office expenses		22,999	24,437
Holiday pay		56,430	62,188
Long service leave		38,784	32,956
Meeting expenses		196,454	131,937
Other administration expenses		67,044	53,697
Payroll tax		41,584	48,361
Postage		3,519	3,627
Publishing		1,678	27,533
Remuneration to Employees		743,702	803,496
Superannuation - Defined benefit expense	15	(2,135)	128,854
Superannuation – SGC		3,367	4,965
Subscriptions/publications		18,204	17,298
Telephone		31,539	25,792
Travel expenses for Employees		130,351	133,367
Workcare		14,270	14,439
		<u>5,440,388</u>	<u>4,462,893</u>
 Operating surplus/(deficit) for the period		 <u>2,900,286</u>	 <u>3,461,049</u>

The income statement is to be read in conjunction with the notes to the financial statements set out on pages 11 to 26.

Shop, Distributive & Allied Employees' Association
Annual Financial Report – 30 June 2008

Statement of recognised income and expense

For the year ended 30 June 2008

	<i>Note</i>	2008	2007
Actuarial gains/(losses) on defined benefit superannuation funds	15	(164,505)	279,930
Net income/(loss) recognised directly in equity		<u>(164,505)</u>	<u>279,930</u>
Operating surplus/(deficit) for the period		2,900,286	3,461,049
Total recognised income and expense for the period	22	<u>2,735,781</u>	<u>3,740,979</u>

The statement of recognised income and expense is to be read in conjunction with the notes to the financial statements set out on pages 11 to 26.

Shop, Distributive & Allied Employees' Association
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Balance Sheet

As at 30 June 2008

	<i>Note</i>	2008	2007
Assets			
Cash and cash equivalents	9	820,458	1,247,337
Receivables	10	302,077	226,447
Other financial assets	11	8,844,982	5,908,992
Total current assets		<u>9,967,517</u>	<u>7,382,776</u>
Investment property	12	14,056,888	14,070,388
Property, plant and equipment	13	418,785	454,126
Defined benefit superannuation asset	15	815,645	917,400
Total non-current assets		<u>15,291,318</u>	<u>15,441,914</u>
Total assets		<u>25,258,835</u>	<u>22,824,690</u>
Liabilities			
Trade and other payables	14	218,701	572,786
Employee benefits	15	601,910	552,846
Total current liabilities		<u>820,611</u>	<u>1,125,632</u>
Employee benefits	15	7,882	4,497
Total non-current liabilities		<u>7,882</u>	<u>4,497</u>
Total liabilities		<u>828,493</u>	<u>1,130,129</u>
Net assets		<u>24,430,342</u>	<u>21,694,561</u>
Equity			
Retained earnings		24,430,342	21,694,561
Total equity	22	<u>24,430,342</u>	<u>21,694,561</u>

The balance sheet is to be read in conjunction with the notes to the financial statements set out on pages 11 to 26.

Shop, Distributive & Allied Employees' Association
Annual Financial Report – 30 June 2008

Statement of cash flows

For the year ended 30 June 2008

	<i>Note</i>	2008	2007
Cash flows from operating activities			
Cash receipts from operations		7,736,547	6,490,958
Cash paid to suppliers and employees		(5,504,708)	(4,671,691)
Cash generated from operations		2,231,839	1,819,267
Interest received		417,739	320,732
Net cash from operating activities	20	2,649,578	2,139,999
Cash flows from investing activities			
Payments for investment property (including lease incentives)	12	(135,485)	(2,360,054)
Payments for leasehold improvements	13	-	(331,840)
Payments for property, plant & equipment	13	(4,982)	(5,488)
Net cash from investing activities		(140,467)	(2,697,382)
Net increase in cash and cash equivalents		2,509,111	(557,383)
Cash and cash equivalents at 1 July		7,156,329	7,713,712
Cash and cash equivalents at 30 June	9	9,665,440	7,156,329

The statement of cash flows is to be read in conjunction with the notes to the financial statements set out on pages 11 to 26.

**Shop, Distributive & Allied Employees' Association
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Notes to the financial statements

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Shop, Distributive & Allied Employees' Association

Annual Financial Report – 30 June 2008

Notes to the financial statements

1. Reporting Entity

Shop, Distributive & Allied Employees' Association (the 'Association') is an Association domiciled in Australia. The address of the Association's registered office is Level 6, 53 Queen Street, Melbourne. The financial report of the Association for the financial year ended 30 June 2008 comprise the National Account and the International Fund.

2. Basis of Preparation

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards ('AASBs') (including Australian Accounting Interpretations) adopted by the Australian Accounting Standards Board ('AASB') and the Workplace Relations Act 1996. The financial reports of the Association also comply with IFRSs and interpretations adopted by the International Accounting Standards Board.

The financial statements were approved by the National Executive on 8th September 2008.

(b) Basis of measurement

The financial report is prepared on the historical cost basis except for the following:

- Investment property is measured at fair value

The method used to measure fair value is discussed further in note 4.

(c) Functional and presentation currency

The financial report is presented in Australian dollars, which is the Association's functional currency.

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Note 12 – valuation of investment property
- Note 15 – measurement of defined benefit obligations

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Association.

(a) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. The cost of property, plant and equipment at 1 July 2005, the date of transition to AASBs, was determined by reference to its fair value at the date. Cost includes expenditures that are directly attributable to the acquisition of the asset.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Shop, Distributive & Allied Employees' Association

Annual Financial Report – 30 June 2008

Notes to the financial statements

3. Significant accounting policies (continued)

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Association and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised in profit or loss on a straight-line or diminishing basis over the estimated useful lives of each part of an item of property, plant and equipment.

The estimated useful lives in the current and comparative periods are as follows:

- leasehold improvements	20 years
- plant and equipment	4-20 years
- fixtures and fittings	4-20 years
- motor vehicles	12 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

(b) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at fair value with any change therein recognised in profit or loss.

The carrying value of investment property consists of its fair value, plus capitalised lease incentives. Amortisation of capitalised lease incentives is recognised in the profit and loss as an integral part of the total rental income over the lease term.

(c) Impairment

(i) Financial Assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. All impairment losses are recognised in profit or loss.

(ii) Non-Financial Assets

The carrying amounts of the Association's assets, other than investment property, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in the profit or loss.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Shop, Distributive & Allied Employees' Association

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Notes to the financial statements

3. Significant accounting policies (continued)

(d) Employee benefits

(i) Defined contribution superannuation funds

Obligations for contributions to defined contribution superannuation funds are recognised as an expense in the profit or loss as incurred.

(ii) Defined benefit superannuation funds

The Association's net obligation in respect of defined benefit superannuation funds is calculated separately for each fund by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any fund assets is deducted.

The discount rate is the yield at the reporting date on AA credit-rated (Commonwealth Government) bonds that have maturity dates approximating to the terms of the Association's obligations. The calculation is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Association, the recognised asset is limited to the net total of any unrecognised past service costs and the present value of any future refunds from the fund or reductions in future contributions to the fund.

When the benefits of a fund are improved, the portion of the increased benefit relating to past service by employees is recognised in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in profit or loss.

The Association recognises immediately all actuarial gains/losses arising from defined benefit plans directly in equity.

(iii) Other long-term employee benefits

The Association's net obligation in respect of long-term employee benefits other than defined benefit superannuation funds is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on costs; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on AA credit-rated [Commonwealth Government] bonds that have maturity dates approximating the terms of the Association's obligations.

(iv) Short-term benefits

Liabilities for employee benefits for wages, salaries, annual leave and sick leave represent present obligations resulting from employees' services provided to reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Association expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax. Non-accumulating non-monetary benefits, such as medical care, housing, cars and free or subsidised goods and services, are expensed based on the net marginal cost to the Association as the benefits are taken by the employees.

(e) Revenue

(i) Membership subscriptions

Membership subscriptions represent revenue earned from affiliation fees received from the various branches, recognised when invoiced.

(ii) Interest income

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

(iii) Rental income

Rental income from investment property is recognised in profit and loss on a straight line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income.

(f) Income tax

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

Shop, Distributive & Allied Employees' Association

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Notes to the financial statements

3. Significant accounting policies (continued)

(g) Goods and services tax

Revenue, 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 excluded, as the Association reports to the ATO for GST on a cash-basis. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

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.

(h) Segment reporting

A segment is a distinguishable component of the Association that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

(i) New standards and interpretations not yet adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the entity in the period of initial application. They are available for early adoption at 30 June 2008, but have not been applied in preparing this financial report:

- AASB 8 *Operating Segments* introduces the "management approach" to segment reporting. AASB 8, which becomes mandatory for the Association's 30 June 2010 financial statements, will require the disclosure of segment information based on the internal reports regularly reviewed by the Association's Officers in order to assess the segment's performance. The Association has not yet determined the potential effect of the revised standard.
- Revised AASB 101 *Presentation of Financial Statements* introduces as a financial statement (formerly "primary" statement) the "statement of comprehensive income". The revised standard does not change the recognition, measurement or disclosure of transactions and events that are required by other AASBs. The revised AASB 101 will become mandatory for the Association's 30 June 2010 financial statements. The Association has not yet determined the potential effect of the revised standard on the Association's disclosures.
- AI 14 IAS 19 – *The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction* clarifies when refunds or reductions in future contributions in relation to defined benefit assets should be regarded as available and provides guidance on the impact of minimum funding requirements (MFR) on such assets. It also addresses when a MFR might give rise to a liability. AI 14 will become mandatory for the Association's 30 June 2009 financial statements, with retrospective application required. The Association has not yet determined the potential effect of the interpretation.

Shop, Distributive & Allied Employees' Association

Annual Financial Report – 30 June 2008

Notes to the financial statements

4. Determination of fair values

A number of the Association's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Fair value of investment property

An external, independent valuation company, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, values the Association's investment property every 3 years. The fair value is based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

In the absence of current prices in an active market, the valuations are prepared by considering the aggregate of the estimated cash flows expected to be received from renting out the property. A yield that reflects the specific risks inherent in the net cash flows then is applied to the net annual cash flows to arrive at the property valuation.

Valuations reflect, where appropriate: the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting vacant accommodation, and the market's general perception of their creditworthiness; the allocation of maintenance and insurance responsibilities between the Association and the lessee; and the remaining economic life of the property. When rent reviews or lease renewals are pending with anticipated reversionary increases, it is assumed that all notices and where appropriate counter-notices have been served validly and within the appropriate time.

The most recent valuation was undertaken at 30 June 2007, and assumed a hypothetical lease to the Association over the owner occupied floors (levels 6 and 7). The valuation ascribes no value to the internal fit-out of the Association's premises (included separately as leasehold improvements under property, plant and equipment) nor lease incentives to tenants.

5. 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.

6. Financial risk management

The Association has exposure to the following risks from their use of financial instruments:

- (a) Credit risk
- (b) Liquidity risk
- (c) Market risk

This note presents information about the Association's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout this financial report.

The National Executive has overall responsibility for the establishment and oversight of the risk management framework. Risk management policies are established to identify and analyse the risks faced by the Association, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Association's activities.

Shop, Distributive & Allied Employees' Association

Annual Financial Report – 30 June 2008

Notes to the financial statements

6. Financial risk management (continued)

(a) Credit risk

Credit risk is the risk of financial loss to the Association if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Association's receivables and investments in financial assets.

(i) Receivables

The Association's exposure to credit risk is influenced mainly by the individual characteristics of each customer (tenant). Credit evaluations are performed on all tenants of the investment property prior to the signing of a lease agreement and security deposits are required by way of bank guarantees or cash, to be held for the term of all leases. None of the tenants were in arrears at the balance sheet date and there is no indication to management that any of the tenants present a significant credit risk.

(ii) Investments

The Association limits its exposure to credit risk by only investing in liquid securities and only with counterparties that have a credit rating equal to or better than the Association. Given their high credit ratings, management does not expect any counterparty to fail to meet its obligations.

(b) Liquidity risk

Liquidity risk is the risk that the Association will not be able to meet its financial obligations as they fall due. The Association's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Association's reputation.

The Association prepares budgets and cash flow forecasts, which assists it in monitoring cash flow requirements and optimising its cash return on investments. Typically the Association ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 90 days, the maximum term of its primary financial assets being bank bills. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Association's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(i) Currency risk

The Association has limited exposure to currency risks on International Fund transactions (UNI affiliation fees and international donations) that are denominated in a currency other than the functional currency, being the Australian dollar (AUD). The currencies in which these transactions primarily are denominated are Swiss Francs (CHF) and Singapore dollars (SGD).

The Association uses at its discretion forward exchange contracts (typically 1-3 months) to hedge its currency risk, with maturity dates the same as the due dates of the International Fund transactions. At reporting date there were no forward exchange contracts in place.

(ii) Interest rate risk

The Association's interest rate risk arises from its investments in bank bills, and cash and cash equivalents. Bank bills are issued at fixed rates for terms of between 30 and 90 days. The Association maintains a number of different bank bills maturing at regular intervals to smooth fluctuations in interest rates being offered. The majority of cash reserves are held in bank bills with cash management bank accounts (with variable interest rates) used to provide liquidity funds at call.

Shop, Distributive & Allied Employees' Association
Annual Financial Report – 30 June 2008

Notes to the financial statements

7. Other income

	2008	2007
53 Queen St, Melbourne – fair value increment	-	1,117,808
53 Queen St, Melbourne – rental income	1,008,629	368,659
CARE director's fees	29,640	32,650
	<u>1,038,269</u>	<u>1,519,117</u>

8. Auditors' remuneration

	2008	2007
Audit services		
Auditors of the Company		
<i>KPMG Australia:</i>		
Audit of financial reports	12,450	11,420
	<u>12,450</u>	<u>11,420</u>
Other services		
Auditors of the Company		
<i>KPMG Australia</i>		
Review of financial reports	6,550	5,090
Review of statement of outgoings – 53 Queen Street Melbourne *	2,000	-
	<u>8,550</u>	<u>5,090</u>

* This amount is disclosed under 53 Queen Street - Direct Operating Expenses in the Income Statement.

9. Cash and cash equivalents

	2008	2007
Cash at bank	5,868	18,373
Cash management accounts	747,085	1,218,898
Term deposits	67,505	-
Property agent trust account	-	10,066
	<u>820,458</u>	<u>1,247,337</u>

Cash and cash equivalents in the statement of cash flows comprise the following:

	Note	2008	2007
Cash and cash equivalents		820,458	1,247,337
Bank bills	11	8,844,982	5,908,992
		<u>9,665,440</u>	<u>7,156,329</u>

Shop, Distributive & Allied Employees' Association
Annual Financial Report – 30 June 2008

Notes to the financial statements

10. Receivables

	2008	2007
Current		
Accrued income	110,379	52,318
Prepayments	72,571	77,875
Sundry debtors	119,127	96,254
	<u>302,077</u>	<u>226,447</u>

11. Other financial assets

	2008	2007
Current		
Bank bills	8,844,982	5,908,992

12. Investment property

Non-current investment property	2008	2007
Balance at 1 July	13,600,000	10,786,561
Acquisitions	-	1,695,631
Fair value adjustments	-	1,117,808
	<u>13,600,000</u>	<u>13,600,000</u>
Capitalised Lease Incentives	799,908	664,423
Amortisation of lease incentives	(343,020)	(194,035)
	<u>456,888</u>	<u>470,388</u>
Balance at 30 June	<u>14,056,888</u>	<u>14,070,388</u>

Investment property comprises a commercial property located at 53 Queen Street, Melbourne. The Association retains possession of levels 6 and 7 as its registered head office and leases the remaining floors to third parties. Each of the leases contains an initial non-cancellable period of a minimum of five years. Lease incentives were paid and are being amortised over the period of the leases. Subsequent renewals are to be negotiated with the lessee. See note 17 for further information.

13. Property, plant and equipment

	Furniture and fittings	Motor Vehicles	Leasehold Improvements	Total
Cost				
Balance at 1 July 2006	390,453	91,966	137,114	619,533
Acquisitions	5,488	-	331,840	337,328
Disposals	-	-	(137,114)	(137,114)
Balance at 30 June 2007	<u>395,941</u>	<u>91,966</u>	<u>331,840</u>	<u>819,747</u>
Balance at 1 July 2007	395,941	91,966	331,840	819,747
Acquisitions	4,982	-	-	4,982
Balance at 30 June 2008	<u>400,923</u>	<u>91,966</u>	<u>331,840</u>	<u>824,729</u>

Shop, Distributive & Allied Employees' Association
Annual Financial Report – 30 June 2008

Notes to the financial statements

13. Property, plant and equipment (continued)

	Furniture and fittings	Motor Vehicles	Leasehold Improvements	Total
Depreciation and impairment losses				
Balance at 1 July 2006	286,178	32,404	137,114	455,696
Depreciation charge for the year	23,002	7,445	16,592	47,039
Disposals	-	-	(137,114)	(137,114)
Balance at 30 June 2007	309,180	39,849	16,592	365,621
Balance at 1 July 2007	309,180	39,849	16,592	365,621
Depreciation charge for the year	17,216	6,515	16,592	40,323
Balance at 30 June 2008	326,396	46,364	33,184	405,944
Carrying amounts				
At 1 July 2006	104,275	59,562	-	163,837
At 30 June 2007	86,761	52,117	315,248	454,126
At 1 July 2007	86,761	52,117	315,248	454,126
At 30 June 2008	74,527	45,602	298,656	418,785

14. Trade and other payables

	2008	2007
Sundry creditors	129,248	232,509
PAYG withholding tax payable	21,947	17,112
Unearned rental income	-	9,200
Tenant security deposit	67,506	67,506
Cash retention – building contractor	-	246,459
	218,701	572,786

15. Employee benefits

	2008	2007
Current liability		
Liability for long service leave	436,251	400,851
Liability for annual leave	165,659	151,995
	601,910	552,846
Non-current liability		
Liability for long-service leave	7,882	4,497

The Association makes contributions to the SDA (Victoria Branch) benefit superannuation plan, a sub-plan of the Retail Employees' Superannuation Trust, that provide defined benefit amounts for employees upon retirement.

	2008	2007
Non-current asset		
Present value of funded obligations	1,511,370	1,544,610
Fair value of plan assets – funded	(2,327,015)	(2,462,010)
Present value of net obligations	(815,645)	(917,400)
Recognised liability/(asset) for defined benefit obligations (see below)	(815,645)	(917,400)

Shop, Distributive & Allied Employees' Association
Annual Financial Report – 30 June 2008

Notes to the financial statements

15. Employee benefits (continued)

Movements in the net asset for defined benefit obligations recognised in the balance sheet:

	2008	2007
Net liability/(asset) for defined benefit obligations at 1 July	(917,400)	(643,400)
Contributions paid into the plan	(60,615)	(122,924)
Amount recognised in retained earnings (actuarial (gains)/losses)	164,505	(279,930)
Expense recognised in the income statement	(2,135)	128,854
Net liability/(asset) for defined benefit obligations at 30 June	<u>(815,645)</u>	<u>(917,400)</u>

Movement in the present value of the defined benefit obligations

	2008	2007
Defined benefit obligations at 1 July	1,544,610	1,590,471
Service cost	73,538	189,134
Interest cost	84,645	75,080
Actuarial (gains) losses recognised in equity (see below)	(102,292)	(82,610)
Benefits paid by the plan	(61,016)	(193,695)
Taxes, premiums & expenses paid	(28,115)	(33,770)
Defined benefit obligations at 30 June	<u>1,511,370</u>	<u>1,544,610</u>

Movement in the present value of plan assets

	2008	2007
Fair value of plan assets at 1 July	2,462,010	2,233,871
Expected return on plan assets	160,318	135,360
Actuarial (losses) gains recognised in equity	(266,797)	197,320
Contributions paid into the plan	60,615	122,924
Benefits paid by the plan	(61,016)	(193,695)
Taxes, premiums & expenses paid	(28,115)	(33,770)
Fair value of plan assets at 30 June	<u>2,327,015</u>	<u>2,462,010</u>

The major categories of plan assets as a percentage of total fund assets are as follows:

	2008	2007
Australian Equity	30%	30%
International Equity	24%	20%
Fixed Income	15%	18%
Property	9%	7%
Cash	8%	10%
Other	14%	15%

The Association's investment policies and strategies for the defined benefit superannuation plans and post retirement benefits plans do not use target allocations for the individual asset categories. The Association's investment goals are to maximize returns subject to specific risk management policies. Its risk management policies permit investments in mutual funds, and prohibit direct investments in debt and equity securities and derivative financial instruments. The Association addresses diversification by the use of mutual fund investments whose underlying investments are in domestic and international fixed income securities and domestic and international equity securities. These mutual funds are readily marketable and can be sold to fund benefit payment obligations as they become payable.

Shop, Distributive & Allied Employees' Association
Annual Financial Report – 30 June 2008

Notes to the financial statements

15. Employee benefits (continued)

Expense/(benefit) recognised in profit or loss

	2008	2007
Current service costs	73,538	189,134
Interest on obligation	84,645	75,080
Expected return on plan assets	(160,318)	(135,360)
	<u>(2,135)</u>	<u>128,854</u>

The expense is recognised in the following line items in the income statement:

	2008	2007
Defined benefit superannuation expense/(benefit)	<u>(2,135)</u>	<u>128,854</u>

Actual return/(loss) on plan assets

Actuarial gains/(losses)	(266,797)	197,320
Expected return on plan assets	160,318	135,360
	<u>(106,479)</u>	<u>332,680</u>

Actuarial gains and losses recognised directly in equity

	2008	2007
Cumulative amount at 1 July	619,360	339,430
Recognised during the period	(164,505)	279,930
Cumulative amount at 30 June	<u>454,855</u>	<u>619,360</u>

Actuarial assumptions

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2008	2007
Discount rate at 30 June	5.50%	5.30%
Expected return on plan assets at 30 June	6.50%	6.50%
Future salary increases	4.00%	4.00%

The overall expected long-term rate of return on assets is 6.5%. The expected long-term rate of return is based on the portfolio as a whole and not on the sum of the returns on individual asset categories. The return is based exclusively on historical returns, without adjustments.

The Association expects to contribute \$72,936 to its defined benefit superannuation funds during the year ended 30 June 2009.

Shop, Distributive & Allied Employees' Association

Annual Financial Report – 30 June 2008

Notes to the financial statements

16. Financial instruments

Credit risk

Exposure to credit risk

The carrying amount of the Association's financial assets represents the maximum credit exposure. The Association's maximum exposure to credit risk at the reporting date was:

	Note	Carrying amount	
		2008	2007
Current			
Cash and cash equivalents	9	820,458	1,247,337
Receivables	10	302,077	226,447
Other financial assets	11	8,844,982	5,908,992
		<u>9,967,517</u>	<u>7,382,776</u>

Impairment Losses

None of the Association's receivables are past due (2007: nil) and based on historic default rates and the minimal credit risk, the Association believes no impairment allowance is necessary. The other financial assets are all bank bills issued by the Commonwealth Bank of Australia and the Association believes no impairment allowance is necessary. At 30 June 2008 the Association does not have any collective impairments on its cash and cash equivalents, receivables or other financial assets (2007: nil).

Liquidity risk

The carrying amount of the Association's financial liabilities is represented by Trade and other payables (note 14). The carrying amounts approximate contractual cashflows and all are due in 3 months or less. The Association has adequate financial assets to meet these liabilities and assesses liquidity risk as minimal.

Currency risk

International Fund transactions requiring settlement in foreign currencies represent the carrying amount and maximum exposure to currency risk. The Association has no contractual obligations or forward exchange contracts in place at reporting date (2007: nil).

Interest rate risk

Profile

At the reporting date the interest rate profile of the Association's interest-bearing financial instruments was:

	Note	2008	
		Effective Interest rate	Carrying Amount
Financial assets			
Cash and cash equivalents (fixed and variable rates)	9	5.28%	820,458
Other financial assets (fixed rate)	11	7.66%	8,844,982
			<u>9,665,440</u>
			2007
Financial assets			
Cash and cash equivalents (fixed and variable rates)	9	4.99%	1,247,337
Other financial assets (fixed rate)	11	6.26%	5,908,992
			<u>7,156,329</u>

Shop, Distributive & Allied Employees' Association

Annual Financial Report – 30 June 2008

Notes to the financial statements

16. Financial instruments (continued)

Fair value sensitivity analysis for fixed rate instruments

The Association does not account for any fixed and variable rate financial assets at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Fair value sensitivity analysis for variable rate instruments

Variable rate instruments consist of cash management bank accounts, shown in Cash and cash equivalents (note 9). A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2007.

	Profit or loss	
	100bp increase	100bp Decrease
30 June 2008		
Cash management accounts	7,471	(7,471)
30 June 2007		
Cash management accounts	12,189	(12,189)

Fair values

The fair value of the Association's assets and liabilities as at 30 June 2008 approximate their carrying amounts shown in the balance sheet.

17. Operating Leases

Leases as lessor

The Association leases out its investment property under operating leases (see note 12). The future minimum lease payments under non-cancellable leases are as follows:

	2008	2007
Less than one year	1,023,215	987,468
Between one and five years	3,156,162	3,744,460
More than five years	153,836	590,259
	<u>4,333,213</u>	<u>5,322,187</u>

18. Contingencies

The Officers of the Association are of the opinion that provisions are not required in respect of these matters, as a future sacrifice of economic benefits is not required with a negotiated settlement occurring in November 2007.

Contingent liabilities considered remote

Claim by Administrators of Ansett Australia Ltd

The two outstanding demands for payment from the administrators of Ansett with respect to travel booked through WT Travel Pty Ltd between 27th August 2001 and 16th September 2001 have now been resolved. There are no further claims expected.

	2008	2007
Doncaster Travel branch	-	19,339
Traveland Eastwood branch	-	7,183
Interest	-	11,825
	<u>-</u>	<u>38,347</u>

Shop, Distributive & Allied Employees' Association

Annual Financial Report – 30 June 2008

Notes to the financial statements

19. Controlled Entities

Parent Entity

The Association comprises the Shop Distributive and Allied Employees' Association National Account and the International Fund.

Controlled Entity

Ordinary shares

WT Travel Pty Ltd

	2008	2007
	%	%
	100	100

WT Travel Pty Ltd, an Australian controlled entity, was purchased by the Shop Distributive and Allied Employees' Association National Executive on 30 September 1993. It formerly traded as a travel agency, but is currently a dormant company.

20. Reconciliation of cash flows from operating activities

Cash flows from operating activities

Profit/(loss) for the period

Adjustments for:

Amortisation of lease incentives

Depreciation

Fair value (increment)/decrement

Actuarial gains/(losses) recognised in equity

Operating profit before changes in working capital

(Increase)/decrease in accrued income

(Increase)/decrease in prepayments

(Increase)/decrease in sundry debtors

(Increase)/decrease in pension asset

Increase/(Decrease) in trade and other payables

Increase/(Decrease) in unearned rental income

Increase/(Decrease) in security deposits

Increase/(Decrease) in provisions and employee benefits

Net cash from operating activities

	2008	2007
Profit/(loss) for the period	2,900,286	3,461,049
<i>Adjustments for:</i>		
Amortisation of lease incentives	148,985	194,035
Depreciation	40,323	47,039
Fair value (increment)/decrement	-	(1,117,808)
Actuarial gains/(losses) recognised in equity	(164,505)	279,930
Operating profit before changes in working capital	2,925,089	2,864,245
(Increase)/decrease in accrued income	(58,061)	2,045
(Increase)/decrease in prepayments	5,304	(17,524)
(Increase)/decrease in sundry debtors	(22,873)	93,914
(Increase)/decrease in pension asset	101,755	(274,000)
Increase/(Decrease) in trade and other payables	(344,885)	(710,032)
Increase/(Decrease) in unearned rental income	(9,200)	3,511
Increase/(Decrease) in security deposits	-	67,506
Increase/(Decrease) in provisions and employee benefits	52,449	110,334
Net cash from operating activities	2,649,578	2,139,999

21. Related party disclosure

Branches

The Association received the following membership subscription fees from its branches:

	2008	2007
Newcastle	255,198	254,888
New South Wales	1,554,381	1,556,856
Queensland	905,992	861,598
South Australia	512,421	504,765
Tasmania	150,352	133,775
Western Australia	500,501	503,398
Victoria	1,146,986	1,179,941
	5,025,831	4,995,221

The Association also received branch contributions for the ACTU IR Campaign Levy and the Federal ALP Election Campaign, as disclosed in the Income Statement.

Shop, Distributive & Allied Employees' Association

Annual Financial Report – 30 June 2008

Notes to the financial statements

21. Related party disclosure (continued)

Affiliates

The Association made the following payments to its affiliates:

	2008	2007
ACTU (Affiliation fees)	573,654	557,355
ACTU (IR Advertising Campaign Levies)	1,650,510	1,090,773
ACTU (Worksite for Schools Donations)	1,818	2,500
ALP (Election Campaign Donations)	315,000	5,000
Union Network International (Affiliation Fees)	407,699	384,294
Union Network International (UNI APRO Activities Fund Donations)	80,694	83,766

Other related parties

Key management personnel disclosure

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

		Short-term			Post-employment	Total \$
		Salary & fees \$	Non-monetary benefits \$	Total	Super-annuation benefits \$	
Officers						
Joseph de Bruyn – National Secretary-Treasurer	2008	106,034	11,573	117,607	9,543	127,150
	2007	101,843	11,573	113,416	12,221	125,637
Ian Blandthorn – National Assistant Secretary	2008	87,278	4,101	91,379	7,855	99,234
	2007	83,828	4,101	87,929	10,059	97,988
Don Farrell – National President	2008	5,000	-	5,000	-	5,000
	2007	5,000	-	5,000	-	5,000
Joseph Bullock – National Vice-President	2008	3,500	-	3,500	-	3,500
	2007	3,500	-	3,500	-	3,500
Total compensation: key management personnel	2008	201,812	15,674	217,486	17,398	234,884
	2007	194,171	15,674	209,845	22,280	232,125

Apart from the details disclosed in this note, no officer has entered into any material transactions with the Association since the end of the previous financial year and there were no material contracts involving officers' interests existing at year-end.

Other related parties

Contributions to REST on behalf of employees are disclosed in note 15.

22. Statement of changes in equity

	Retained earnings	Total equity
Balance at 1 July 2006	17,953,582	17,953,582
Total recognised income and expense	3,740,979	3,740,979
Balance at 30 June 2007	21,694,561	21,694,561
Balance at 1 July 2007	21,694,561	21,694,561
Total recognised income and expense	2,735,781	2,735,781
Balance at 30 June 2008	24,430,342	24,430,342



Independent Audit 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 2008, consisting of the income statement, statement of recognised income and expense, balance sheet, statement of cash flows, accompanying notes [1 to 22], and the Certificate by National Council and National Secretary-Treasurer set out on pages [5] to [26]. The members of the National Council 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 1 of the Workplace Relations Act 1996) in relation to the financial report and 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 Australian Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with our understanding of the Association's financial position, and performance as represented by the results of its operations and its cash flows.

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

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 2008; and
 - (b) the income and expenditure, and any surplus or deficit, of the Association for the financial year ended 30 June 2008.

KPMG

KPMG

Graeme C Matthews
Melbourne
8th September 2008

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Workplace Relations Act 1996
Section 268 RAO Schedule

CERTIFICATE BY A PRESCRIBED DESIGNATED OFFICER

I, Joseph de Bruyn, National Secretary/Treasurer of the Shop Distributive and Allied Employees Association, being the prescribed designated officer of the Association, do certify that, a true copy of the full report of the Shop Distributive and Allied Employees' Association NSW Deductions Account Office for the twelve months to 30th June, 2008, as required by Section 265(1)(a) of the RAO Schedule and which was presented to a meeting of the Committee of Management of the Association in accordance with Section 266(3) of the RAO Schedule, is attached.

Dated: 25th November 2008

Signed: J. de Bruyn
Joseph de Bruyn
National Secretary /Treasurer
Shop Distributive and Allied Employees Association

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 2008**

**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 2008**

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**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 Executive ratifies the transfer of an amount of \$4,163,452 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 2008.

Dated at Sydney this 8th day of September 2008.

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

OPERATING REPORT

Membership

Membership as at 30 June 2008 was 60,375 (2007: 65,057).

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 2008, 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
- Unions N.S.W.
- South Coast Labor 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 Unions 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. J. Maher, Ms. S. Burnley and Mr. G. Williams. The four Alternate Employee Directors are Mr. I. Blandthorn, Mr. J. Bullock, Mr. M. Donovan and Ms. B. Nebart.

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

OPERATING REPORT (CONT.)

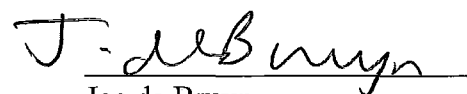
Committee of Management

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. J. Bullock National Vice President	National Executive member since 1996 Appointed National Vice President 2004
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. M. Donovan	National Executive member since 1996
Mr. G. Dwyer	National Executive member since 2005
Mr. P. Griffin	National Executive member since 1990
Mr. C. Ketter	National Executive member since 1996
Ms. B. Nebart	National Executive member since 2004

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


Gerard Dwyer
Committee of Management


Joe de Bruyn
Committee of Management

Dated at Sydney this 8th day of September 2008.

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

STATEMENT OF THE COMMITTEE OF MANAGEMENT

On September 2008 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 2008:

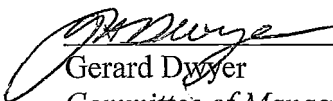
The Committee of Management declares in relation to the GPFR that in its opinion:

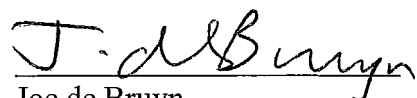
- a) The financial statements and notes comply with the Australian Accounting Standards;
- b) The financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- c) The financial statements and notes give a true and fair view of the financial performance, financial 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.

Auditor's Independence

A copy of the auditor's independence declaration is set out on page 6.

Signed in accordance with a resolution of the Committee of Management:


Gerard Dwyer
Committee of Management


Joe de Bruyn
Committee of Management

Dated at Sydney this 8th day of September 2008.


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

AUDITOR'S INDEPENDENCE DECLARATION

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

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2008 there have been:

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



Grech Smith Bridle
Chartered Accountants



Joseph Paul Grech
Partner, Registered Company Auditor

Dated at Sydney this ^{25th} day of September 2008.

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

**INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008**

	Note	2008 \$	2007 \$
Revenue	2	16,301,236	15,676,484
Employee benefits expense		(5,070,004)	(5,640,830)
Depreciation expense		(747,044)	(775,059)
Commission paid		(1,341,512)	(1,282,050)
Insurance expenses		(281,577)	(265,382)
Legal and litigation expenses		(169,674)	(157,521)
Motor vehicle expenses		(378,386)	(373,496)
Printing and stationery		(278,027)	(281,379)
Telephone expenses		(175,873)	(194,070)
Donations		(69,373)	(76,762)
NSW Branch expenses		(4,163,452)	(3,984,917)
Occupancy expenses		(705,339)	(638,931)
Accommodation and travel expenses		(198,397)	(198,069)
Loss on disposal of plant and equipment		(72,652)	(17,227)
Other expenses		<u>(763,758)</u>	<u>(596,899)</u>
Profit before income tax		1,886,168	1,193,892
Income tax expense	1(a)	-	-
Profit attributable to members of the Association		<u>1,886,168</u>	<u>1,193,892</u>

The accompanying notes form part of these financial statements.

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

**BALANCE SHEET
AS AT 30 JUNE 2008**

	Note	2008 \$	2007 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	4,873,893	6,085,292
Trade and other receivables	6	590,762	1,142,888
Other current assets	7	265,697	288,350
TOTAL CURRENT ASSETS		<u>5,730,352</u>	<u>7,516,530</u>
NON-CURRENT ASSETS			
Cash and cash equivalents	5	6,500,000	2,500,000
Property, plant and equipment	8	11,254,381	11,529,471
Investment property	9	10,000,000	8,250,000
TOTAL NON-CURRENT ASSETS		<u>27,754,381</u>	<u>22,279,471</u>
TOTAL ASSETS		<u>33,484,733</u>	<u>29,796,001</u>
CURRENT LIABILITIES			
Trade and other payables	10	773,508	837,305
Short-term provisions	11	1,368,810	1,387,762
TOTAL CURRENT LIABILITIES		<u>2,142,318</u>	<u>2,225,067</u>
NON-CURRENT LIABILITIES			
Long-term provisions	11	18,856	25,195
TOTAL NON-CURRENT LIABILITIES		<u>18,856</u>	<u>25,195</u>
TOTAL LIABILITIES		<u>2,161,174</u>	<u>2,250,262</u>
NET ASSETS		<u>31,323,559</u>	<u>27,545,739</u>
EQUITY			
Reserves	12	3,355,065	1,463,413
Retained earnings		27,968,494	26,082,326
TOTAL EQUITY		<u>31,323,559</u>	<u>27,545,739</u>

The accompanying notes form part of these financial statements.

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED
30 JUNE 2008**

	Retained Earnings	Asset Revaluation Reserve	Total
Balance at 1 July 2006	24,888,434	1,463,413	26,351,847
Profit attributable to members of the Association	1,193,892	-	1,193,892
Balance at 30 June 2007	26,082,326	1,463,413	27,545,739
Profit attributable to members of the Association	1,886,168	-	1,886,168
Fair value adjustments	-	1,891,652	1,891,652
Balance at 30 June 2008	27,968,494	3,355,065	31,323,559

The accompanying notes form part of these financial statements.

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2008**

	Note	2008 \$	2007 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		15,227,912	14,100,083
Payments to suppliers and employees		(13,684,461)	(13,582,913)
Interest received		589,830	469,891
Rent received		1,058,272	1,049,083
Net cash provided by (used in) operating activities	14(a)	<u>3,191,553</u>	<u>2,036,144</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		143,197	107,925
Purchase of property, plant and equipment		(546,149)	(316,835)
Net cash provided by (used in) investing activities		<u>(402,952)</u>	<u>(208,910)</u>
Net increase/(decrease) in cash held		2,788,601	1,827,234
Cash at beginning of financial year		<u>8,585,292</u>	<u>6,758,058</u>
Cash at end of financial year	5	<u><u>11,373,893</u></u>	<u><u>8,585,292</u></u>

The accompanying notes form part of these 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 2008**

Note 1: Statement of Significant Accounting Policies

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

The financial report covers the Association of 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 RAO Schedule of the Workplace Relations Act 1996.

The financial report of Shop, Distributive and Allied Employees' Association N.S.W. Deductions Account Office as an individual entity comply with all Australian equivalents to International Financial Reporting Standards (IFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the Association in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

The accounting policies set out below have been consistently applied to all years presented.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

(a) 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.

(b) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are measured at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2008**

Note 1: Statement of Significant Accounting Policies (cont)

(b) Property, Plant and Equipment (cont)

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the Committee of Management to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the Association includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the assets' original cost is transferred from the revaluation reserve to retained earnings.

Depreciation

The depreciable amount of all fixed assets including buildings, but excluding freehold land, is depreciated on a straight line basis over their estimated useful lives to the Association commencing from the time the asset is held ready for use. The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%
Plant and equipment	5 - 25%

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2008**

Note 1: Statement of Significant Accounting Policies (cont)

(b) Property, Plant and Equipment (cont)

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the assets carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(c) Investment Property

Investment property, comprising freehold property, is held to generate long-term rental yields. All tenant leases are on an arms length basis. Investment property is carried at fair value, determined triennially by independent valuers. Changes to fair value are charged to the income statement.

(d) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with lessor, are charged as expenses in the periods in which they are incurred.

(e) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(f) Provisions

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2008**

Note 1: Statement of Significant Accounting Policies (cont)

(g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(h) Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Members' contributions are brought to account when receivable from members of the Association.

All revenue is stated net of the amount of goods and services tax (GST).

(i) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. 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 in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(j) Comparative Figures

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

Critical Accounting Estimates and Judgments

The Committee of Management evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Association.

It has not been necessary for the Committee of Management to make any key estimates or judgements in the report.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2008**

Note 2: Revenue	2008	2007
	\$	\$
Operating activities		
- Services revenue	14,653,134	14,157,510
- Interest revenue	589,830	469,891
- Rental revenue from property	61,998	64,899
- Rental revenue from investment property	996,274	984,184
Total Revenue	<u>16,301,236</u>	<u>15,676,484</u>

(a) Interest revenue from:

- other persons	<u>589,830</u>	<u>469,891</u>
Total interest revenue	<u>589,830</u>	<u>469,891</u>

Note 3: Profit from Ordinary Activities

(a) Expenses

Commission Paid	1,341,512	1,282,050
Depreciation of non-current assets		
- Buildings	251,342	250,652
- Plant and equipment	<u>495,702</u>	<u>524,407</u>
Total depreciation	<u>747,044</u>	<u>775,059</u>
Rental expense on operating leases		
- Minimum lease payments	<u>268,299</u>	<u>253,058</u>

Note 4: Auditors' Remuneration

Remuneration of the auditor of the Association for:

- Auditing the financial report	<u>42,727</u>	<u>41,136</u>
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**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W.
DEDUCTIONS ACCOUNT OFFICE**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2008**

	2008 \$	2007 \$
Note 5: Cash and Cash Equivalents		
CURRENT		
Cash at bank and in hand	733,350	598,324
Short-term bank deposits	4,140,543	5,486,968
	<u>4,873,893</u>	<u>6,085,292</u>
The effective interest rate on short-term bank deposits was 7.19% (2007: 6.06%) these deposits have an average maturity of 9 days.		
NON-CURRENT		
Long-term bank deposits	<u>6,500,000</u>	<u>2,500,000</u>
The effective interest rate on long-term bank deposits was 8.50% (2007: 6.74%) this deposit matures in 3 years.		
Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the balance sheet as follows:		
Cash and cash equivalents – current	4,873,893	6,085,292
Cash and cash equivalents – non-current	6,500,000	2,500,000
	<u>11,373,893</u>	<u>8,585,292</u>

Note 6: Trade and Other Receivables

CURRENT		
Trade receivables	513,176	1,107,887
Other receivables	77,586	35,001
	<u>590,762</u>	<u>1,142,888</u>

Note 7: Other Assets

CURRENT		
Prepayments	<u>265,697</u>	<u>288,350</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2008**

	2008	2007
	\$	\$
Note 8: Property, Plant and Equipment		
BUILDINGS		
Buildings at:		
- Independent valuation 2006 (Level 3, Quay Street)	4,284,750	4,284,750
- Independent valuation 2006 (Level 4, Quay Street)	3,940,000	3,940,000
- Independent valuation 2006 (Car Spaces)	1,083,500	1,083,500
- Independent valuation 2008 (Canberra)	831,250	-
- At cost (Canberra)	-	745,400
Less accumulated depreciation	(464,775)	(269,236)
Total buildings	<u>9,674,725</u>	<u>9,784,414</u>
PLANT AND EQUIPMENT:		
Plant and equipment:		
At cost	2,783,617	3,075,118
Accumulated depreciation	(1,203,961)	(1,330,061)
Total plant & equipment	<u>1,579,656</u>	<u>1,745,057</u>
Total property, plant and equipment	<u><u>11,254,381</u></u>	<u><u>11,529,471</u></u>

Independent valuers revalued the Association's Quay Street buildings at 30 June 2006 and the Canberra building at 30 June 2008. Valuations are made on the basis of open market value. The revaluation surplus was credited to an asset revaluation reserve in equity.

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year

	Buildings	Plant and Equipment	Total
	\$	\$	\$
Balance of the beginning of year	9,784,414	1,745,057	11,529,471
Additions	-	546,149	546,149
Disposals	-	(215,847)	(215,847)
Revaluation increments/(decrements)	141,653	-	141,652
Depreciation expense	(251,342)	(495,702)	(747,044)
Carrying amount at the end of year	<u>9,674,725</u>	<u>1,579,656</u>	<u>11,254,381</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2008**

Note 9: Investment Property	2008	2007
	\$	\$
Balance at beginning of year	8,250,000	8,250,000
Fair value adjustments	1,750,000	-
Balance at end of year	<u>10,000,000</u>	<u>8,250,000</u>

The fair value model is applied to the investment property. The investment property is independently revalued at least every three years. Values are based on an active liquid market value and are performed by a registered independent valuer. The Committee of Management valuations are prepared at each balance date where an independent valuation has not been obtained.

Note 10: Payables

CURRENT

Unsecured liabilities		
Trade payables	513,889	611,817
Sundry payables and accrued expenses	259,619	225,488
	<u>773,508</u>	<u>837,305</u>

Note 11: Provisions

	Employee Entitlements	Total
	\$	\$
Opening balance at 1 July 2007	1,412,957	1,412,957
Additional provisions raised during year	321,224	321,224
Amounts used	(346,515)	(346,515)
Balance at 30 June 2008	<u>1,387,666</u>	<u>1,387,666</u>

Analysis of Total Provisions

	2008	2007
	\$	\$
Current	1,368,810	1,387,762
Non-Current	18,856	25,195
	<u>1,387,666</u>	<u>1,412,957</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2008**

Note 11: Provisions (cont.)

Provision for Employee Entitlements

A provision has been recognised for employee entitlements relating to annual and long service leave for employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been included in note 1.

Note 12: Reserves

(a) Asset Revaluation Reserve

The asset revaluation reserve records revaluations of non-current assets.

Note 13: Capital and Leasing Commitments

(a) Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements:

	2008	2007
	\$	\$
Payable - minimum lease payments		
- Not later than 12 months	398,178	218,391
- Between 12 months and five years	411,361	264,671
- Greater than five years	-	-
	<u>809,539</u>	<u>483,062</u>

The operating leases (property, plant, equipment and a membership hosting system) are non-cancellable with a five-year term, with rent payable quarterly or monthly in advance. The leases provide a right of renewal at which time all terms are renegotiated.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2008**

Note 14: Cash Flow Information

**(a) Reconciliation of Cash Flow from Operations with
Profit from Ordinary Activities after Income Tax**

	2008	2007
	\$	\$
Profit from ordinary activities after income tax	1,886,168	1,193,892
Non-cash flows in profit from ordinary activities		
Depreciation	747,044	775,059
Net (gain)/loss on disposal of plant and equipment	72,652	17,227
Changes in assets and liabilities		
Increase/(decrease) in provisions	(25,291)	75,176
(Increase)/decrease in trade and other receivables	552,126	(31,311)
(Increase)/decrease in other current assets	22,653	(26,117)
Increase/(decrease) in trade and other payables	(63,799)	32,218
	<u>3,191,553</u>	<u>2,036,144</u>

Note 15: Financial Instruments

(a) Financial Risk Management

The Association's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and accounts payable.

The main purpose of non-derivative financial instruments is to raise finance for Association operations.

The association does not have any derivative instruments at 30 June 2008.

(i) Treasury Risk Management

The Committee of Management meet on a regular basis to analyse interest rate exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2008**

Note 15: Financial Instruments (cont.)

(a) Financial Risk Management (cont.)

(ii) Financial Risks

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

Interest Rate Risk

Interest rate risk is managed with a mixture of fixed and floating rate cash balances. At 30 June 2008 approximately 78% of the Association's cash balance is fixed. It is the policy of the Association to keep between 50% and 90% of cash balances on fixed interest rates. For further details on interest rate risk refer to Note 15(b).

Foreign Currency Risk

The Association is not exposed to fluctuations in foreign currencies.

Liquidity Risk

The Association manages liquidity risk by monitoring forecast cash flows and ensuring that adequate cash facilities are maintained.

Credit Risk

The Association is not exposed to any material credit risk.

Price Risk

The Association is not exposed to any material commodity price risk.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

Note 15: Financial Instruments (cont)

(b) Interest Rate Risk

The Association's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates, and the effective weighted average interest rates on those financial assets and liabilities, is as follows:

	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed Interest Rate Maturing				Non-interest Bearing		Total	
					Within 1 year		Over 5 years					
	2008 %	2007 %	2008 \$	2007 \$	2008 \$	2007 \$	2008 \$	2007 \$	2008 \$	2007 \$	2008 \$	2007 \$
Financial Assets:												
Cash and cash equivalents	7.5	5.9	2,454,647	1,420,775	3,917,796	4,663,067	5,000,000	2,500,000	1,450	1,450	11,373,893	8,585,292
Trade and other receivables	-	-	-	-	-	-	-	-	590,762	1,142,888	590,762	1,142,888
Total Financial Assets			2,454,647	1,420,775	3,917,796	4,663,067	5,000,000	2,500,000	592,212	1,144,338	11,964,655	9,728,180
Financial Liabilities:												
Trade and other payables	-	-	-	-	-	-	-	-	773,508	837,305	773,508	837,305
Total Financial Liabilities			-	-	-	-	-	-	773,508	837,305	773,508	837,305

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2008**

Note 15: Financial Instruments (cont)

(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 statement of financial position and in the notes the financial statements.

Aggregate net fair values and carrying amounts of financial assets and financial liabilities at balance date.

	2008		2007	
	Carrying Amount \$	Net Fair Value \$	Carrying Amount \$	Net Fair Value \$
Financial assets:				
Cash and cash equivalents	11,373,893	11,373,893	8,585,292	8,585,292
Trade and other receivables	590,762	590,762	1,142,888	1,142,888
	<u>11,964,655</u>	<u>11,964,655</u>	<u>9,728,180</u>	<u>9,728,180</u>
Financial liabilities:				
Trade and other payables	773,508	773,508	837,305	837,305
	<u>773,508</u>	<u>773,508</u>	<u>837,305</u>	<u>837,305</u>

Fair values are materially in line with carrying values.

Note 16: 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 (National Assistant Secretary), J Bullock (National Vice-President) and D Farrell (National President).

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2008**

Note 17: Information to be provided to members or registrar

In accordance with the requirements of subsection 272(5) of the RAO Schedule 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).

Note 18: Association Details

The registered office of the Association is:

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

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

**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 report of Shop, Distributive and Allied Employees' Association N.S.W. Deductions Account Office for the financial year ended 30 June 2008 as set out on pages 5 to 24.

The financial report includes the financial statements of the individual entity at year end. The Association's Committee of Management 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.

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 in Australia and statutory requirements so as to present a view which is consistent with our understanding of the Association's financial position and performance as represented by the results of their operations and their cash flow.

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

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional and ethical pronouncements.

We declare to the best of our knowledge and belief that the auditor's independence declaration, set out on page 6 of the financial report, has not changed as at the date of providing our audit opinion.

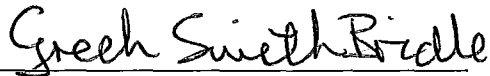
**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W.
DEDUCTIONS ACCOUNT OFFICE**

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W.
DEDUCTIONS ACCOUNT OFFICE (CONT)**

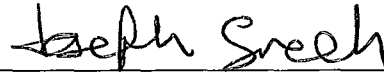
Audit Opinion

In our opinion the financial report of Shop, Distributive and Allied Employees' Association N.S.W. Deductions Account Office is in accordance with:


- (a) the Workplace Relations Act 1996, including:
 - i) 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;
 - ii) The attached accounts and statements as set out on pages 5 to 24 prepared under the historical cost convention, and in accordance with section 253 of the RAO Schedule 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 2008; and
 - b) The income and expenditure and surplus of the Association for the year ended on that date.
 - iii) All the information and explanations that, under section 257 of the RAO Schedule of the Workplace Relations Act 1996, that officers or employees of the organisation were required to provide, were provided.
- (b) other mandatory professional reporting requirements.



Grech Smith Bridle
Chartered Accountants



Joseph Paul Grech
Partner, Registered Company Auditor

Dated at Sydney this  day of September 2008.

