FAIR WORK AUSTRALIA

13 January 2010

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

email: general@sda.org.au

Dear Mr de Bruyn

Re: Financial Reports 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 2009 – FR2009/10063

I acknowledge receipt of the financial reports for the Shop, Distributive and Allied Employees Association and the Shop, Distributive and Allied Employees Association N.S.W. Deductions Account Office for the year ended 30 June 2009. The report was lodged with Fair Work Australia on 13 November 2009. I apologise for the delay in finalising this report.

The financial report has now been filed.

Timing of Financial Documents - Lodgement of Documents in Fair Work Australia

Section 268 of the *Fair Work (Registered Organisations) Act 2009* requires the reporting unit to lodge its financial documents with Fair Work Australia within 14 days of the date of the meeting of the Committee of Management at which they were presented (that is, by 19 October 2009). The documents were not lodged with Fair Work Australia, however, until 13 November 2009. You are requested to lodge documents within the 14 day period in future.

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

Yours sincerely

Kevin Donnellan

Tribunal Services and Organisations

Fair Work Australia
Email: kevin.donnellan@fwa.gov.au

Designated Officer's Certificate

s268 Fair Work (Registered Organisations) Act 2009-~~[illegible]~~ JdB.

I, **Joseph de Bruyn**, being the **National Secretary-Treasurer** of the **Shop Distributive and Allied Employees Association**, certify:

- that the documents lodged herewith are copies of the full report, referred to in s268 of the Fair Work (Registered Organisations) Act 2009; and
- that the full report was provided to members before 25 September, 2009; and
- that the full report was presented to a **meeting of the Committee of Management** of the reporting unit on **19 October 2009**; in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.

Signature: J. deBruyn

Date: 6 November, 2009

SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION

ANNUAL FINANCIAL REPORT
30 JUNE 2009

Contents

Operating report

For the year ended 30 June 2009

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 2009 and the auditor's report thereon.

1. Membership

Membership of the Association as at 30 June 2009 was 206,353.

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 and in accordance with Rule 27 of the Association, members have the right to 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:

Name	*Experience*
Mr. Gerard Dwyer National President	National Executive Member since 2005 Elected National President 2008
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. Paul Griffin	National Executive Member since 1990
Mr. Chris Ketter	National Executive Member since 1996
Ms. Barbara Nebart	National Executive Member since 2004
Mr. Peter Malinauskas	National Executive Member since 2008
Mr. Don Farrell (retired in 2008)	National Executive Member 1994 - 2008 National President 1995 – 2008

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.

Operating report (continued)

For the year ended 30 June 2009

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, Ikea 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 2009, there were 12 persons employed by the national office of the Association.

5. Superannuation Trustees

Four representatives of the Association hold positions as Directors of the Retail Employees' Superannuation Trust ("REST"). Below are the directors as at 30 June 2009, along with the nominated alternate Employee Directors. Ms S Burnley is also a Director of CARE Super Pty Ltd.

Directors:	*Alternates:*
Mr Joe de Bruyn	Ms Barbara Nebart *(replaced Mr Geoff Williams, effective 27 August 2008)*
Mr Ian Blandthorn *(replaced Mr Jim Maher, effective 25 September 2008)*	Mr Michael Donovan
Mr Geoff Williams *(replaced Mr Don Farrell, effective 24 July 2008)*	Mr Joseph Bullock
Ms Sue-Anne Burnley	Mr Chris Ketter *(replaced Ian Blandthorn, effective 27 November 2008)*

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 21st day of August, 2009

Gerard Dwyer
National President

J. de Bruyn

Joseph de Bruyn
National Secretary-Treasurer

Certificate by National Executive

We, Gerard Dwyer 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 21st August 2009 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 2009;

(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 2009 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;

(vi) no orders for inspection of financial records have been made by the Commission under section 273 of the RAO Schedule; and

(vii) in relation to the recovery of wages activity, there has been no such activity undertaken by the Association.

Dated at Melbourne this 21st day of August, 2009

Gerard Dwyer
National President

J. deBruyn

Joseph de Bruyn
National Secretary-Treasurer

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 2009 the number of members of the Association was 206,353.

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 2009;

(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 21st day of August, 2009.

J. deBruyn

Joseph de Bruyn
National Secretary-Treasurer

Income Statement

For the year ended 30 June 2009

Revenue	*Note*	**2009**	**2008**
Branch contribution to ACTU IR Campaign Levy		-	1,650,510
Branch contribution to Federal ALP Campaign		-	150,000
Interest received	*9*	500,429	476,064
Membership subscriptions		5,349,700	5,025,831
		5,850,129	7,302,405
Other income	*7*	1,040,047	1,038,269
		6,890,176	8,340,674
Expenditure			
53 Queen St, Melbourne – direct operating expenses		390,926	383,674
53 Queen St, Melbourne – fair value decrement	*12*	1,900,000	-
ACTU IR Advertising Campaign Levy		-	1,650,510
Affiliation fees		1,080,187	981,353
Auditors' remuneration	*8*	20,365	19,000
Delegates expenses		275,511	329,174
Depreciation	*13*	39,559	40,323
Donations		291,079	599,062
Employee travel expenses		162,036	130,351
Employment costs	*18*	1,108,487	907,728
Meeting expenses		188,157	196,454
Office & administration		107,299	105,040
Other expenses		127,159	97,719
		5,690,765	5,440,388
Operating surplus/(deficit) for the period		1,199,411	2,900,286

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

Statement of recognised income and expense

For the year ended 30 June 2009

	Note	**2009**	**2008**
Actuarial gains/(losses) on defined benefit superannuation funds	*15*	(583,219)	(164,505)
Net income/(loss) recognised directly in equity		(583,219)	(164,505)
Operating surplus/(deficit) for the period		1,199,411	2,900,286
Total recognised income and expense for the period	*22*	616,192	2,735,781

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.

Balance Sheet

As at 30 June 2009

	Note	2009	2008
Assets			
Cash and cash equivalents	9	1,235,546	820,458
Receivables	10	263,516	302,077
Other financial assets	11	11,808,508	8,844,982
Total current assets		13,307,570	9,967,517
Investment property	12	12,007,903	14,056,888
Property, plant and equipment	13	401,760	418,785
Defined benefit superannuation asset	15	182,148	815,645
Total non-current assets		12,591,811	15,291,318
Total assets		25,899,381	25,258,835
Liabilities			
Trade and other payables	14	156,293	218,701
Employee benefits	15	696,155	601,910
Total current liabilities		852,448	820,611
Employee benefits	15	399	7,882
Total non-current liabilities		399	7,882
Total liabilities		852,847	828,493
Net assets		25,046,534	24,430,342
Equity			
Retained earnings		25,046,534	24,430,342
Total equity	22	25,046,534	24,430,342

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

Statement of cash flows

For the year ended 30 June 2009

	Note	2009	2008
Cash flows from operating activities			
Cash receipts from operations		6,355,467	7,736,547
Cash paid to suppliers and employees		(3,499,640)	(5,504,708)
Cash generated from operations		2,855,827	2,231,839
Interest received		555,593	417,739
Net cash from operating activities	20	3,411,420	2,649,578
Cash flows from investing activities			
Acquisition of investment property (including lease incentives)		-	(135,485)
Acquisition of property, plant & equipment	13	(39,624)	(4,982)
Proceeds from sale of property, plant & equipment		6,818	-
Net cash used in investing activities		(32,806)	(140,467)
Net increase in cash and cash equivalents		3,378,614	2,509,111
Cash and cash equivalents at 1 July		9,665,440	7,156,329
Cash and cash equivalents at 30 June	9	13,044,054	9,665,440

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.

Notes to the financial statements

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 2009 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 21st August 2009.

(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 accumulated impairment losses. The cost of property, plant and equipment at 1 July 2004, 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.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other expenses" in profit and loss.

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
- fixtures and fittings	4-20 years
- motor vehicles	8 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.

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. An economic benefit is available to the Association if it is realisable during the life of the plan, or on settlement of the plan liabilities.

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 state branches, recognised when the right to receive the revenue has been established and can be reliably measured.

(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.

Notes to the financial statements

3. Significant accounting policies (continued)

(f) Income tax

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

(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 2009, but have not been applied in preparing this financial report:

- AASB 8 *Operating Segments* introduces the "management approach" to segment reporting. ASSB 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.

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 at least 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 2009, 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.

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 reasonable 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.

Notes to the financial statements

6. Financial risk management (continued)

Capital Management

The Association's policy is to maintain a strong capital base so as to maintain member, creditor and market confidence and to sustain future development of the union's activities. The National Executive monitors the return on capital and seeks to maintain a conservative position between higher returns and the advantages and security afforded by a sound capital position.

7. Other income

	2009	2008
53 Queen St, Melbourne – rental income	1,010,858	1,008,629
CARE director's fees	29,189	29,640
	1,040,047	1,038,269

8. Auditors' remuneration

	2009	2008
Audit services		
Auditors of the Company		
KPMG Australia:		
Audit and review of financial reports	20,365	19,000
	20,365	19,000
Other services		
Auditors of the Company		
KPMG Australia		
Review of statement of outgoings – 53 Queen Street Melbourne *	2,070	2,000
	2,070	2,000

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

9. Cash and cash equivalents

	2009	2008
Cash at bank	9,581	5,868
Cash management accounts	1,158,460	747,085
Term deposits	67,505	67,505
	1,235,546	820,458

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

	Note	2009	2008
Cash and cash equivalents		1,235,546	820,458
Bank bills	*11*	11,808,508	8,844,982
		13,044,054	9,665,440

During the year ended 30 June 2009, interest income of $500,429 (2008:$476,064) was received on financial assets not at fair value through profit and loss.

Notes to the financial statements

10. Receivables

	2009	2008
Current		
Accrued income	55,215	110,379
Prepayments	54,894	72,571
Sundry debtors	153,407	119,127
	263,516	302,077

11. Other financial assets

	2009	2008
Current		
Bank bills	11,808,508	8,844,982

12. Investment property

Non-current investment property	2009	2008
Balance at 1 July	13,600,000	13,600,000
Fair value adjustments	(1,900,000)	-
	11,700,000	13,600,000
Capitalised Lease Incentives	799,908	799,908
Amortisation of lease incentives	(492,005)	(343,020)
	307,903	456,888
Balance at 30 June	12,007,903	14,056,888

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 2007	395,941	91,966	331,840	819,747
Acquisitions	4,982	-	-	4,982
Balance at 30 June 2008	400,923	91,966	331,840	824,729
Balance at 1 July 2008	400,923	91,966	331,840	824,729
Acquisitions	3,488	36,136	-	39,624
Write-downs	(215,595)	-	-	(215,595)
Disposals	-	(35,913)	-	(35,913)
Balance at 30 June 2009	188,816	92,189	331,840	612,845

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 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
Balance at 1 July 2008	326,396	46,364	33,184	405,944
Depreciation charge for the year	15,301	7,666	16,592	39,559
Write-downs	(215,595)	-	-	(215,595)
Disposals	-	(18,823)	-	(18,823)
Balance at 30 June 2009	126,102	35,207	49,776	211,085
Carrying amounts				
At 1 July 2007	86,761	52,117	315,248	454,126
At 30 June 2008	74,527	45,602	298,656	418,785
At 1 July 2008	74,527	45,602	298,656	418,785
At 30 June 2009	62,714	56,982	282,064	401,760

14. Trade and other payables

	2009	2008
Sundry creditors	68,870	129,248
PAYG withholding tax payable	19,917	21,947
Tenant security deposit	67,506	67,506
	156,293	218,701

15. Employee benefits

	2009	2008
Current liability		
Liability for long service leave	505,196	436,251
Liability for annual leave	190,959	165,659
	696,155	601,910
Non-current liability		
Liability for long-service leave	399	7,882

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.

	2009	2008
Non-current asset		
Present value of funded obligations	1,954,063	1,511,370
Fair value of plan assets – funded	(2,136,211)	(2,327,015)
Present value of net obligations	(182,148)	(815,645)
Recognised liability/(asset) for defined benefit obligations (see below)	(182,148)	(815,645)

Notes to the financial statements

15. Employee benefits (continued)

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

	2009	2008
Net liability/(asset) for defined benefit obligations at 1 July	(815,645)	(917,400)
Contributions paid into the plan	(72,936)	(60,615)
Amount recognised in retained earnings (actuarial (gains)/losses)	583,219	164,505
Expense recognised in the income statement	123,214	(2,135)
Net liability/(asset) for defined benefit obligations at 30 June	(182,148)	(815,645)

Movement in the present value of the defined benefit obligations

	2009	2008
Defined benefit obligations at 1 July	1,511,370	1,544,610
Service cost	184,984	73,538
Interest cost	86,190	84,645
Actuarial (gains) losses recognised in equity (see below)	223,807	(102,292)
Benefits paid by the plan	(21,260)	(61,016)
Taxes, premiums & expenses paid	(31,028)	(28,115)
Defined benefit obligations at 30 June	1,954,063	1,511,370

Movement in the present value of plan assets

	2009	2008
Fair value of plan assets at 1 July	2,327,015	2,462,010
Expected return on plan assets	147,960	160,318
Actuarial (losses) gains recognised in equity	(359,412)	(266,797)
Contributions paid into the plan	72,936	60,615
Benefits paid by the plan	(21,260)	(61,016)
Taxes, premiums & expenses paid	(31,028)	(28,115)
Fair value of plan assets at 30 June	2,136,211	2,327,015

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

	2009	2008
Australian Equity	30%	30%
International Equity	23%	24%
Fixed Income	12%	15%
Property	10%	9%
Cash	6%	8%
Other	19%	14%

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.

Notes to the financial statements

15. Employee benefits (continued)

Expense/(benefit) recognised in profit or loss

	2009	2008
Current service costs	184,984	73,538
Interest on obligation	86,190	84,645
Expected return on plan assets	(147,960)	(160,318)
	123,214	(2,135)

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

	Note	2009	2008
Defined benefit superannuation expense/(benefit)	*18*	123,214	(2,135)

Actual return/(loss) on plan assets

Actuarial gains/(losses)	(359,412)	(266,797)
Expected return on plan assets	147,960	160,318
	(211,452)	(106,479)

Actuarial gains and losses recognised directly in equity

	2009	2008
Cumulative amount at 1 July	454,855	619,360
Recognised during the period	(583,219)	(164,505)
Cumulative amount at 30 June	(128,364)	454,855

Actuarial assumptions

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

	2009	2008
Discount rate at 30 June	4.70%	5.50%
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 $81,028 to its defined benefit superannuation funds during the year ended 30 June 2010.

Historical information

	2009	2008	2007	2006	2005
Present value of the defined benefit obligation	1,954,063	1,511,370	1,544,610	1,590,470	1,497,038
Fair value of plan assets - funded	(2,136,211)	(2,327,015)	(2,462,010)	(2,233,870)	(1,957,548)
Recognised liability/(asset) for defined benefit obligations	(182,148)	(815,645)	(917,400)	(643,400)	(460,510)

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 2009	2008
Current			
Cash and cash equivalents	*9*	1,235,546	820,458
Receivables	*10*	263,516	302,077
Other financial assets	*11*	11,808,508	8,844,982
		13,307,570	9,967,517

Impairment Losses

None of the Association's receivables are past due (2008: 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 2009 the Association does not have any collective impairments on its cash and cash equivalents, receivables or other financial assets (2008: 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 (2008: nil).

Interest rate risk

Profile

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

	Note	Effective interest rate	Carrying Amount
		2009	
Financial assets			
Cash and cash equivalents (fixed and variable rates)	*9*	2.28%	1,235,546
Other financial assets (fixed rate)	*11*	3.16%	11,808,508
			13,044,054
		2008	
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
			9,665,440

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 2008.

	Profit or loss	
	100bp increase	100bp Decrease
30 June 2009		
Cash management accounts	11,585	(11,585)
30 June 2008		
Cash management accounts	7,471	(7,471)

Fair values

The fair value of the Association's assets and liabilities as at 30 June 2009 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:

	2009	2008
Less than one year	1,039,643	1,023,215
Between one and five years	2,270,355	3,156,162
More than five years	-	153,836
	3,309,998	4,333,213

18. Personnel expenses

	2009	2008
Wages and salaries	797,596	743,702
Holiday leave	60,316	56,430
Long service leave	61,462	38,784
Payroll tax	42,841	41,584
Defined benefit superannuation expense/(benefit)	123,214	(2,135)
Superannuation - SGC	-	3,367
Workcover	13,532	14,270
Fringe benefits tax	9,526	11,726
	1,108,487	907,728

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.

	2009	2008
Controlled Entity		
Ordinary shares	%	%
WT Travel Pty Ltd	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. Given WT Travel is a dormant company and it's results and financial position at 30 June 2009 are not material, consolidated accounts are not prepared.

20. Reconciliation of cash flows from operating activities

Cash flows from operating activities	**2009**	**2008**
Profit/(loss) for the period	1,199,411	2,900,286
Adjustments for:		
Amortisation of lease incentives	148,985	148,985
Depreciation	39,559	40,323
Fair value (increment)/decrement	1,900,000	-
Loss on disposal of property, plant & equipment	10,272	-
Actuarial gains/(losses) recognised in equity	(583,219)	(164,505)
Operating profit before changes in working capital & provisions	2,715,008	2,925,089
(Increase)/decrease in accrued income	55,164	(58,061)
(Increase)/decrease in prepayments	17,677	5,304
(Increase)/decrease in sundry debtors	(34,280)	(22,873)
(Increase)/decrease in pension asset	633,497	101,755
Increase/(Decrease) in trade and other payables	(62,408)	(344,885)
Increase/(Decrease) in unearned rental income	-	(9,200)
Increase/(Decrease) in provisions and employee benefits	86,762	52,449
Net cash from operating activities	3,411,420	2,649,578

21. Related party disclosure

Branches

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

	2009	2008
Newcastle	286,939	255,198
New South Wales	1,607,343	1,554,381
Queensland	1,006,788	905,992
South Australia	583,980	512,421
Tasmania	149,913	150,352
Western Australia	495,882	500,501
Victoria	1,218,855	1,146,986
	5,349,700	5,025,831

Notes to the financial statements

21. Related party disclosure (continued)

Affiliates

The Association made the following payments to its affiliates:

	2009	2008
ACTU (Affiliation fees)	578,965	573,654
ACTU (IR Advertising Campaign Levies)	-	1,650,510
ACTU (Worksite for Schools Donations)	3,000	-
ACTU (2008 OHS Campaign)	-	1,818
ALP (Election Campaign Donations)	-	315,000
Union Network International (Affiliation Fees)	501,222	407,699
Union Network International (UNI APRO Activities Fund Donations)	113,111	80,694

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*	
		Salary & fees $	*Non-monetary benefits* $	*Total*	*Super-annuation benefits* $	*Total* $
Officers						
Joseph de Bruyn – National Secretary-Treasurer	*2009*	*111,885*	*7,715*	*119,600*	*16,783*	*136,383*
	2008	*106,034*	*11,573*	*117,607*	*9,543*	*127,150*
Ian Blandthorn – National Assistant Secretary	*2009*	*93,388*	*5,357*	*98,475*	*14,008*	*112,753*
	2008	*87,278*	*4,101*	*91,379*	*7,855*	*99,234*
Don Farrell – National President	*2009*	*5,000*	-	*5,000*	-	*5,000*
	2008	*5,000*	-	*5,000*	-	*5,000*
Joseph Bullock – National Vice-President	*2009*	*3,500*	-	*3,500*	-	*3,500*
	2008	*3,500*	-	*3,500*	-	*3,500*
Total compensation: key management personnel	*2009*	*213,773*	*13,072*	*226,845*	*30,791*	*257,636*
	2008	*201,812*	*15,674*	*217,486*	*17,398*	*234,884*

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 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
Balance at 1 July 2008	24,430,342	24,430,342
Total recognised income and expense	616,192	616,192
Balance at 30 June 2009	25,046,534	25,046,534

KPMG

Independent audit report to the members of the Shop Distributive and Allied Employees' Association National Council

Report on the financial report

We have audited the accompanying financial report of Shop Distributive and Allied Employees' Association National Council ('the Association') for the year ended 30 June 2009, which comprises the balance sheet as at 30 June 2009, income statement, statement of recognised income and expense and cash flow statement for the year ended on that date, a summary of significant accounting policies, accompanying notes 1 to 22, Operating report and the Certificate by National Council and National Secretary-Treasurer set out on pages 3 to 26.

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 auditor's report.

National Council responsibility for the financial report

The National Council is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with Australian Accounting Standards, a view which is consistent with our understanding of the entity's financial position, and of its performance and cash flows. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's opinion

In our opinion the financial report presents fairly, in accordance with Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the RAO Schedule of the Workplace Relations Act 1996, the financial position of Shop Distributive and Allied Employees' Association as of 30 June 2009 and of its financial performance and its cash flows for the year then ended.

KPMG

KPMG

Graeme C Matthews
Partner

Melbourne
21st August, 2009

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 2009

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 2009

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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 $3,527,840 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 2009.

Dated at Sydney this 21st day of August 2009

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

OPERATING REPORT

Membership

Membership as at 30 June 2009 was 60,543 (2008: 60,375).

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 2009, there were 79 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 hold positions as Directors of the Retail Employees' Superannuation Trust ("REST"). Below are the directors as at 30 June 2009, along with the nominated alternate Employee Directors. Ms S Burnley is also a Director of CARE Super Pty Ltd.

Directors:	**Alternates:**
Mr Joe de Bruyn	Ms Barbara Nebart *(replaced Mr Geoff Williams, effective 27 August 2008)*
Mr Ian Blandthorn *(replaced Mr Jim Maher, effective 25 September 2008)*	Mr Michael Donovan
Mr Geoff Williams *(replaced Mr Don Farrell, effective 24 July 2008*	Mr Joseph Bullock
Ms Sue-Anne Burnley	Mr Chris Ketter *(replaced Ian Blandthorn, effective 27 November 2008)*

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:

Name	*Experience*
Mr D Farrell	National Executive member since 1994 National President 1995 to 20 November 2008
Mr. G. Dwyer National President	National Executive member since 2005 Elected National President 20 November 2008
Mr. J. Bullock National Vice President	National Executive member since 1996 Elected National Vice President 2004
Mr. J. de Bruyn National Secretary- Treasurer	National Executive member since 1978 Elected National Secretary - Treasurer 1978
Mr. I. Blandthorn National Assistant Secretary	National Executive member since 1986 Elected National Assistant Secretary 1986
Mr. M. Donovan	National Executive member since 1996
Mr. P. Griffin	National Executive member since 1990
Mr. C. Ketter	National Executive member since 1996
Mr. P Malinauskas	National Executive member since 2008
Ms. B. Nebart	National Executive member since 2004

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

G A Dwyer
Gerard Dwyer
Committee of Management

J. de Bruyn
Joe de Bruyn
Committee of Management

Dated at Sydney this 21st day of August 2009

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

STATEMENT OF THE COMMITTEE OF MANAGEMENT

On 21 August 2009 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 2009:

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:

G. Dwyer

Gerard Dwyer
Committee of Management

J. de Bruyn

Joe de Bruyn
Committee of Management

Dated at Sydney this 21st day of August 2009

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 2009 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

Grech Smith Bridle
Chartered Accountants

Joseph Grech

Joseph Paul Grech
Partner, Registered Company Auditor

Dated at Sydney this 24th day of August 2009

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

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 $	2008 $
Revenue	2	16,253,678	16,301,236
Employee benefits expense		(5,453,057)	(5,070,004)
Depreciation expense		(721,480)	(747,044)
Commission paid		(1,328,046)	(1,341,512)
Contracting and consulting expenses		(605,486)	(359,008)
Insurance expenses		(303,994)	(281,577)
Legal and litigation expenses		(353,856)	(169,674)
Motor vehicle expenses		(384,138)	(378,386)
Printing, postage and stationery		(377,988)	(403,585)
Telephone expenses		(175,893)	(175,873)
Donations		(17,230)	(69,373)
NSW Branch expenses		(3,527,840)	(4,163,452)
Occupancy expenses		(711,279)	(705,339)
Accommodation and travel expenses		(246,020)	(198,397)
Loss on disposal of plant and equipment		(5,083)	(72,652)
Other expenses		(341,826)	(279,192)
Profit before income tax		1,700,462	1,886,168
Income tax expense	1(a)	-	-
Profit attributable to members of the Association		1,700,462	1,886,168

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 2009

	Note	2009 $	2008 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	8,437,581	4,873,893
Trade and other receivables	6	557,165	590,762
Other current assets	7	253,862	265,697
TOTAL CURRENT ASSETS		9,248,608	5,730,352
NON-CURRENT ASSETS			
Cash and cash equivalents	5	5,000,000	6,500,000
Property, plant and equipment	8	10,098,703	11,254,381
Investment property	9	10,000,000	10,000,000
TOTAL NON-CURRENT ASSETS		25,098,703	27,754,381
TOTAL ASSETS		34,347,311	33,484,733
CURRENT LIABILITIES			
Trade and other payables	10	813,330	773,508
Short-term provisions	11	1,492,154	1,368,810
TOTAL CURRENT LIABILITIES		2,305,484	2,142,318
NON-CURRENT LIABILITIES			
Long-term provisions	11	16,412	18,856
TOTAL NON-CURRENT LIABILITIES		16,412	18,856
TOTAL LIABILITIES		2,321,896	2,161,174
NET ASSETS		32,025,415	31,323,559
EQUITY			
Reserves	12	2,356,459	3,355,065
Retained earnings		29,668,956	27,968,494
TOTAL EQUITY		32,025,415	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 CHANGES IN EQUITY
FOR THE YEAR ENDED
30 JUNE 2009

	Retained Earnings	Asset Revaluation Reserve	Total
Balance at 1 July 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
Profit attributable to members of the Association	1,700,462	-	1,700,462
Fair value adjustments	-	(998,606)	(998,606)
Balance at 30 June 2009	29,668,956	2,356,459	32,025,415

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 2009

	Note	2009 $	2008 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		14,515,610	15,227,912
Payments to suppliers and employees		(13,665,932)	(13,684,461)
Interest received		638,757	589,830
Rent received		1,099,744	1,058,272
Net cash provided by (used in) operating activities	14(a)	2,633,179	3,191,553
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		146,946	143,197
Purchase of property, plant and equipment		(716,437)	(546,149)
Net cash provided by (used in) investing activities		(569,491)	(402,952)
Net increase/(decrease) in cash held		2,063,688	2,788,601
Cash at beginning of financial year		11,373,893	8,585,292
Cash at end of financial year	5	13,437,581	11,373,893

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 2009

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.

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%

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 2009

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2009

Note 2: Revenue	2009 $	2008 $
Operating activities		
- Services revenue	14,470,177	14,653,134
- Interest revenue	683,757	589,830
- Rental revenue from property	74,798	61,998
- Rental revenue from investment property	1,024,946	996,274
Total Revenue	16,253,678	16,301,236

(a) Interest revenue from:		
- other persons	683,757	589,830
Total interest revenue	683,757	589,830

Note 3: Profit from Ordinary Activities

(a) Expenses

Commission Paid	1,328,046	1,341,512
Depreciation of non-current assets		
- Buildings	252,792	251,342
- Plant and equipment	468,688	495,702
Total depreciation	721,480	747,044
Rental expense on operating leases		
- Minimum lease payments	361,980	268,299

Note 4: Auditors' Remuneration

Remuneration of the auditor of the Association for:		
- Auditing the financial report	44,972	42,727

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2009**

	2009 $	2008 $
Note 5: Cash and Cash Equivalents		
CURRENT		
Cash at bank and in hand	752,563	733,350
Short-term bank deposits	7,685,018	4,140,543
	8,437,581	4,873,893

The effective interest rate on short-term bank deposits was 2.76% (2008: 7.19%). These deposits have any average maturity of 20 days.

	2009 $	2008 $
NON-CURRENT		
Long-term bank deposits	5,000,000	6,500,000

The effective interest rate on long-term bank deposits was 7.00% (2008: 8.50%) this deposit matures in 2 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:

	2009 $	2008 $
Cash and cash equivalents – current	8,437,581	4,873,893
Cash and cash equivalents – non-current	5,000,000	6,500,000
	13,437,581	11,373,893

Note 6: Trade and Other Receivables

	2009 $	2008 $
CURRENT		
Trade receivables	490,719	513,176
Other receivables	66,446	77,586
	557,165	590,762

Note 7: Other Assets

	2009 $	2008 $
CURRENT		
Prepayments	253,862	265,697

	2009	2008
	$	$
Note 8: Property, Plant and Equipment		
BUILDINGS		
Buildings at:		
- Independent valuation 2006 (Level 3, Quay Street)	-	4,284,750
- Independent valuation 2006 (Level 4, Quay Street)	-	3,940,000
- Independent valuation 2006 (Car Spaces)	-	1,083,500
- Independent valuation 2008 (Canberra)	831,250	831,250
- Independent valuation 2009 (Level 3, Quay Street)	3,504,000	-
- Independent valuation 2009 (Level 4, Quay Street)	3,120,000	-
- Independent valuation 2009 (Car Spaces)	988,800	-
Less accumulated depreciation	(20,723)	(464,775)
Total buildings	8,423,327	9,674,725
PLANT AND EQUIPMENT:		
Plant and equipment:		
At cost	3,095,420	2,783,617
Accumulated depreciation	(1,420,044)	(1,203,961)
Total plant & equipment	1,675,376	1,579,656
Total property, plant and equipment	10,098,703	11,254,381

Independent valuers revalued the Association's Quay Street buildings at 30 June 2009 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	9,674,725	1,579,656	11,254,381
Additions	-	716,437	716,437
Disposals	-	(152,029)	(152,029)
Revaluation increments/(decrements)	(998,606)	-	(998,606)
Depreciation expense	(252,792)	(468,688)	(721,480)
Carrying amount at the end of year	8,423,327	1,675,376	10,098,703

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2009

Note 9: Investment Property

	2009 $	2008 $
Balance at beginning of year	10,000,000	8,250,000
Fair value adjustments	-	1,750,000
Balance at end of year	10,000,000	10,000,000

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

	2009	2008
CURRENT		
Unsecured liabilities		
Trade payables	538,397	513,889
Sundry payables and accrued expenses	274,933	259,619
	813,330	773,508

Note 11: Provisions

	Employee Entitlements $	Total $
Opening balance at 1 July 2008	1,387,666	1,387,666
Additional provisions raised during year	322,906	322,906
Amounts used	(202,006)	(202,006)
Balance at 30 June 2009	1,508,566	1,508,566

Analysis of Total Provisions

	2009 $	2008 $
Current	1,492,154	1,368,810
Non-Current	16,412	18,856
	1,508,566	1,387,666

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2009**

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:

	2009 $	2008 $
Payable - minimum lease payments		
- Not later than 12 months	432,026	398,178
- Between 12 months and five years	470,914	411,361
- Greater than five years	-	-
	902,940	809,539

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.

Note 14: Cash Flow Information

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

	2009 $	2008 $
Profit from ordinary activities after income tax	1,700,462	1,886,168
Non-cash flows in profit from ordinary activities		
Depreciation	721,480	747,044
Net (gain)/loss on disposal of plant and equipment	5,083	72,652
Changes in assets and liabilities		
Increase/(decrease) in provisions	120,900	(25,291)
(Increase)/decrease in trade and other receivables	33,597	552,126
(Increase)/decrease in other current assets	11,835	22,653
Increase/(decrease) in trade and other payables	39,822	(63,799)
	2,633,179	3,191,553

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 2009.

(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 2009

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 2009 approximately 56% 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 2009

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 1 year					
	2009 %	2008 %	2009 $	2008 $	2009 $	2008 $	2009 $	2008 $	2009 $	2008 $	2009 $	2008 $
Financial Assets:												
Cash and cash equivalents	4.3	7.5	5,891,354	2,454,647	2,544,777	3,917,796	5,000,000	5,000,000	1,450	1,450	13,437,581	11,373,893
Trade and other receivables	-	-	-	-	-	-	-	-	557,165	590,762	557,165	590,762
Total Financial Assets			5,891,354	2,454,647	2,544,777	3,917,796	5,000,000	5,000,000	558,615	592,212	13,994,746	11,964,655
Financial Liabilities:												
Trade and other payables	-	-	-	-	-	-	-	-	813,330	773,508	813,330	773,508
Total Financial Liabilities			-	-	-	-	-	-	813,330	773,508	813,330	773,508

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.

	2009		2008	
	Carrying Amount $	Net Fair Value $	Carrying Amount $	Net Fair Value $
Financial assets:				
Cash and cash equivalents	13,437,581	13,437,581	11,373,893	11,373,893
Trade and other receivables	557,165	557,165	590,762	590,762
	13,994,746	13,994,746	11,964,655	11,964,655
Financial liabilities:				
Trade and other payables	813,330	813,330	773,508	773,508
	813,330	813,330	773,508	773,508

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 G Dwyer (National President).

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION N.S.W.
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2009**

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 2009 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 ethical pronouncements and the Workplace Relations Act 1996.

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

Grech Smith Bridle
Chartered Accountants

Joseph Grech

Joseph Paul Grech
Partner, Registered Company Auditor

Dated at Sydney this 24th day of August 2009