



FAIR WORK
AUSTRALIA

20 October 2011

Ms Barbara Nebart
Secretary
Shop, Distributive and Allied Employees Association, Newcastle and Northern Branch

email: secretary@sdan.org.au

Dear Ms Nebart

Re: Financial Report for the Shop, Distributive and Allied Employees Association, Newcastle and Northern Branch for year ended 30 June 2011 – FR2011/2705

I acknowledge the revised Audit Report in response to correspondence of Fair Work Australia (FWA) dated 7 October 2011. The report was lodged with FWA on 11 October 2011.

The financial report has now been filed.

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

Fair Work (Registered Organisations) Act 2009

Reference to the 'Registration and Accountability of Organisations Schedule, Schedule 1 of the *Fair Work (Registered Organisations) Act 2009*', appearing in the Committee of Management statement and note 1 of the notes to the financial statements should properly refer to *Fair Work (Registered Organisations) Act 2009*. Also, the 'RAO Schedule' and 'RAO Regulations' appearing in the Committee of Management statement should properly refer to *Fair Work (Registered Organisations) Act 2009* (the Act) and the *Fair Work (Registered Organisations) Regulations 2009* (the Regulations) respectively.

Notes to the financial statements

Notice under section 272(5) of the Act

As you are aware the notes to the General Purpose Financial Report are required to include a notice drawing attention to the fact that information prescribed by the *Fair Work (Registered Organisations) Regulations 2009* is available to members on request. Note 11 to the financial statements reproduces the wording from outdated legislation. Instead the wording should read as follows:

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

Please ensure that future notes contain this extract of the Act word for word.

Notes to the Cash Flow Statement

Item 15 of the General Manager's Reporting Guidelines (the guidelines) states that 'where another reporting unit of the organisation is the source of cash inflow or the application of a cash outflow, such cash flow should be separately disclosed in the notes to the financial statements and show the name of the other reporting unit concerned'. This is in addition to the requirement to disclose capitation fees to the national office (guideline 11(b)). In future years please ensure that cash flows to and from the national office, and if relevant any branches, are disclosed in the notes to the cash flow statement.

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

Yours sincerely

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

Kevin Donnellan

Tribunal Services and Organisations

Fair Work Australia

Email: kevin.donnellan@fwa.gov.au

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION, NEWCASTLE
AND NORTHERN BRANCH
ABN 36 153 379 383**

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBER OF
SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION, NEWCASTLE
AND NORTHERN BRANCH**

We have audited the accompanying financial report of Shop Distributive And Allied Employees Association, Newcastle And Northern Branch (the branch) which comprises the statement of financial position as at 30 June 2011 and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the statement by members of the committee.

Committee's Responsibility for the Financial Report

The committee of management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, Australian Accounting Interpretations and the Registration and Accountability of Organisations Schedule, Schedule 1 of the Fair Work (Registered Organisations) Act 2009 (as amended) ('RAO Schedule'). The committee's responsibility also includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free of 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 of 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 judgment, 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 committee, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we complied with the independence requirements of Australian professional ethical pronouncements.

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION, NEWCASTLE
AND NORTHERN BRANCH
ABN 36 153 379 383**

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBER OF
SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION, NEWCASTLE
AND NORTHERN BRANCH**

Auditor's Opinion

In our opinion the general purpose financial report of the Shop Distributive and Allied Employees Association, Newcastle and Northern Branch is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

**McGregor & McGregor
Chartered Accountants
Fourth Floor
21 Bolton Street
NEWCASTLE, NSW, 2300**



AUDITOR: W.I. RINKIN
NEWCASTLE

22 August 2011



FAIR WORK
AUSTRALIA

7 October 2011

Ms Barbara Nebart
Secretary
Shop, Distributive and Allied Employees Association, Newcastle and Northern Branch

email: secretary@sdan.org.au

Dear Ms Nebart

Re: Financial Report for the Shop, Distributive and Allied Employees Association, Newcastle and Northern Branch for year ended 30 June 2011 – FR2011/2705

I acknowledge receipt of the financial report for the Shop, Distributive and Allied Employees Association, Newcastle and Northern Branch for the year ended 30 June 2011. The report was lodged with Fair Work Australia on 28 September 2011.

The financial report has not been filed.

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

Audit Report

Auditor's Opinion

The Audit Report contained the following opinion:

'In our opinion the financial report of the Shop Distributive and Allied Employees Association, Newcastle and Northern Branch:

- (i) gives a true and fair view of the branch's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
- (ii) complies with the requirements of the Australian Accounting Standards, Australian Accounting Interpretations and the Registration and Accountability of Organisations Schedule, Schedule 1 of the Fair Work (Registered Organisations) Act 2009 (as amended) ('RAO Schedule').'

The term 'true and fair view' was used in the superseded legislation. Subsection 257(5) of the Fair Work (Registered Organisations) Act 2009 (the Act) sets out the matters upon which an auditor is required to make an opinion. In particular an opinion is required on whether the general purpose financial report is presented fairly in accordance with applicable Australian Accounting Standards and other requirements of the Act. The following wording in the auditor's opinion would satisfy the requirements:

'In our opinion the general purpose financial report is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.'

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

Yours sincerely

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

Kevin Donnellan

Tribunal Services and Organisations

Fair Work Australia

Email: kevin.donnellan@fwa.gov.au

Sample Designated Officer's Certificate or other Authorised Officer¹

s268 Fair Work (Registered Organisations) Act 2009

I **Barbara Nebart** being the **Branch Secretary of the Shop Distributive and Allied Employees' Association, Newcastle and Northern Branch** 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 on **18 September 2011** and
- that the full report was presented to a meeting of the Committee of Management of the reporting unit on **26 September 2011**; in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature:



Date: 28 September 2011

¹The relevant regulations prescribe the designated officer for the purpose of s268 of the *Fair Work (Registered Organisations) Act 2009* as:

(a) the secretary; or

(b) an officer of the organisation other than the secretary who is authorised by the organisation or by the rules of the organisation to sign the certificate mentioned in that paragraph.

²Only applicable where a concise report is provided to members

³Insert whichever is applicable

**SHOP DISTRIBUTIVE AND ALLIED
EMPLOYEES ASSOCIATION, NEWCASTLE
AND NORTHERN BRANCH**

ABN 36 153 379 383

FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2011

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION, NEWCASTLE
AND NORTHERN BRANCH
ABN 36 153 379 383**

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**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
NEWCASTLE AND NORTHERN BRANCH
ABN 36 153 379 383**

2011 OPERATING REPORT

Membership of the Newcastle and Northern Branch of the Association as at 30 June 2011 was 12,214.

There were no persons who were, at the end of the financial year to which the report relates employees of the Branch.

The finances of the Branch are stable and there were no significant changes in the Branch's financial affairs during the year.

Persons eligible to do so under the rules of the Association were actively encouraged to join the Association. Persons join or resign through the Newcastle and Northern Branch of the Association in accordance with Branch Rules 25A and 25B.

The members of the Committee of Management of the Branch for the relevant period were:

Branch President	-	Reginald Coghlan
Branch Vice President	-	Allan Carruthers
Branch Vice President	-	Margaret Harris
Branch Secretary-Treasurer	-	Barbara Nebart
Committee of Management	-	Sandra Owen – resigned 28 March 2011
	-	Ross Simmons
	-	Colin Moon
	-	Toni May
	-	Lyn Wiebe
	-	Chantelle Fitzsimmons
	-	John Simnett – elected 28 March 2011

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

New Enterprise Agreements were negotiated with a wide range of employers including Target/Target Country, Coles/Bi-Lo Supermarkets, BWS, Woolworths Petrol, Pretty Girl Fashion Group, Bunning's Warehouse, Priceline, Dominos Pizza, Specialty Fashion Group, Reject Shop, Coles Liquor Group and others. These agreements all resulted in improved wages and working conditions for the employees that they covered.

Throughout the year the Branch has conducted periodic training courses for Delegates in respect of Occupational Health and Safety, Workers Compensation Return to Work, Delegates Training Levels 1, 2 and 3 and Agreement specific familiarisation and interpretation courses.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
NEWCASTLE AND NORTHERN BRANCH
ABN 36 153 379 383**

2011 OPERATING REPORT CONTINUED

During the relevant period the Branch represented and/or assisted its members in industrial matters at the workplace.

The Association is affiliated to the Australian Council of Trade Unions and the Branch Secretary, Barbara Nebart, is a member of the ACTU Executive.

The Newcastle and Northern Branch maintained its rules and reported according to statutory requirements.

The Branch Secretary, Barbara Nebart, became an Alternate Employee Director of the Retail Employees Superannuation Trust (REST) on 27 August 2008.

During the financial year in question, the reporting unit did not engage in any recovery of wages activity which is required to be reported on under the Industrial Registrar's Financial Reporting Guidelines.

A quarterly magazine is produced and posted to members of the Branch and periodic information Bulletins are posted to delegates and workplaces.

The Branch produces a range of publications for its members including such matters as Occupational, Health and Safety, Workers Compensation, Equal Opportunity, Superannuation, Sexual Harassment, Young Workers, the Workchoices legislation, Women's and Family Issues, Induction Packs and others.

Signed: _____

Barbara Nebart
Designated Officer

Dated: _____

22/8/11

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
NEWCASTLE AND NORTHERN BRANCH
ABN 36 153 379 383**

COMMITTEE OF MANAGEMENT STATEMENT

On 22nd August, 2011 the Committee of Management of Shop, Distributive and Allied Employees' Association of Newcastle and Northern Branch ("reporting unit"), passed the following resolution in relation to the general purpose financial report of the reporting unit for the year ended 30th June, 2011.

The Committee of Management declares in relation to the general purpose financial report 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 General Manager of Fair Work Australia;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flow of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that 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 general purpose financial report relates and since the end of that year:
 - i. meetings of the Committee of Management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - ii. the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - iii. the financial records of the reporting unit have been kept and maintained in accordance with The Registration and Accountability of Organisations Schedule, Schedule 1 of the Fair Work (Registered Organisation) Act 2009 (as amended) (RAO Schedule) and the RAO Regulations; and
 - iv. 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; and
 - v. the information sought in any request of a member of the reporting unit or the General Manager of Fair Work Australia duly made under section 272 of the RAO schedule has been furnished to the member or the General Manager of Fair Work Australia; and
 - vi. no orders have been made by Fair Work Australia under section 273 of the RAO schedule during this period.
- (f) in relation to recovery of wages activity:
 - i. there has been no such activity undertaken by the reporting unit.

Committee of Management: Barbara Nebart
Title of Office Held: Designated Officer

Signed: _____

Dated: _____

Barbara Nebart

22.8.11

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION, NEWCASTLE
AND NORTHERN BRANCH
ABN 36 153 379 383**

**INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2011**

	Note	2011 \$	2010 \$
Revenue	2	<u>502,981.09</u>	<u>472,030.93</u>
Affiliation expenses		(301,459.25)	(288,183.17)
Management expenses		(50,641.09)	(47,199.57)
Conference expenses		(34,532.42)	(7,532.37)
Other expenses		<u>(1,742.09)</u>	<u>(84,859.80)</u>
Profit before income tax		114,606.24	44,256.02
Income tax expense		<u>-</u>	<u>-</u>
Profit attributable to members of the entity		<u><u>114,606.24</u></u>	<u><u>44,256.02</u></u>

The accompanying notes form part of these financial statements.

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION, NEWCASTLE
AND NORTHERN BRANCH
ABN 36 153 379 383**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011**

	Note	2011 \$	2010 \$
Profit for the year		114,606.24	44,256.02
Other comprehensive income:			
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u><u>114,606.24</u></u>	<u><u>44,256.02</u></u>
Total comprehensive income attributable to members of the entity		<u><u>114,606.24</u></u>	<u><u>44,256.02</u></u>

The accompanying notes form part of these financial statements.

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION, NEWCASTLE
AND NORTHERN BRANCH
ABN 36 153 379 383**

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2011

	Note	2011 \$	2010 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	421,695.75	305,315.14
TOTAL CURRENT ASSETS		<u>421,695.75</u>	<u>305,315.14</u>
TOTAL ASSETS		<u>421,695.75</u>	<u>305,315.14</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	4	10,734.00	8,959.63
TOTAL CURRENT LIABILITIES		<u>10,734.00</u>	<u>8,959.63</u>
TOTAL LIABILITIES		<u>10,734.00</u>	<u>8,959.63</u>
NET ASSETS		<u>410,961.75</u>	<u>296,355.51</u>
EQUITY			
Retained profits	—	410,961.75	296,355.51
TOTAL EQUITY		<u>410,961.75</u>	<u>296,355.51</u>

The accompanying notes form part of these financial statements.

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION, NEWCASTLE
AND NORTHERN BRANCH
ABN 36 153 379 383**

**STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE 2011**

	Retained Earnings \$	Total \$
Balance at 1 July 2009	252,099.49	252,099.49
Profit attributable to members	<u>44,256.02</u>	<u>44,256.02</u>
Balance at 30 June 2010	<u>296,355.51</u>	<u>296,355.51</u>
 Balance at 1 July 2010	 296,355.51	 296,355.51
Profit attributable to members	<u>114,606.24</u>	<u>114,606.24</u>
Balance at 30 June 2011	<u>410,961.75</u>	<u>410,961.75</u>

The accompanying notes form part of these financial statements.

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION, NEWCASTLE
AND NORTHERN BRANCH
ABN 36 153 379 383**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011**

	Note	2011 \$	2010 \$
Cash flows from operating activities			
Receipts from memberships (inclusive of GST)		600,748.69	536,824.30
Payments to suppliers (inclusive of GST)		(484,408.71)	(492,518.40)
Interest received		40.63	35.20
Net cash provided by operating activities	12	<u>116,380.61</u>	<u>44,341.10</u>
Net cash provided investing activities		<u>-</u>	<u>-</u>
Net cash provided by financing activities		<u>-</u>	<u>-</u>
Net increase in cash held		116,380.61	44,341.10
Cash and cash equivalents at beginning of financial year		305,315.14	260,974.04
Cash and cash equivalents at end of financial year	12	<u>421,695.75</u>	<u>305,315.14</u>

The accompanying notes form part of these financial statements.

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION, NEWCASTLE
AND NORTHERN BRANCH
ABN 36 153 379 383**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

The financial statements cover Shop Distributive And Allied Employees Association, Newcastle And Northern Branch as an individual entity.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Accounting Standards, Australian Accounting Interpretations and the Registration and Accountability of Organisations Schedule, Schedule 1 of the Fair Work (Registered Organisations) Act 2009 (as amended) ('RAO Schedule').

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(a) Income Tax

The Shop Distributive and Allied Employees Association, Newcastle and Northern Branch is an exempt body for income tax purposes.

(b) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the association commits itself to either purchase or sell the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions costs, where the instrument is classified 'at fair value through profit or loss' in which case transactions costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION, NEWCASTLE
AND NORTHERN BRANCH
ABN 36 153 379 383**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At the end of each reporting period, the branch assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

(c) 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 borrowings in current liabilities on the statement of financial position.

(d) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Membership revenue is recognised as and when it falls due.

Interest revenue is recognised as and when it is received.

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

(e) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the branch during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION, NEWCASTLE
AND NORTHERN BRANCH
ABN 36 153 379 383**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

(f) 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 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 statement of financial position 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.

(g) Comparative Figures

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

(h) New Accounting Standards for Application in Future Periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the branch has decided not to early adopt. The branch has not adopted as they do not consider any of these applicable to the entity.

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION, NEWCASTLE
AND NORTHERN BRANCH
ABN 36 153 379 383**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

	Note	2011 \$	2010 \$
2. REVENUE AND OTHER INCOME			
Revenue			
Members Contributions		502,940.46	471,995.73
Interest received		40.63	35.20
Total Revenue		<u>502,981.09</u>	<u>472,030.93</u>
3. CASH AND CASH EQUIVALENTS			
Cash at bank		<u>421,695.75</u>	<u>305,315.14</u>
4. TRADE AND OTHER PAYABLES			
CURRENT			
Other Creditors - GST Payable		<u>10,734.00</u>	<u>8,959.63</u>
5. CONTINGENT LIABILITIES			
The Committee of Management are not aware of any contingent liabilities that are likely to have a material effect on the Branch.			
6. EVENTS AFTER THE REPORTING PERIOD			
No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the branch, the results of those operations, or the state of affairs of the branch in future financial years.			

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION, NEWCASTLE
AND NORTHERN BRANCH
ABN 36 153 379 383**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

	Note	2011 \$	2010 \$
7. RELATED PARTY TRANSACTIONS			
Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.			
Transactions with related parties:			
(a) Membership Contributions			
Membership contributions are received from the Shop Assistants and Warehouse Employees Federation of Australia, Newcastle and Northern New South Wales		502,940.46	471,995.73
(b) Management fees			
Management fees are paid to the Shop Assistants and Warehouse Employees Federation of Australia, Newcastle and Northern New South Wales		50,641.09	47,199.57
(c) Affiliation Fees			
Affiliation fees are paid to the Shop Distributive and Allied Employees Association national and International Fund		301,459.25	288,183.17
(d) Remuneration of the Committee of Management			
There were no transactions with, or remuneration paid, to the members of the Committee of Management			

8. OPERATING SEGMENTS

Segment Reporting

The Shop Distributive and Allied Employees Association, Newcastle and Northern Branch operates predominately in one business and geographical segment being the representation of members in industrial matters in Newcastle and Northern New South Wales.

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION, NEWCASTLE
AND NORTHERN BRANCH
ABN 36 153 379 383**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

Note	2011 \$	2010 \$
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9. FINANCIAL RISK MANAGEMENT

The branch's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans to and loans from subsidiaries, bills and leases, preference shares and derivatives.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

Financial Assets

Cash and cash equivalents	3	421,695.75	305,315.14
Total Financial Assets		421,695.75	305,315.14

Financial Liabilities

Trade and other payables		10,734.00	8,959.63
Total Financial Liabilities		10,734.00	8,959.63

Financial Risk Management Policies

The Treasurer is responsible for, among other issues, monitoring and managing financial risk exposures of the branch. The Treasurer monitors the associations transactions and reviews the effectiveness of controls relating to credit risk, financial risk and interest rate risk. The Committee of management discusses at their meetings the monitoring and management of the financial risk exposures.

The Treasurer's overall risk management strategy seeks to ensure that the branch meets its financial targets, whilst minimising potential adverse effects of cashflow shortfalls.

Specific Financial Risk Exposures and Management

The main risks the branch is exposed to through its financial instruments are credit rate risk, liquidity risk and market risk relating to interest rate risk.

(a) Credit risk

Credit risk arises from the cash assets held.

The branch's holding of cash assets is only held by the Commonwealth Bank of Australia, therefore the cash assets are deemed to have limited credit risk.

Credit risk exposures

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets as reported in the statement of financial position.

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION, NEWCASTLE
AND NORTHERN BRANCH
ABN 36 153 379 383**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

Note	2011	2010
	\$	\$

(b) Liquidity Risk

Liquidity risk arises from the possibility that the branch might encounter difficulty in setting its debts or otherwise meeting its obligations related to financial liabilities. The branch manages this risk through the following mechanisms:

- monitoring its cash flow on a weekly basis to ensure adequate funds are available to meet expenditure requirements; and
- only holding cash with major financial institutions;

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflect the earliest contractual settlement dates.

Financial liability and financial asset maturity analysis

	Within 1 Year	
Financial liabilities due for payment		
Trade and other payables	10,734.00	8,959.63
Total contractual outflows	<u>10,734.00</u>	<u>8,959.63</u>
Total expected outflows	<u>10,734.00</u>	<u>8,959.63</u>
 Financial assets - cash flows realisable		
Cash and cash equivalents	421,695.75	305,315.14
Total anticipated inflows	<u>421,695.75</u>	<u>305,315.14</u>
Net (outflow)/inflow on financial instruments	<u>410,961.75</u>	<u>305,315.14</u>

Financial assets pledged as collateral

No financial assets have been pledged as security for any financial liability.

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION, NEWCASTLE
AND NORTHERN BRANCH
ABN 36 153 379 383**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

	Note	2011 \$	2010 \$
(c) Market risk			
<i>(i) Interest rate risk</i>			
Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows.			

The branch does not have any long term borrowings. The branch's interest rate risks arise from cash assets. The branch's payables are non interest bearing.

The impact of interest rate risk on cash has been considered and is deemed to be immaterial.

Net Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities approximate the carrying values of the financial assets and financial liabilities as presented in the statement of financial position. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

The financial assets are represented by cash at bank and the carrying value is equal to the fair value.

The financial liabilities are represented by GST Payable and the carrying amount is assumed to approximate the fair value due to the short term nature of the liability.

10. ASSOCIATION DETAILS

The registered office and principal place of business of the association is:

Shop Distributive And Allied Employees Association, Newcastle And Northern Branch
17 William Street
Hamilton NSW 2303

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION, NEWCASTLE
AND NORTHERN BRANCH
ABN 36 153 379 383**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

	Note	2011 \$	2010 \$
11. NOTICE REQUIRED UNDER THE FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009 (AS AMENDED)			
In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009 (as amended), the attention of members is drawn to the provision of subsections (1), (2), (3) and (4) of Section 272, which reads 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 be not 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).			
(4) A Registrar may only make an application under subsection (1) at the request of a member of the organisation concerned, and the Registrar shall provide to a member information received because of an application made at the request of the member.			
12. CASH FLOW INFORMATION			
(a) Reconciliation of Cash			
Cash at the end of financial year as shown in the Statement of Cash Flows is reconciled to the related items in the statement of financial position as follows:			
Cash at Bank		421,695.75	305,315.14
		<u>421,695.75</u>	<u>305,315.14</u>
(b) Reconciliation of cash flow from operations with profit			
Profit after income tax		114,606.24	44,256.02
Changes in Assets & Liabilities:			
Increase on other creditors - GST payable		1,774.57	85.08
Net cash provided by operating activities		<u>116,380.81</u>	<u>44,341.10</u>

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION, NEWCASTLE
AND NORTHERN BRANCH
ABN 36 153 379 383**

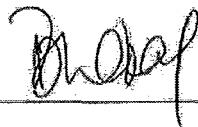
STATEMENT BY MEMBERS OF THE COMMITTEE

In the opinion of the committee the financial statements as set out on pages 5 to 18:

1. Presents a true and fair view of the financial position of Shop Distributive And Allied Employees Association, Newcastle And Northern Branch as at 30 June 2011 and its performance for the year ended on that date in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Standards Board and the Registration and Accountability of Organisations Schedule, Schedule 1 of the Fair Work (Registered Organisations) Act 2009 (as amended) ('RAO Schedule');
2. At the date of this statement there are reasonable grounds to believe that Shop Distributive And Allied Employees Association, Newcastle And Northern Branch will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:

Branch Secretary - Treasurer



22 August 2011

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION, NEWCASTLE
AND NORTHERN BRANCH
ABN 36 153 379 383**

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBER OF
SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION, NEWCASTLE
AND NORTHERN BRANCH**

We have audited the accompanying financial report of Shop Distributive And Allied Employees Association, Newcastle And Northern Branch (the branch) which comprises the statement of financial position as at 30 June 2011 and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the statement by members of the committee.

Committee's Responsibility for the Financial Report

The committee of management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, Australian Accounting Interpretations and the Registration and Accountability of Organisations Schedule, Schedule 1 of the Fair Work (Registered Organisations) Act 2009 (as amended) ('RAO Schedule'). The committee's responsibility also includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free of 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 of 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 judgment, 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 committee, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we complied with the independence requirements of Australian professional ethical pronouncements.

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION, NEWCASTLE
AND NORTHERN BRANCH
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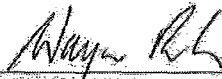
**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBER OF
SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION, NEWCASTLE
AND NORTHERN BRANCH**

Auditor's Opinion

In our opinion the financial report of the Shop Distributive and Allied Employees Association, Newcastle and Northern Branch:

- (i) gives a true and fair view of the branch's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
- (ii) complies with the requirements of the Australian Accounting Standards, Australian Accounting Interpretations and the Registration and Accountability of Organisations Schedule, Schedule 1 of the Fair Work (Registered Organisations) Act 2009 (as amended) ('RAO Schedule').

McGregor & McGregor
Chartered Accountants
Fourth Floor
21 Bolton Street
NEWCASTLE, NSW, 2300


AUDITOR: W.I. RINKIN

NEWCASTLE

22 August 2011