



FAIR WORK
COMMISSION

24 November 2013

Ms Barbara Nebart
Secretary-Treasurer, Newcastle and Northern Branch
Shop, Distributive and Allied Employees' Association
PO Box 118
HAMILTON NSW 2303

sent to: barbara@sdan.org.au

Dear Ms Nebart,

Re: Lodgement of Financial Statements and Accounts - Shop, Distributive and Allied Employees' Association, Newcastle and Northern Branch - for year ended 30 June 2012 (FR2012/383)

I refer to the above financial statements and accounts which were lodged with the Fair Work Commission on 25 September 2012. I acknowledge the delay in corresponding to you in relation to this report.

I have filed the documents. Please note that the financial report was subject to an abbreviated review. Next year's report may be subject to a full and comprehensive compliance audit.

You should be aware a new edition of the General Manager's reporting guidelines for reports prepared pursuant to section 253 was gazetted on 26 June 2013. These guidelines apply to financial reports that end on or after 30 June 2013. Model financial statements have also been made available. There is no requirement to use the model statements but they may be a useful resource to ensure compliance with the *Fair Work (Registered Organisations) Act 2009*, the s.253 reporting guidelines and the Australian Accounting Standards.

For your convenient reference the new guidelines and model financial statements are available on the website here: <http://www.fwc.gov.au/index.cfm?pagename=regorgsfrguidelines#finance>

Please do not hesitate to contact me on (02) 6723 7237 if you have any queries in relation to the new reporting requirements.

Yours sincerely

Stephen Kellett
Senior Adviser, Regulatory Compliance Branch



**Shop Distributive and Allied Employees'
Association
Newcastle and Northern Branch**

ABN: 36 153 379 383
Website: www.sdan.org.au
Email: secretary@sdan.org.au

Postal Address: PO Box 118, Hamilton NSW 2303
17 William Street, Hamilton NSW 2303
Telephone: 02) 4961 4694, Fax: 02) 4962 2598

25 September 2012

Fair Work Australia
Iain Stewart
Tribunal Services and Organisations
Level 8, Terrace Tower
80 William Street
EAST SYDNEY NSW 2011

Dear Sir

Please find enclosed copies of the Reports, Accounts and Statements of the Shop Distributive and Allied Employees' Association, Newcastle and Northern Branch for the period ending 30 June 2012, together with a Designated Officer's Certificate stating that the above mentioned Reports, Accounts and Statements are copies of the documents that were presented to the meeting of Branch Council held on Monday 24 September 2012.

May we be advised of your receipt please.

Yours faithfully

Barbara Nebart
BRANCH SECRETARY

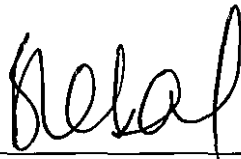
Designated Officer's Certificate

s268 Fair Work (Registered Organisations) Act 2009

I, **Barbara Nebart**, being the **Secretary/Treasurer** 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 2012; and
- that the full report was presented to a **Meeting of the Committee of Management** of the reporting unit on **24 September 2012**; in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature: _____



Date: _____25 September 2012_____

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

ABN 36 153 379 383

FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2012

**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

2012 OPERATING REPORT

Membership of the Newcastle and Northern Branch of the Association as at 30 June 2012 was 12,141.

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	-	Ross Simmons
	-	Colin Moon
	-	Toni May
	-	Lyn Wiebe
	-	Chantelle Fitzsimmons
	-	John Simnett

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, Woolworths Supermarkets, David Jones, Officeworks, Coles Express, Kmart, Woolworths Petrol, Big W 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 Introductory and Agreement specific familiarisation and interpretation courses.

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

2012 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 4 monthly 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, Womens and Family issues, Induction Packs and others.

Signed:  _____

Barbara Nebart
Designated Officer

Dated: 27-8-12

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

COMMITTEE OF MANAGEMENT STATEMENT

On 27th August, 2012 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, 2012.

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 Fair Work (Registered Organisation) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009; 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 Fair Work (Registered Organisation) Act 2009 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 Fair Work (Registered Organisation) Act 2009 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: _____

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

**INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2012**

	Note	2012 \$	2011 \$
Revenue	2	<u>515,371.80</u>	<u>502,981.09</u>
Affiliation expenses		(353,962.53)	(301,459.25)
Management expenses		(51,532.12)	(50,641.09)
Conference expenses		-	(34,532.42)
Administration expenses		(368.18)	-
Membership expenses		(128,130.00)	(295.00)
Other expenses		<u>(6,970.00)</u>	<u>(1,447.09)</u>
Total expenses		<u>(540,962.83)</u>	<u>(388,374.85)</u>
Profit (loss) before income tax		(25,591.03)	114,606.24
Income tax expense		<u>-</u>	<u>-</u>
Profit (loss) attributable to members of the entity		<u>(25,591.03)</u>	<u>114,606.24</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 2012**

	Note	2012 \$	2011 \$
Profit (loss) for the year		(25,591.03)	114,606.24
Other comprehensive income:		_____	_____
Other comprehensive income for the year, net of tax		_____ -	_____ -
Total comprehensive income (expense) for the year		<u><u>(25,591.03)</u></u>	<u><u>114,606.24</u></u>
Total comprehensive income (expense) attributable to members of the entity		<u><u>(25,591.03)</u></u>	<u><u>114,606.24</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 2012

	Note	2012 \$	2011 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	395,628.54	421,695.75
TOTAL CURRENT ASSETS		<u>395,628.54</u>	<u>421,695.75</u>
TOTAL ASSETS		<u>395,628.54</u>	<u>421,695.75</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	4	10,257.82	10,734.00
TOTAL CURRENT LIABILITIES		<u>10,257.82</u>	<u>10,734.00</u>
TOTAL LIABILITIES		<u>10,257.82</u>	<u>10,734.00</u>
NET ASSETS		<u>385,370.72</u>	<u>410,961.75</u>
EQUITY			
Retained profits		385,370.72	410,961.75
TOTAL EQUITY		<u>385,370.72</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 CHANGES IN EQUITY
AS AT 30 JUNE 2012**

	Retained Earnings \$	Total \$
Balance at 1 July 2010	296,355.51	296,355.51
Comprehensive income		
Profit attributable to members	114,606.24	114,606.24
Total comprehensive income	<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>
 Balance at 1 July 2011	 410,961.75	 410,961.75
Comprehensive income		
Profit (loss) attributable to members	(25,591.03)	(25,591.03)
Total comprehensive income	<u>(25,591.03)</u>	<u>(25,591.03)</u>
Balance at 30 June 2012	<u>385,370.72</u>	<u>385,370.72</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 2012**

	Note	2012 \$	2011 \$
Cash flows from operating activities			
Receipts from memberships (inclusive of GST)		566,853.31	553,234.51
Payments to suppliers (inclusive of GST)		(592,971.13)	(436,894.53)
Interest received		50.61	40.63
Net cash provided by (used in) operating activities	12	(26,067.21)	116,380.61
Net cash provided investing activities		-	-
Net cash provided by financing activities		-	-
Net increase (decrease) in cash held		(26,067.21)	116,380.61
Cash and cash equivalents at beginning of financial year		421,695.75	305,315.14
Cash and cash equivalents at end of financial year	12	395,628.54	421,695.75

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 2012**

The financial statements cover Shop Distributive And Allied Employees Association, Newcastle And Northern Branch as an individual entity. Shop Distributive And Allied Employees Association, Newcastle And Northern Branch is an association incorporated in New South Wales.

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, (including Australian Accounting Interpretations) and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

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 are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial statements were authorised for issue on 27 August 2012 by the members of the association.

(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 (i.e. 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.

**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 2012**

Classification and subsequent measurement

Financial instruments are subsequently measured at 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.

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest rate method.

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.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities is recognised in profit or loss.

(c) Trade and Other Receivables

Trade receivables are recognised initially at the transaction price (i.e. cost) and are subsequently measured at cost less provision for impairment. Most sales are made on the basis of normal credit terms and do not bear interest. Where credit is extended beyond normal credit terms and is more than 12 months, receivables are discounted to present value.

At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. A provision for impairment of trade receivables is established when there is objective evidence that the association will not be able to collect all amounts due according to the original terms of the receivables.

Other receivables include loans granted by the association and are discounted to present values using the interest rate inherent in the loan.

**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 2012**

(d) 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.

(e) 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 as 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).

(f) 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.

(g) 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 Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST component of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(h) Comparative Figures

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

**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 2012**

(i) 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 2012**

	Note	2012 \$	2011 \$
2. REVENUE AND OTHER INCOME			
Revenue			
Members Contributions		515,321.19	502,940.46
Interest Received		50.61	40.63
Total Revenue		<u>515,371.80</u>	<u>502,981.09</u>
3. CASH AND CASH EQUIVALENTS			
Cash at Bank		<u>395,628.54</u>	<u>421,695.75</u>
4. TRADE AND OTHER PAYABLES			
CURRENT			
Other Creditors - GST Payable		<u>10,257.82</u>	<u>10,734.00</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.			
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.			
The following transactions occurred with related parties:			
<i>i Membership Contributions</i>			
Membership contributions are received from the Shop Assistants and Warehouse Employees Federation of Australia, Newcastle and Northern New South Wales		<u>515,321.19</u>	<u>502,940.46</u>

**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 2012**

	Note	2012 \$	2011 \$
<i>ii Management fees</i>			
Management fees are paid to the Shop Assistants and Warehouse Employees Federation of Australia, Newcastle and Northern New South Wales		<u>51,532.12</u>	<u>50,641.09</u>
<i>iii Affiliation Fees</i>			
Affiliation fees are paid to the Shop Distributive and Allied Employees Association National and International Fund		<u>353,962.53</u>	<u>301,459.25</u>
<i>iv Remuneration of the Committee of Management</i>			
There were no transactions with, or remuneration paid, to the members of the Committee of Management		<u>-</u>	<u>-</u>

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.

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	<u>395,628.54</u>	<u>421,695.75</u>
Total Financial Assets		<u><u>395,628.54</u></u>	<u><u>421,695.75</u></u>

Financial Liabilities

Trade and other payables		<u>10,257.82</u>	<u>10,734.00</u>
Total Financial Liabilities		<u><u>10,257.82</u></u>	<u><u>10,734.00</u></u>

**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 2012**

Note	2012	2011
	\$	\$

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 association's 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.

(b) Liquidity Risk

Liquidity risk arises from the possibility that the branch might encounter difficulty in settling 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 table below reflects 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.

**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 2012**

	Note	2012 \$	2011 \$
<i>Financial liability and financial asset maturity analysis</i>			
		Within 1 Year	
Financial liabilities due for payment			
Trade and other payables		10,257.82	10,734.00
Total contractual outflows		<u>10,257.82</u>	<u>10,734.00</u>
Total expected outflows		<u>10,257.82</u>	<u>10,734.00</u>
 Financial assets - cash flows realisable			
Cash and cash equivalents		395,628.54	421,695.75
Total anticipated inflows		<u>395,628.54</u>	<u>421,695.75</u>
Net (outflow)/inflow on financial instruments		<u>385,370.72</u>	<u>410,961.75</u>

Financial assets pledged as collateral

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

(c) Market risk

(i) Interest rate risk

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.

**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 2012**

	Note	2012 \$	2011 \$
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			
11. NOTICE REQUIRED UNDER THE FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009			
In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provision of subsections (1), (2) and (3) of Section 272, which reads 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).			
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		395,628.54	421,695.75
		<u>395,628.54</u>	<u>421,695.75</u>

**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 2012**

	Note	2012 \$	2011 \$
(b) Reconciliation of cash flow from operations with profit			
Profit/(loss) after income tax		(25,591.03)	114,606.24
Changes in Assets & Liabilities:			
Increase/(decrease) in other creditors - GST payable		(476.18)	1,774.57
Net cash provided by (used in) operating activities		<u>(26,067.21)</u>	<u>116,380.81</u>
(c) Cash inflows/outflows with related parties			
All cash flows with Related Parties are disclosed under Note 7. Related Party Transactions.			

**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 report as set out on pages 5 to 19:

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 2012 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 requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009;
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



Barbara Nebart

27 August 2012

**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 2012 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 Fair Work (Registered Organisations) Act 2009. The committee's responsibility also includes such internal control as the committee determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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.

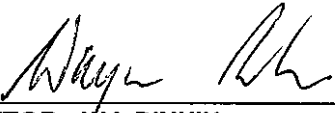
**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION, NEWCASTLE
AND NORTHERN BRANCH
ABN 36 153 379 383**

**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

27 August 2012