



FAIR WORK
AUSTRALIA

18 March 2011

Mr Gerard Dwyer
Secretary-Treasurer
Shop, Distributive and Allied Employees Association, New South Wales Branch

email: secretary@sdansw.asn.au

Dear Mr Dwyer

Re: Financial Report for the Shop, Distributive and Allied Employees Association, New South Wales Branch for year ended 30 June 2010 – FR2010/2690

I acknowledge receipt of the financial report for the Shop, Distributive and Allied Employees Association, New South Wales Branch (the Branch) for the year ended 30 June 2010. The report was lodged with Fair Work Australia on 18 February 2011.

Previous matters raised

The correspondence filing the 2009 financial report raised the same matters as detailed under the headings 'Statutory Declaration', 'Operating Report', 'Committee of Management Statement' and 'Notes to the financial statements' below. Fair Work Australia aims to assist reporting units in complying with their obligations under the *Fair Work (Registered Organisations) Act 2009* (the Act) and Reporting Guidelines of the General Manager (the Reporting Guidelines), by providing advice about the errors identified in financial reports. Could you ensure that when the Branch compiles future reports that matters raised in filing correspondence are taken into consideration.

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.

Statutory Declaration

The reference to 'Section 279 (6)' contained in item 4 and 'Section 280' of the *Workplace Relations Act 1996* in the statutory declaration should properly refer to 'subsection 266(3)' and 'Section 268' of the Act respectively. Also, it is not necessary for this declaration to be a statutory declaration.

Operating Report

Right of members to resign

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

Committee of Management Statement

Recovery of wages activity

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

‘(xz) in relation to the recovery of wages activity:

(i) there has been no such activity undertaken by the reporting unit.’

I note that the information provided does not meet either of the above requirements. Future financial reports should provide the required information.

Consistency with other reporting units

Paragraph 25 of the Reporting guidelines, as made under section 255 of the Act states:

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

. . .

(e) (iv) where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation;’

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

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

Notes to the financial statements

Note 1 of the notes to the financial statements indicates that the ‘financial report covers the Association of Shop, Distributive and Allied Employees’ Association N.S.W. Branch as an individual entity’ and that the ‘Shop, Distributive and Allied Industries Employees’ Association N.S.W. Branch is a trade union registered pursuant to the RO Schedule of the Fair Work Act 2009’.

I note the Branch is an administrative division of the Shop, Distributive and Allied Employees’ Association, an organisation registered under the Act. I further note that for the purpose of section 242 of Part 3 of Chapter 8 of the Act where ‘an organisation is divided into branches, each branch will be a reporting unit . . .’ For future reports could the Branch provide a note clarifying that the ‘financial report covers the New South Wales Branch of the Shop, Distributive and Allied Employees’ Association’ and that the ‘Shop, Distributive and Allied Industries Employees’ Association is a trade union registered pursuant to the Fair Work (Registered Organisations) Act 2009’.

Timing of Financial Documents - Lodgement of documents with Fair Work Australia

[Section 268](#) of the Act requires the Branch to lodge its financial documents with FWA within 14 days of the date of the Meeting of the Committee of Management at which they were presented (that is, 29 December 2010). The documents were not lodged with FWA until 15 February 2011. In future years please ensure that financial reports are lodged with FWA within 14 days of the meeting of the Committee of Management.

Fair Work (Registered Organisations) Act 2009

Reference to ‘*Fair Work Act 2009*’ in the Operating Report and Audit Report and the ‘RO Schedule of the *Fair Work Act 2009*’ contained in notes 1 and 10 of the notes to the financial statements and Audit Opinion should properly refer to *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 read 'Kevin Donnellan', with a long horizontal flourish extending to the right.

Kevin Donnellan

Tribunal Services and Organisations

Fair Work Australia

Email: kevin.donnellan@fwa.gov.au



Level 3, 8 Quay Street, Sydney NSW 2000
PO Box K230, Haymarket NSW 1240
Branch President
Greg Donnelly

Telephone: 131 SDA (131 732) Facsimile: (02) 9281 7050
E-mail: secretary@sdansw.asn.au Website: www.sdansw.asn.au
Branch Secretary-Treasurer
Gerard Dwyer

18 February 2011

Mr Kevin Donnellan
Fair Work Australia
GPO Box 1994
MELBOURNE VIC 3001

Dear Sir,

RE FINANCIAL RETURNS

Please find enclosed a copy of the financial accounts and statements of the New South Wales Branch of the Association for the twelve months ending 30 June 2010, which is forwarded to you for filing as previously required under Section 280 of the Workplace Relations Act, 1996 [now Fair Work (Registered Organisations) Act 2009 (the RO Act)] . Enclosed also is a statutory declaration dealing with this matter.

Please note the following steps have been completed:

1. The financial accounts and statements were presented to the Branch Council meeting held on Tuesday, 24 August 2010.
2. The financial accounts and statements were signed by the auditor on Wednesday, 25 August 2010.
3. The financial accounts and statements were provided to all members through the Spring 2010 edition of the Union journal.
4. The financial accounts and statements were re-presented to the Branch Council meeting held on Tuesday, 28 September 2010.

If you have any questions about these matters could you please call me on (02) 9281 7022.

Yours faithfully,

Gerard Dwyer
BRANCH SECRETARY-TREASURER

enc

WORKPLACE RELATIONS ACT, 1996

IN THE MATTER OF:

The Shop, Distributive and Allied
Employees' Association, New South
Wales Branch.

AND IN THE MATTER OF:

Information to be filed with the Industrial
Registrar under Section 280 of the Act.

STATUTORY DECLARATION

Deponent: Gerard Andrew Dwyer

Date: 18 February 2011

Filed by:

Mr Gerard Andrew Dwyer,
Branch Secretary-Treasurer
Shop, Distributive and Allied
Employees' Association,
New South Wales Branch
Level 3
8 Quay Street
SYDNEY NSW 2000

Telephone: (02) 9281 7022

Fax No: (02) 9281 7050

WORKPLACE RELATIONS ACT, 1996

IN THE MATTER OF:

The Shop, Distributive & Allied
Employees' Association, New South
Wales Branch

IN THE MATTER OF:

Information to be filed with the
Industrial Registrar under Section
280 of the Act.


STATUTORY DECLARATION

I, Gerard Andrew Dwyer of Level 3, 8 Quay Street, SYDNEY in the State of New South Wales, Trade Union Officer, do solemnly and sincerely declare as follows:-

- 1) I am the Branch Secretary-Treasurer of the New South Wales Branch of the Shop, Distributive & Allied Employees' Association, an organisation of employees duly registered under the Workplace Relations Act, 1996.
- 2) I am authorised to make this Statutory Declaration pursuant to the Rules of the said Branch of the Association.
- 3) Attached hereto and marked with the letter "A" are the report, accounts and statements of the Shop, Distributive & Allied Employees' Association, New South Wales Branch for the twelve months ended 30 June 2010.
- 4) I say that the documents referred to in paragraph 3 hereof were presented to a duly convened meeting of the Branch Council of the New South Wales Branch of the said Association held at the registered office of the Branch at Level 3, 8 Quay Street, Sydney in the State of New South Wales, on Tuesday, 28 September 2010 pursuant to Section 279 (6) of the said Workplace Relations Act, 1996.

And I make this solemn declaration by virtue of the Statutory Declarations Act 1959, and subject to the penalties provided by that Act for the making of false statements in statutory declarations, conscientiously believing the statements contained in this declaration to be true in every particular.

DECLARED AT SYDNEY the 18th)
day of February 2011)

Before me )
A Justice of the Peace

)

ELIZABETH CODY
Justice of the Peace
NSW Reg No 108798

SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION

N.S.W. BRANCH

FINANCIAL REPORT

**FOR THE YEAR ENDED
30 JUNE 2010**

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
N.S.W. BRANCH**

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2010**

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**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
N.S.W. BRANCH**

**OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2010**

Membership

Membership as at 30 June 2010 was 57,957 (2009: 60,543).

Persons eligible to do so under the rules of the Association were actively encouraged to join the Association. Pursuant to s174 of the Fair Work Act 2009, 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 2010, there were no persons employed by the N.S.W. Branch 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. and Greater Western Sydney Economic Development Board.

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

The Committee of Management were unaware of any officer or member who were a trustee of a superannuation entity or an exempt public sector superannuation scheme or a director of a company that is a trustee of such an entity or scheme and where a criterion for the officer or member holding such a position is being an officer or member of a registered organisation for the financial year under review.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
N.S.W. BRANCH**

**OPERATING REPORT (CONT.)
FOR THE YEAR ENDED 30 JUNE 2010**


Committee of Management

The names of the members of the Committee of Management of the N.S.W. Branch of the Association at any time during, or since the end of, the year are:

<i>Name</i>	<i>Experience</i>
S. Barros	Member since 16 February 2010
J. Bell	Member since 1 February 2005 Retired as a member 23 March 2010
C. Cassell	Member since 4 February 2003
G. Cutcher	Member since 22 February 1995
G. Donnelly	Member since 18 June 1991
G. Dwyer	Member since 4 June 1996
M. Hagley	Member since 9 February 1999
A. Hatem	Member since 12 August 2008 Retired as a member 16 February 2010
R. Horder	Member since 27 February 2007
C. Israel	Member since 27 February 2007
R. Jackson	Member since 25 August 1998
M. Long	Member since 27 February 2007
C. Mills	Member since 4 February 2003
M. Ponting	Member since 9 February 1999
B. Smith	Member since 10 May 2005
H. Thomas	Member since 4 February 2003

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


Gerard Dwyer
Committee of Management


Bernie Smith
Committee of Management

Dated at Sydney this 24th day of August 2010.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
N.S.W. BRANCH**

**STATEMENT OF THE COMMITTEE OF MANAGEMENT
FOR THE YEAR ENDED 30 JUNE 2010**

On 24 August 2010 the Committee of Management of Shop, Distributive and Allied Employees' Association N.S.W. Branch passed the following resolution in relation to the general-purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2010:

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

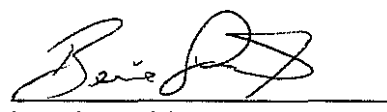
- a) The financial statements and notes comply with the Australian Accounting Standards;
- b) The financial statements and notes comply with the reporting guidelines of the General Manager of Fair Work Australia;
- c) The financial statements and notes give a true and fair view of the financial performance, financial position and cash 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 RO Schedule and the RO 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 General Manager duly made under section 272 of the RO Schedule has been furnished to the member or General Manager; and
 - vi) There has been compliance with any order for inspection of financial records made by Fair Work Australia under section 273 of the RO Schedule.

Auditor's Independence

A copy of the auditor's independence declaration is set out on page 5.

Signed on behalf of the Committee of Management:


Gerard Dwyer
Committee of Management


Bernie Smith
Committee of Management

Dated at Sydney this 24th day of August 2010.

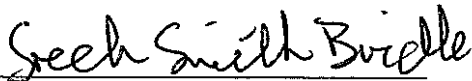
**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
N.S.W. BRANCH**

**AUDITOR'S INDEPENDENCE DECLARATION
FOR THE YEAR ENDED 30 JUNE 2010**

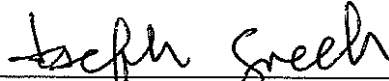
**TO THE COMMITTEE OF MANAGEMENT
SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
N.S.W. BRANCH**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2010 there has been:

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



Grech Smith Bridle
Chartered Accountants



Joseph Paul Grech
Partner, Registered Company Auditor

Dated at Sydney this 25th day of August 2010

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
N.S.W. BRANCH**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2010**

	Note	2010 \$	2009 \$
Revenue	2	312,140	288,691
Other Income	2	3,828,232	3,527,840
Affiliation fees	3(a)	(1,957,320)	(1,937,099)
Membership propagation expenses		(670,550)	(492,659)
Journal expenses		(536,775)	(445,926)
Travel and accommodation expenses		(325,938)	(304,201)
Function expenses		(265,417)	(222,793)
Advertising		(50,000)	(172,913)
Scholarship expenses		(137,193)	(194,397)
Conference fees and allowances		(82,887)	(134,126)
Legal fees and litigation costs		-	-
Donations		-	-
Other expenses		(179,822)	(137,166)
Profit before income tax expense		<u>(65,530)</u>	<u>(224,749)</u>
Income tax expense	1(a)	-	-
Profit/(loss) attributable to members		<u>(65,530)</u>	<u>(224,749)</u>

The accompanying notes form part of these financial statements.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
N.S.W. BRANCH**

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2010**

	Note	2010 \$	2009 \$
ASSETS			
CURRENT ASSETS			
Cash assets and cash equivalents	4	101,446	146,461
Prepayments	5	800,773	811,547
TOTAL CURRENT ASSETS		<u>902,219</u>	<u>958,008</u>
TOTAL ASSETS		<u>902,219</u>	<u>958,008</u>
CURRENT LIABILITIES			
Trade and other payables	6	34,684	24,943
TOTAL CURRENT LIABILITIES		<u>34,684</u>	<u>24,943</u>
TOTAL LIABILITIES		<u>34,684</u>	<u>24,943</u>
NET ASSETS		<u>867,535</u>	<u>933,065</u>
EQUITY			
Retained earnings		867,535	933,065
TOTAL EQUITY		<u>867,535</u>	<u>933,065</u>

The accompanying notes form part of these financial statements.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
N.S.W. BRANCH**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2010**

	Retained Earnings	Total
	<u>\$</u>	<u>\$</u>
Balance at 1 July 2008	1,157,814	1,157,814
Loss attributable to members of the Association	<u>(224,749)</u>	<u>(224,749)</u>
Balance at 30 June 2009	<u>933,065</u>	<u>933,065</u>
Loss attributable to members of the Association	<u>(65,530)</u>	<u>(65,530)</u>
Balance at 30 June 2010	<u>867,535</u>	<u>867,535</u>

The accompanying notes form part of these financial statements.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
N.S.W. BRANCH**

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2010**

	Note	2010 \$	2009 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		4,151,129	4,141,523
Payments to suppliers and employees		(4,196,160)	(4,038,047)
Interest received		16	440
Net cash provided by (used in) operating activities	8(a)	<u>(45,015)</u>	<u>103,916</u>
Net (decrease)/increase in cash held		(45,015)	103,916
Cash at beginning of financial year		<u>146,461</u>	<u>42,545</u>
Cash at end of financial year	4	<u><u>101,446</u></u>	<u><u>146,461</u></u>

The accompanying notes form part of these financial statements.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
N.S.W. BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

Note 1: Statement of Significant Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards Board (AASBs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board and the requirements of the RO Schedule of the Fair Work Act 2009.

The financial report covers the Association of Shop, Distributive and Allied Employees' Association N.S.W. Branch as an individual entity. The Shop, Distributive and Allied Employees' Association N.S.W. Branch is a trade union registered pursuant to the RO Schedule of the Fair Work Act 2009.

The financial report of Shop, Distributive and Allied Employees' Association N.S.W. Branch 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) 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 statement of financial position.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
N.S.W. BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

Note 1: Statement of Significant Accounting Policies (cont.)

(c) 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).

(d) 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 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.

(e) 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 Judgements

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 state, obtained both externally and within the Association.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
N.S.W. BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

Note 2: Revenue

	2010 \$	2009 \$
Operating activities		
- services revenue	312,124	288,251
- interest received	16	440
	<u>312,140</u>	<u>288,691</u>
Non-operating activities		
- Surplus Transferred from N.S.W. Deductions Accounts Office	3,828,232	3,527,840
Other income	<u>3,828,232</u>	<u>3,527,840</u>
(a) Interest revenue from:		
- other persons	16	440
Total interest revenue	<u>16</u>	<u>440</u>

Note 3: Profit from Ordinary Activities

(a) Expenses

Affiliation Fees	<u>1,957,320</u>	<u>1,937,099</u>
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(b) Significant Revenues and Expenses

The following significant expense item is relevant in explaining the financial performance:

- Rights At Work Campaign	<u>50,000</u>	<u>172,913</u>
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Note 4: Cash and cash equivalents

Cash at bank	<u>101,446</u>	<u>146,461</u>
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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 statement of financial position as follows:

Cash and cash equivalents	<u>101,446</u>	<u>146,461</u>
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Note 5: Prepayments

CURRENT Prepayments	<u>800,773</u>	<u>811,547</u>
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**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
N.S.W. BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

	2010 \$	2009 \$
Note 6: Payables		
CURRENT		
Trade payables	<u>34,684</u>	<u>24,943</u>

Note 7: Segment Reporting

The Association operates predominantly in one business and geographical segment being that of a registered trade union within N.S.W.

Note 8: Cash Flow Information

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

Profit/(loss) from ordinary activities after income tax	(65,530)	(224,749)
Changes in assets and liabilities:		
(Increase)/decrease in prepayments	10,774	325,431
(Decrease)/increase in payables	<u>9,741</u>	<u>3,234</u>
	<u>45,015</u>	<u>103,916</u>

Note 9: Financial Instruments

(a) Financial Risk Management

The Association's financial instruments consist mainly of deposits with banks and accounts payable.

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

The Association does not have any derivative instruments at 30 June 2010.

(i) Treasury Risk Management

The Committee of Management meets 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. BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

Note 9: 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

The Association manages interest rate risk by monitoring the level of interest rates.

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 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

(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 financial liabilities, is as follows:

	Weighted Average Effective Interest Rate		Floating Interest Rate		Non-interest Bearing		Total	
	2010 %	2009 %	2010 \$	2009 \$	2010 \$	2009 \$	2010 \$	2009 \$
Financial Assets:								
Cash and cash equivalents	0.95	0.95	101,446	146,461	-	-	101,446	146,461
Total Financial Assets			<u>101,446</u>	<u>146,461</u>	<u>-</u>	<u>-</u>	<u>101,446</u>	<u>146,461</u>
Financial Liabilities:								
Trade and other payables	-	-	-	-	34,684	24,943	34,684	24,943
Total Financial Liabilities			<u>-</u>	<u>-</u>	<u>34,684</u>	<u>24,943</u>	<u>34,684</u>	<u>24,943</u>

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
N.S.W. BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

Note 9: Financial Instruments (cont.)

(c) Net Fair Values

The net fair values of 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. 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 of the financial statements.

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

	2010		2009	
	Carrying Amount \$	Net Fair Value \$	Carrying Amount \$	Net Fair Value \$
Financial Assets				
Cash and cash equivalents	<u>101,446</u>	<u>101,446</u>	<u>146,461</u>	<u>146,461</u>
	<u>101,446</u>	<u>101,446</u>	<u>146,461</u>	<u>146,461</u>
Financial Liabilities				
Trade and other payables	<u>34,684</u>	<u>34,684</u>	<u>24,943</u>	<u>24,943</u>
	<u>34,684</u>	<u>34,684</u>	<u>24,943</u>	<u>24,943</u>

Fair values are materially in line with carrying values.

Note 10: Information to be provided to Members or General Manager

In accordance with the requirements of subsection 272(5) of the RO Schedule of the Fair Work Act 2009, 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 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).

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
N.S.W. BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

Note 11: Association Details

The principal place of business of the Association is:

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

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
N.S.W. BRANCH**

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
N.S.W. BRANCH**

Scope

We have audited the financial report of Shop, Distributive and Allied Employees' Association N.S.W. Branch for the financial year ended 30 June 2010 as set out on pages 4 to 16.

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 as to 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 Fair Work Act 2009.

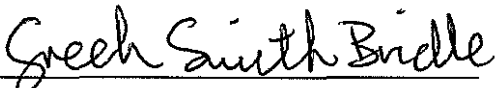
We declare to the best of our knowledge and belief that the auditor's independence declaration, set out on page 5 of the financial report, has not changed as at the date of providing our audit opinion.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
N.S.W. BRANCH**

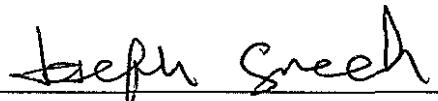
**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
N.S.W. BRANCH (CONT)**

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 RO Schedule of the Fair Work Act 2009.



Grech Smith Bridle
Chartered Accountants



Joseph Paul Grech
Partner, Registered Company Auditor

Dated at Sydney this 25th day of August 2010