



FAIR WORK
AUSTRALIA

18 April 2012

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

By email: secretary@sdansw.asn.au

Dear Mr Dwyer

Financial report for the Shop, Distributive and Allied Employees Association, New South Wales Branch for the year ended 30 June 2011 (FR2011/2703)

Thank you for your correspondence dated 30 March 2012 in response to our letter of 12 January 2012.

Your comments have been noted.

The financial report is now filed.

Yours sincerely,

Larry Powell
Organisations, Research and Advice



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

30 March 2012

Mr Larry Powell
Organisations, Research and Advice
Fair Work Australia
GPO Box 1994
MELBOURNE VIC 3001



Dear Mr Powell,

**RE: FINANCIAL REPORT FOR THE SHOP, DISTRIBUTIVE & ALLIED EMPLOYEES
ASSOCIATION, NEW SOUTH WALES BRANCH FOR YEAR ENDED 30 JUNE
2011 (FR2011/2703)**

I refer to your correspondence of 12 January 2012 and note the substantive matters raised in that correspondence were addressed by Mr Joe de Bruyn (National Secretary of the SDAEA) in a letter to Ms Eve Anderson (Tribunal Services & Organisations, FWA) dated 24 February 2012.

It has now come to my attention that some smaller matters need to be responded to so I advise the following:

1. Employees

This query was addressed by Joe de Bruyn in his letter of 24 February to Ms Eve Anderson.

2. Affiliation Expenses

Part of this query was addressed by Joe de Bruyn in his letter of 24 February to Ms Eve Anderson.

Another factor in the discrepancy related to the reporting of the International fee. The auditor of the NSW Branch advises that he understood the International fee was paid to the National office in a capacity of Trustee and forwarded to the International Fund, and that the National office did not receive them beneficially and on that basis believed they did not need to be disclosed.

To comply with the disclosure of the National Office we will disclose this as you have requested in future financial statements.

4. Operating Report

a) Principal Activities

We note your reference to Subsection 254(2)(a) of the Act.

We will include the result of the operations for the year in future Operating Reports as requested.

b) Significant Changes to Financial Affairs

We will include a reference to any changes in Financial Affairs in future Operating Reports.

c) Membership of Committee of Management

We note your comments and will include descriptions in future Operating Reports.

5. Committee of Management Statement

Because of the tight deadlines the date was left blank when the accounts were typed and it is possible that the copy you received did not have a date, as it needed to be inserted. The month was typed in our copy, but we are presuming you have no number for the day of the month. If that is the case then it is an error and we will note this.

6. Timescale Provisions

Your comments have been noted.

7. Extraneous Document

Your comments have been noted.

Should you have any queries in relation to the above, please contact me in the SDA Sydney Office on (02) 9281 7022.

Yours sincerely,



Gerard Dwyer
BRANCH SECRETARY-TREASURER



FAIR WORK
AUSTRALIA

12 January 2012

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

By email: secretary@sdansw.asn.au

Dear Mr Dwyer

Financial report for the Shop, Distributive and Allied Employees Association, New South Wales Branch for the year ended 30 June 2011 (FR2011/2703)

I acknowledge receipt of the financial report and information regarding the distribution date of the financial report of the Shop, Distributive and Allied Employees Association, New South Wales Branch (the Branch) for the year ended 30 June 2011. The report and email were lodged with Fair Work Australia on 26 October 2011 and 11 January 2012.

I direct your attention to the following comments concerning the above report and the financial reporting obligations under the Fair Work (Registered Organisations) Act 2009 (the Act). Please note that these matters are generally advised for assistance in the preparation of future financial reports. With the exception to items 1 and 2 no further action is required in respect of the subject documents.

1. Employees

The operating report states that there were no persons employed by the Branch.

I note that the operating report for the N.S.W. Deductions Account Office indicates that there were 84 persons employed by that office.

It is unclear who the employing body of those persons is. Would you please provide advice clarifying such.

2. Affiliation Expenses

Note 3 to the notes to the financial statements provides a disclosure in relation to affiliation fees paid to the National Office of the organisation of \$1,257,340.

Note 21 to the notes of the financial statements of the organisation provides a disclosure of monies received from the New South Wales Branch for the purpose of membership subscriptions of \$1,681,856.

Your advice is requested providing advice as to the reason of this inconsistency.

3. Entity

Note 1 to the Notes to the financial statements states:

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 Act.

It should be noted that although a branch of a registered organisation can be a reporting unit under the Act (section 242) it does not have a discrete legal personality; it is a creation of the rules of the organisation only. The Shop, Distributive and Allied Employees' Association is registered under the Act and the Branch is a reporting entity.

4. Operating Report

Principal activities results

Subsection 254(2)(a) of the Act requires an operating report to contain a review of the principal activities of the reporting unit, the results of those activities and any significant changes in the nature of those activities. I note that the operating report provides a review of the principal activities and explains that there were no significant changes, but does not explain the results of these activities. Please note that subsection 254(2)(a) of the Act does not require a financial result, but instead a description of the results from representing the interests of members. In future years please ensure that the Operating Report describes the results of the principal activities of the Branch.

Significant changes to financial affairs

The report must contain among other things any significant changes to the financial affairs during the year – refer s254(2)(b) of the Act.

The report should indicate whether there have been any significant changes to the financial affairs of the reporting unit.

Membership of Committee of Management

The Operating Report is required to contain the name of each person who has been a member of the committee of management of the reporting unit at any time during the reporting period, and the period for which he or she held such a position - refer regulation 159(c) of the Fair Work (Registered Organisations) Regulations 2009.

The Operating Report should have provided the full name of the positions which members of the committee of management held during the reporting period.

5. Committee of management statement

Date of resolution

Item 26 of the General Manager's Reporting Guidelines (the Guidelines) requires that the Committee of Management's statement must be made in accordance with such resolution as is passed by the Committee of Management. Such statement must also specify the date of passage of the resolution. I note that the date of the resolution was not provided.

Recovery of Wages

I note that the accounts do not provide any information in relation to any recovery of wages activity. Items 16 – 23, 25(f) and 27(b) of the Guidelines govern the financial reporting of recovery of wages activity.

In circumstances where the reporting unit has not undertaken any recovery of wages activity for the financial year, a declaration in the Committee of Management Statement to the effect that there was no recovery of wages activity for the financial year would be sufficient.

6. Timescale Provisions

It should be noted that the financial report, accompanied by a Designated Officer's Certificate, must be lodged with Fair Work Australia within 14 days of its presentation to an appropriate meeting.

7. Extraneous Document

The declaration accompanying the financial report is not required.

Section 268 of the Act requires a certificate by a prescribed designated officer [see definition – regulation 162 of the Fair Work (Registered Organisations) Regulations 2009] that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with section 266. The dates that the financial reports were supplied to members and presented to a meeting should be provided.

Your covering letter dated 25 October 2011 would appear to provide, except for the date when the financial report was provided to members, such information.

Should you wish to discuss this letter or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8661 7993 or by email at larry.powell@fwa.gov.au.

Yours sincerely,

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

for Larry Powell
Organisations, Research and Advice



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

25 October 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 2011, which is forwarded to you for filing as required under Section 268 of the Fair Work (Registered Organisations) Act 2009 (the Act). Enclosed also is a 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, 23 August 2011.
2. The financial accounts and statements were signed by the auditor on Wednesday, 24 August 2011.
3. The financial accounts and statements were provided to all members through the Spring 2011 edition of the Union journal.
4. The financial accounts and statements were re-presented to the Branch Council meeting held on Tuesday, 27 September 2011.

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

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Gerard Dwyer', is positioned above the printed name and title.

Gerard Dwyer
BRANCH SECRETARY-TREASURER

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FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009

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 268 of the Act.

DECLARATION

Deponent: Gerard Andrew Dwyer

Date: 25 October 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

FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009

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
268 of the Act.

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 Fair Work (Registered Organisations) Act 2009.
- 2) I am authorised to make this 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 2011.
- 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, 27 September 2011 pursuant to Section 266 of the Fair Work (Registered Organisations) Act 2009.


Gerard Dwyer

Branch Secretary-Treasurer

SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION

N.S.W. BRANCH

FINANCIAL REPORT

**FOR THE YEAR ENDED
30 JUNE 2011**

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

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2011**

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

**OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2011**

Membership

Membership as at 30 June 2011 was 57,107 (2010: 57,957).

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 (Registered Organisations) Act 2009 (RO Act), members could resign from the Association, in accordance with Rule 27 of the Association's Rules, 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 2011, 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.

A representative of the N.S.W. Branch of the Association is a member of Service Skills Australia N.S.W. WRAPS Committee.

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 2011**


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>
P. Avellino	Member since 28 September 2010
S. Barros	Member since 16 February 2010
C. Cassell	Member since 4 February 2003
G. Cutcher	Member since 22 February 1995
G. Donnelly	Member since 18 June 1991
M. Dumycz	Member since 28 September 2010
G. Dwyer	Member since 4 June 1996
M. Hagley	Member since 9 February 1999
R. Horder	Member since 27 February 2007
C. Israel	Member since 27 February 2007 Retired as Member 16 December 2010
R. Jackson	Member since 25 August 1998
B. Logue	Member since 16 December 2010
M. Long	Member since 27 February 2007
C. Mills	Member since 4 February 2003
M. Ponting	Member since 9 February 1999
N. Rizk	Member since 28 September 2010
D. Robins	Member since 28 September 2010
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 23rd day of August 2011.

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

**STATEMENT OF THE COMMITTEE OF MANAGEMENT
FOR THE YEAR ENDED 30 JUNE 2011**

On August 2011 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 2011:

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

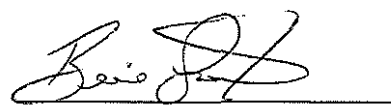
- a) The financial statements and notes comply with the Australian Accounting Standards;
- b) The financial statements and notes comply with the reporting guidelines of the General Manager of Fair Work Australia;
- c) The financial statements and notes give a true and fair view of the financial performance, 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 Act 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 General Manager duly made under section 272 of the RO Act 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 2009 under section 273 of the RO Act.

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 23rd day of August 2011.

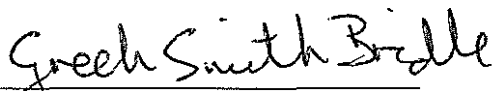
**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
N.S.W. BRANCH**

**AUDITOR'S INDEPENDENCE DECLARATION
FOR THE YEAR ENDED 30 JUNE 2011**

**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 2011 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 24th day of August 2011

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

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

	Note	2011 \$	2010 \$
Revenue	2	321,821	312,140
Other Income	2	3,878,590	3,828,232
Affiliation fees	3(a)	(1,999,923)	(1,957,320)
Membership propagation expenses		(801,297)	(670,550)
Journal expenses		(374,537)	(536,775)
Travel and accommodation expenses		(304,341)	(325,938)
Function expenses		(305,992)	(265,417)
Advertising		-	(50,000)
Scholarship expenses		(146,622)	(137,193)
Conference fees and allowances		(62,315)	(82,887)
Legal fees and litigation costs		-	-
Donations		-	-
Other expenses		(186,026)	(179,822)
Profit before income tax expense		<u>19,358</u>	<u>(65,530)</u>
Income tax expense	1(a)	-	-
Profit/(loss) attributable to members		<u><u>19,358</u></u>	<u><u>(65,530)</u></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 2011**

	Note	2011 \$	2010 \$
ASSETS			
CURRENT ASSETS			
Cash assets and cash equivalents	4	38,806	101,446
Prepayments	5	848,087	800,773
TOTAL CURRENT ASSETS		<u>886,893</u>	<u>902,219</u>
TOTAL ASSETS		<u>886,893</u>	<u>902,219</u>
CURRENT LIABILITIES			
Trade and other payables	6	-	34,684
TOTAL CURRENT LIABILITIES		<u>-</u>	<u>34,684</u>
TOTAL LIABILITIES		<u>-</u>	<u>34,684</u>
NET ASSETS		<u>886,893</u>	<u>867,535</u>
EQUITY			
Retained earnings		<u>886,893</u>	<u>867,535</u>
TOTAL EQUITY		<u>886,893</u>	<u>867,535</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 2011**

	Retained Earnings	Total
	<u>\$</u>	<u>\$</u>
Balance at 1 July 2009	933,065	933,065
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>
Loss attributable to members of the Association	<u>19,358</u>	<u>19,358</u>
Balance at 30 June 2011	<u>886,893</u>	<u>886,893</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 2011**

	Note	2011 \$	2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		4,149,062	4,151,129
Payments to suppliers and employees		(4,211,708)	(4,196,160)
Interest received		6	16
Net cash provided by (used in) operating activities	8(a)	<u>(62,640)</u>	<u>(45,015)</u>
Net (decrease)/increase in cash held		(62,640)	(45,015)
Cash at beginning of financial year		<u>101,446</u>	<u>146,461</u>
Cash at end of financial year	4	<u><u>38,806</u></u>	<u><u>101,446</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 2011**

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 Fair Work (Registered Organisations) Act 2009 (RO Act).

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 Act.

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 2011**

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 2011**

Note 2: Revenue

	2011	2010
	\$	\$
Operating activities		
- services revenue	321,815	312,124
- interest received	6	16
	<u>321,821</u>	<u>312,140</u>
Non-operating activities		
- Surplus Transferred from N.S.W. Deductions Accounts Office	3,878,590	3,828,232
Other income	<u>3,878,590</u>	<u>3,828,232</u>
(a) Interest revenue from:		
- other persons	6	16
Total interest revenue	<u>6</u>	<u>16</u>

Note 3: Profit from Ordinary Activities

(a) Expenses - Affiliation Fees		
National Office (SDA)	1,257,340	1,228,681
International Fund	377,202	368,604
ALP NSW	179,000	179,000
Labor Council NSW	172,876	167,838
Other	13,505	13,197
	<u>1,999,923</u>	<u>1,957,320</u>

(b) Significant Revenues and Expenses

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

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

Cash at bank	<u>38,806</u>	<u>101,446</u>
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>38,806</u>	<u>101,446</u>

Note 5: Prepayments

CURRENT		
Prepayments	<u>848,087</u>	<u>800,773</u>

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

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

	2011 \$	2010 \$
Note 6: Payables		
CURRENT		
Trade payables	<u>-</u>	<u>34,684</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	19,358	(65,530)
Changes in assets and liabilities:		
(Increase)/decrease in prepayments	(47,314)	10,774
(Decrease)/increase in payables	(34,684)	9,741
	<u>(62,640)</u>	<u>45,015</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 2011.

(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 2011**

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	
	2011 %	2010 %	2011 \$	2010 \$	2011 \$	2010 \$	2011 \$	2010 \$
Financial Assets:								
Cash and cash equivalents	0.95	0.95	38,806	101,446	-	-	38,806	101,446
Total Financial Assets			<u>38,806</u>	<u>101,446</u>	<u>-</u>	<u>-</u>	<u>38,806</u>	<u>101,446</u>
Financial Liabilities:								
Trade and other payables	-	-	-	-	-	34,684	-	34,684
Total Financial Liabilities			<u>-</u>	<u>-</u>	<u>-</u>	<u>34,684</u>	<u>-</u>	<u>34,684</u>

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

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

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.

	2011		2010	
	Carrying Amount	Net Fair Value	Carrying Amount	Net Fair Value
	\$	\$	\$	\$
Financial Assets				
Cash and cash equivalents	38,806	38,806	101,446	101,446
	<u>38,806</u>	<u>38,806</u>	<u>101,446</u>	<u>101,446</u>
Financial Liabilities				
Trade and other payables	-	-	34,684	34,684
	<u>-</u>	<u>-</u>	<u>34,684</u>	<u>34,684</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 Act, 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 2011**

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 2011 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 (Registered Organisations) Act 2009.

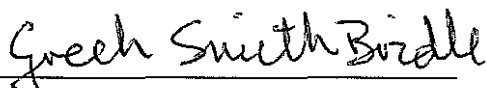
We declare to the best of our knowledge and belief that the auditor's independence declaration, set out on page 5 of the financial report, has not changed as at the date of providing our audit opinion.

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

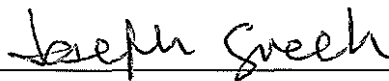
**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF
SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
N.S.W. BRANCH (CONT)**

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 Fair Work (Registered Organisations) Act 2009.



Grech Smith Bridle
Chartered Accountants



Joseph Paul Grech
Partner, Registered Company Auditor

Dated at Sydney this 24th day of August 2011