



FAIR WORK  
COMMISSION

2 April 2013

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

By email: [secretary@sdansw.asn.au](mailto:secretary@sdansw.asn.au)

cc: Mr Joseph Paul Grech  
Grech Smith Bridle Accountants

By email: [joseph@gsb.com.au](mailto:joseph@gsb.com.au)

Dear Mr Dwyer

**Section 237 Fair Work (Registered Organisations) Act 2009  
Financial Report for the Shop Distributive and Allied Employees Association, New South  
Wales Branch for the year ended 30 June 2012 (FR2012/381)**

I acknowledge receipt of Mr Grech's letter of 26 February 2013 in response to my letter of 28 January 2013 in relation to the financial report of the New South Wales Branch of the abovenamed organisation for the financial year ended 30 June 2012.

The contents of Mr Grech's letter have been noted. The financial report is now filed.

Please note that item 10(a) of the Reporting Guidelines requires a reporting unit to disclose entrance fees or periodic subscriptions (membership subscriptions) in respect of membership of the organisation. The disclosure 'Members Subscriptions' as suggested would be an acceptable disclosure.

As requested, information in relation to items 3, 4 and 6 of my letter of 28 January 2013 should be provided to members of the Branch.

If you have any queries please contact me on (03) 8661 7893 or by email at [larry.powell@fwc.gov.au](mailto:larry.powell@fwc.gov.au).

Yours sincerely,

Fair Work Commission

26 February 2013

Mr L Powell  
Fair Work Commission  
11 Exhibition Street  
MELBOURNE VIC 3000

Your reference: FR2012/381

Level 10  
66 King Street  
(Cnr York and King Streets)  
Sydney NSW 2000

PO Box H128  
Australia Square NSW 1215

Telephone (02) 8031 6000  
Facsimile (02) 8031 6001  
Email [gsb@gsb.com.au](mailto:gsb@gsb.com.au)

Dear Mr Powell

**Re: Financial Report for the Shop Distributive Allied Employees Association,  
New South Wales Branch for the year ended 30 June 2012**

Further to our telephone conversation on 8 February 2013 I am responding to your correspondence to Mr Gerard Dwyer, Branch Secretary – Treasurer, New South Wales Branch Shop Distributive and Allied Employees Association, (Branch) dated 28 January 2013.

**1. Audit Report**

I can confirm that our report did include the committee of management statement in the scope of the audit report. In prior years we have noted the pages numbers to include the Committee of Management Statement. It should have read 'pages 4 to 17'.

**2. Disclosure of Audit Fees**

There were no audit fees paid by the Branch. All audit fees were paid by Shop Distributive and Allied Employees' Association NSW Deductions Account Office (Deductions).

Historically expenses have been incurred by either Deductions or Branch. Transfer of funds from Deductions to Branch are made to cover expenses incurred by Branch. This procedure has always existed. In this case audit expenses are billed to Deductions.

**3. Notes to the Statements of Comprehensive Income**

The amount of \$305,962 represents the income of the Branch from individuals for the subscriptions to Union membership, this is the only service that is provided by Branch under the rules which governed its formation. If it appears unclear we can change the name to 'Members Subscriptions'.

**4. Compensation/benefits to office holders**

The item of expenditure headed 'Conference Fees and Allowances' is meant to capture all the costs associated with conferences attended by employees, members of the committee elected officials and others invited with the union.

We understand that your question relates specifically to the elected officials.

The elected officials covered by this allowance and the amounts they have received are:

Employed        \$11,743  
Non Employed   \$23,869

5. Loans, Grants or Donations

The statement you have specified has been forwarded to you together with a request for an extension of the 90 day deadline.

6. Cash Flow Statement

The amounts are transferred from Deductions to Branch, during the year ended 30 June 2012 (as per note 2 in the Financial Statements) the amount transferred was \$4,035,155. It is stated that this amount is transferred from "NSW Deductions Accounts Office".

In future we will ensure the amount is shown separately in the Cash Flow Statement.

7. Statement of Financial Position

The amounts that made up the amount of \$217,607 are:

Bankstown District Sports Club	1,156.60
ALP NSW Federal Admin Account (Note 1)	<u>216,450.00</u>
	<u>217,606.60</u>

Note 1

This amount was taken up as a prepayment as it applied to the period from 1 July 2012. When the prepayment is netted off with the liability, the net position is nil. It will be expensed in the 2012/2013 year. This is not a reporting unit within the organisation.

Should you have any queries please do not hesitate to contact me.

Yours sincerely



**Joseph Grech**

JG:cf/SHOP1234

Encl



FAIR WORK  
COMMISSION

28 January 2013

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

By email: [secretary@sdansw.asn.au](mailto:secretary@sdansw.asn.au)

cc: Mr Joseph Paul Grech  
Grech Smith Bridle Accountants

By email: [joseph@gsb.com.au](mailto:joseph@gsb.com.au)

Dear Mr Dwyer

**Financial Report for the Shop Distributive and Allied Employees Association, New South Wales Branch for the year ended 30 June 2012 (FR2012/381)**

I acknowledge receipt of the financial report for the Shop Distributive and Allied Employees Association New South Wales Branch for the year ended 30 June 2012. The report was lodged with Fair Work Australia on 28 September 2012.

I have examined the financial report. Following that examination I have identified a number of matters, the details of which are set out below, that you are required to address before the report can be filed.

**1. Auditor's Report**

Scope

Paragraph 27 of *Australian Auditing Standard 700* (ASA 700) requires the introductory paragraph of an auditor's report to identify the title of each of the financial statements that comprise the financial report and to refer to the summary of significant accounting policies, other explanatory notes and the director's declaration (in this case the Committee of Management Statement).

The introductory paragraph of the audit report states that 'We have audited the financial report of Shop, Distributive and Allied Employees' Association N.S.W Branch for the financial year ended 30 June 2012 as set out on pages 7 to 17'. I note that the committee of management statement which the auditor should consider is not contained within those pages. An audit report should provide an introductory statement which satisfies the requirements of ASA 700 and the scope of which includes all of the financial statements, the notes and the Committee of Management Statement.

The auditor is requested to confirm whether the committee of management statement is included in the scope of the audit report.

## **2. Disclosure of audit fees**

AASB 195 at paragraph 10 requires the financial statements to separately disclose amounts paid to the auditor for audit fees and for non-audit services. No such disclosure appears in the financial statements. Please advise in writing the amount paid to the auditor for audit fees and any other amounts paid to the auditor. This advice also needs to be provided to members of the Branch.

## **3. Notes to the Statement of Comprehensive Income**

Note 2 to the Statement of Comprehensive Income provides a disclosure 'services revenue' of \$305,962. It is unclear what this refers to. Please clarify in writing what this refers to. This clarification also needs to be provided to members.

## **4. Compensation/benefits to office holders**

AASB 124(16) provides that an entity shall disclose key management personnel compensation in total and for each of the specified categories. Also item 11 of the reporting guidelines provides that the reporting unit must disclose employee benefits to holders of office in the Statement of Comprehensive Income or the notes.

The reporting unit has not provided any information regarding compensation or benefits to holders of office. However, the Statement of Comprehensive Income states that there was an amount of \$100,578 for conference fees and allowances. If the disclosure specified in the item for conference fees and allowances relates to office holders, this should be disclosed clearly as compensation/benefit for office holders. Please confirm in writing whether the office holders received any fee or allowance to perform their functions and duties on behalf of the reporting unit. This advice also needs to be provided to members.

## **5. Loans, Grants or Donations**

Section 237(1) of the RO Act requires an organisation to lodge in Fair Work Australia within 90 days after the end of each financial year a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 made by the organisation during the financial year.

I note that the statement of comprehensive income provides a disclosure 'Donations' of \$5,264.

Please confirm in writing that none of these donations exceeded \$1000, or should this not be correct, please lodge with The Fair Work Commission a statement of Loans, Grants and Donations as soon as possible. The statement should include a request for an extension of the 90 day deadline, signed and dated by the relevant officer, outlining the reason for the delay in lodgement.

A template [Loans, Grants and Donations form](#) is available on the [The Fair Work Commission website](#).

## **6. Cash Flow Statement**

Item 15 of the reporting guidelines provides that where another reporting unit of the organisation is the source of a cash inflow or the application of a cash outflow, such cash flow should be separately disclosed in the notes to the cash flow statement and show the name of the other reporting unit concerned.

Please advise, in writing, the amount of cash to and from other reporting units of the Shop, Distributive and Allied Employees Association. This advice also needs to be provided to members.

## 7. Statement of Financial Position

Item 13 of the reporting guidelines provides that where an item is disclosed on the Statement of Financial Position as a payable, and the item or part of the item has been derived as a result of one or more transactions and/or other past events with another reporting unit of the organisation, the name of the reporting unit and the cost or value attributable to the other reporting unit should be disclosed.

Note 6 to the Financial Statements provides a disclosure 'trade payables' of \$217,607. Please advise in writing whether any of the trade payables relate to transactions with other reporting units of the Shop, Distributive and Allied Employees Association, and, if so, please advise the name(s) of the other reporting unit(s) of the Shop, Distributive and Allied Employees Association and the cost attributable to the other reporting units(s). This advice also needs to be provided to members.

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 7893 or by email at [larry.powell@fwc.gov.au](mailto:larry.powell@fwc.gov.au). A copy of this letter has been provided to your auditor.

Yours sincerely,



Larry Powell  
Regulatory Compliance Branch  
Fair Work Commission  
Tel: 03 86617893

Email: [larry.powell@fwc.gov.au](mailto:larry.powell@fwc.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](mailto:secretary@sdansw.asn.au) Website: [www.sdansw.asn.au](http://www.sdansw.asn.au)  
Branch Secretary-Treasurer  
Gerard Dwyer

28 September 2012

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 2012, 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, 28 August 2012.
2. The financial accounts and statements were signed by the auditor on Friday, 31 August 2012.
3. The financial accounts and statements were provided to all members through the Spring 2012 edition of the Union journal. The journal was lodged with Australia Post on 19 September 2012.
4. The financial accounts and statements were re-presented to the Branch Council meeting held on Tuesday, 25 September 2011.

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

Yours faithfully,

Gerard Dwyer  
**BRANCH SECRETARY-TREASURER**

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**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION**

**N.S.W. BRANCH**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED  
30 JUNE 2012**



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

**FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2012**

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

### **OPERATING REPORT FOR THE YEAR ENDED 30 JUNE 2012**

#### **Membership**

Membership as at 30 June 2012 was 57,909 (2011: 57,107).

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 16B 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.

New enterprise agreements were negotiated with a wide range of employers including Officeworks, Bunnings, David Jones, St Vincent de Paul Society, Wollongong UniCentre, Supabarn Supermarkets, Eureka Operations and others. These agreements all resulted in improved wages and working conditions for the employees covered by them.

There were no significant changes in the nature of the activities and financial affairs in the Association during the year.

At 30 June 2012, 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 NSW 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 2012**

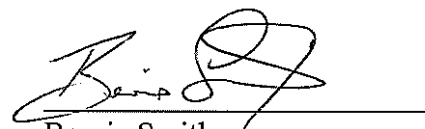
**Committee of Management**

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>	<i>Position</i>
G. Donnelly	Member since 18 June 1991	Branch President
G. Cutcher	Member since 22 February 1995	Branch Vice President
G. Dwyer	Member since 4 June 1996	Branch Secretary - Treasurer
B. Smith	Member since 10 May 2005	Branch Assistant Secretary - Treasurer
C. Cassell	Member since 4 February 2003	Branch Trustee
M. Hagley	Member since 9 February 1999	Branch Trustee
P. Avellino	Member since 28 September 2010	Branch Councillor (Branch membership)
M. Dumycz	Member since 28 September 2010	Branch Councillor (Branch membership)
R. Jackson	Member since 25 August 1998	Branch Councillor (Branch membership)
B. Logue	Member since 16 December 2010	Branch Councillor (Branch membership)
M. Long	Member since 27 February 2007	Branch Councillor (Branch membership)
C. Mills	Member since 4 February 2003	Branch Councillor (Branch membership)
M. Ponting	Member since 9 February 1999	Branch Councillor (Branch membership)
S. Barros	Member since 16 February 2010	Branch Councillor (Retail membership)
N. Rizk	Member since 28 September 2010	Branch Councillor (Retail membership)
H. Thomas	Member since 4 February 2003	Branch Councillor (Retail membership)
R. Horder	Member since 27 February 2007	Branch Councillor (Drug and Allied membership)
D. Robins	Member since 28 September 2010	Branch Councillor (Other Industries and Vocational Groupings membership)

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 28<sup>th</sup> day of August 2012.

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

**STATEMENT OF THE COMMITTEE OF MANAGEMENT  
FOR THE YEAR ENDED 30 JUNE 2012**

On 28 August 2012 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 2012:

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 Fair Work (Registered Organisation) Act 2009 (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 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 of the reporting unit or the General Manager of Fair Work Australia; and
  - vi) There has been compliance with any order for inspection of financial records made by Fair Work Australia under section 273 of the Fair Work (Registered Organisation) Act 2009.
- f) There was activity for the recovery of wages during the year. However, no amounts in connection with recovery of wages have been received by the organisation and no fees have been charged or reimbursed in connection with this.

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

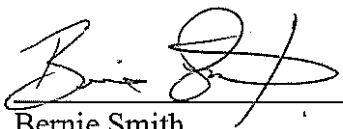
**STATEMENT OF THE COMMITTEE OF MANAGEMENT  
FOR THE YEAR ENDED 30 JUNE 2012**

**Auditor's Independence**

A copy of the auditor's independence declaration is set out on page 6.

Signed on behalf of the Committee of Management:

  
Gerard Dwyer  
*Committee of Management*

  
Bernie Smith  
*Committee of Management*

Dated at Sydney this 28<sup>th</sup> day of August 2012.

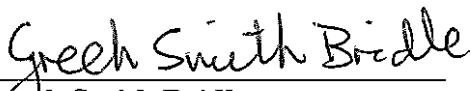
**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION  
N.S.W. BRANCH**

**AUDITOR'S INDEPENDENCE DECLARATION  
FOR THE YEAR ENDED 30 JUNE 2012**

**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 2012 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 31<sup>st</sup> day of August 2012.

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

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

	<b>Note</b>	<b>2012</b> \$	<b>2011</b> \$
Revenue	2	305,973	321,821
Other Income	2	4,035,155	3,878,590
Affiliation fees	3(a)	(2,055,165)	(1,999,923)
Membership propagation expenses		(529,090)	(801,297)
Journal expenses		(424,849)	(374,537)
Travel and accommodation expenses		(335,212)	(304,341)
Function expenses		(321,424)	(305,992)
Advertising		-	-
Scholarship expenses		(131,666)	(146,622)
Conference fees and allowances		(100,578)	(62,315)
Legal fees and litigation costs		-	-
Donations		(5,264)	-
Other expenses		(198,894)	(186,026)
Profit before income tax expense		<u>238,986</u>	<u>19,358</u>
Income tax expense	1(a)	-	-
Profit/(loss) attributable to members		<u><u>238,986</u></u>	<u><u>19,358</u></u>

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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 2012**

	<b>Note</b>	<b>2012 \$</b>	<b>2011 \$</b>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash assets and cash equivalents	4	-	38,806
Other receivables		39,004	-
Prepayments	5	1,310,392	848,087
<b>TOTAL CURRENT ASSETS</b>		<u>1,349,396</u>	<u>886,893</u>
<b>TOTAL ASSETS</b>		<u>1,349,396</u>	<u>886,893</u>
<b>CURRENT LIABILITIES</b>			
Bank Overdraft	4	6,364	-
Trade and other payables	6	217,153	-
<b>TOTAL CURRENT LIABILITIES</b>		<u>223,517</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>		<u>223,517</u>	<u>-</u>
<b>NET ASSETS</b>		<u>1,125,879</u>	<u>886,893</u>
<b>EQUITY</b>			
Retained earnings		<u>1,125,879</u>	<u>886,893</u>
<b>TOTAL EQUITY</b>		<u>1,125,879</u>	<u>886,893</u>

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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 2012**

	<b>Retained Earnings</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2010</b>	867,535	867,535
Profit attributable to members of the Association	19,358	19,358
<b>Balance at 30 June 2011</b>	886,893	886,893
Profit attributable to members of the Association	238,986	238,986
<b>Balance at 30 June 2012</b>	1,125,879	1,125,879

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

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2012**

	<b>Note</b>	<b>2012</b> <b>\$</b>	<b>2011</b> <b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		4,341,117	4,149,062
Payments to suppliers and employees		(4,386,298)	(4,211,708)
Interest received		11	6
Net cash provided by (used in) operating activities	8(a)	<u>(45,170)</u>	<u>(62,640)</u>
Net (decrease)/increase in cash held		(45,170)	(62,640)
<b>Cash at beginning of financial year</b>		<u>38,806</u>	<u>101,446</u>
<b>Cash at end of financial year</b>	4	<u><u>(6,364)</u></u>	<u><u>38,806</u></u>

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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 2012**

**Note 1: Statement of Significant Accounting Policies**

The financial statements are general purpose financial statements that have 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 statements cover the Association of Shop, Distributive and Allied Employees' Association N.S.W. Branch as a reporting unit. The Shop, Distributive and Allied Employees' Association N.S.W. Branch is a trade union registered pursuant to the RO Act.

The financial statements of Shop, Distributive and Allied Employees' Association N.S.W. Branch as a reporting unit 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 statements. 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 statements have been prepared on an accruals basis and are 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 2012**

**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 statements 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 2012**

**Note 2: Revenue**

	2012 \$	2011 \$
Operating activities		
- services revenue	305,962	321,815
- interest received	11	6
	<u>305,973</u>	<u>321,821</u>
Non-operating activities		
- Surplus Transferred from N.S.W. Deductions Accounts Office	4,035,155	3,878,590
Other income	<u>4,035,155</u>	<u>3,878,590</u>
(a) Interest revenue from:		
- other persons	11	6
Total interest revenue	<u>11</u>	<u>6</u>

**Note 3: Profit from Ordinary Activities**

(a) Expenses - Affiliation Fees		
National Office (SDA)	1,287,291	1,257,340
National Office (SDA) - International Fund	386,187	377,202
ALP NSW	189,709	179,000
Labor Council NSW	178,420	172,876
Other	13,558	13,505
	<u>2,055,165</u>	<u>1,999,923</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>-</u>
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**Note 4: Cash and cash equivalents**

Cash at bank	<u>(6,364)</u>	<u>38,806</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>(6,364)</u>	<u>38,806</u>

**Note 5: Prepayments**

CURRENT		
Prepayments	<u>1,310,392</u>	<u>848,087</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2012**

	2012	2011
<b>Note 6: Payables</b>		
CURRENT		
Trade payables	217,607	-
GST payables	(454)	-
	<u>217,153</u>	<u>-</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	238,986	19,358
Changes in assets and liabilities:		
(Increase)/decrease in prepayments	(462,305)	(47,314)
(Increase)/decrease in deposit in advance	(39,004)	-
(Decrease)/increase in payables	217,607	(34,684)
(Decrease)/increase in GST payable	(454)	-
	<u>(45,170)</u>	<u>(62,640)</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 2012.

**(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 2012**

**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	
	2012	2011	2012	2011	2012	2011	2012	2011
	%	%	\$	\$	\$	\$	\$	\$
<b>Financial Assets:</b>								
Cash and cash equivalents	0.95	0.95	(6,364)	38,806	-	-	(6,364)	38,806
<b>Total Financial Assets</b>			<u>(6,364)</u>	<u>38,806</u>	<u>-</u>	<u>-</u>	<u>(6,364)</u>	<u>38,806</u>
<b>Financial Liabilities:</b>								
Trade and other payables	-	-	217,607	-	217,607	-	217,607	-
<b>Total Financial Liabilities</b>			<u>217,607</u>	<u>-</u>	<u>217,607</u>	<u>-</u>	<u>217,607</u>	<u>-</u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2012**

**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.

	<b>2012</b>		<b>2011</b>	
	Carrying Amount	Net Fair Value	Carrying Amount	Net Fair Value
	\$	\$	\$	\$
<b>Financial Assets</b>				
Cash and cash equivalents	<u>(6,364)</u>	<u>(6,364)</u>	<u>38,806</u>	<u>38,806</u>
	<u>(6,364)</u>	<u>(6,364)</u>	<u>38,806</u>	<u>38,806</u>
<b>Financial Liabilities</b>				
Trade and other payables	<u>217,607</u>	<u>217,607</u>	<u>-</u>	<u>-</u>
	<u>217,607</u>	<u>217,607</u>	<u>-</u>	<u>-</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 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).



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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2012**

**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 2012 as set out on pages 7 to 17.

The financial report includes the financial statements of the reporting unit 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.

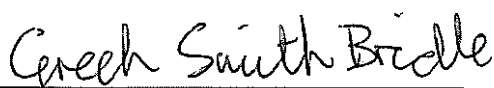
**Independence**

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Fair Work (Registered Organisations) Act 2009.

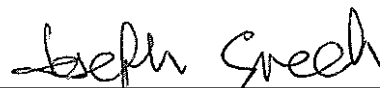
We declare to the best of our knowledge and belief that the auditor's independence declaration, set out on page 6 of the financial report, has not changed as at the date of providing our audit opinion.

**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 31st day of August 2012

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.

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DECLARATION

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Deponent: Gerard Andrew Dwyer

Date: 28 September 2012

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 2012.
- 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, 25 September 2012 pursuant to Section 266 of the Fair Work (Registered Organisations) Act 2009.



Gerard Dwyer

Branch Secretary-Treasurer