



23 April 2014

Mr Gerard Dwyer
Secretary-Treasurer
Shop, Distributive and Allied Employees Association-New South Wales Branch
secretary@sdansw.asn.au

Dear Mr Dwyer,

**Shop, Distributive and Allied Employees Association-New South Wales Branch
Financial Report for the year ended 30 June 2013 - [FR2013/290]**

I acknowledge receipt of the financial report of the Shop, Distributive and Allied Employees Association-New South Wales Branch. The documents were lodged with the Fair Work Commission on 16 December 2013.

The financial report has now been filed.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 30 June 2014 may be subject to an advanced compliance review.

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. The Fair Work Commission will confirm these concerns have been addressed prior to filing next year's report.

Documents must be lodged with the Fair Work Commission within 14 days of General Meeting

Section 268 of the RO Act, states that the full report and the designated officer's certificate are required to be lodged with the Fair Work Commission within 14 days of the meeting of committee of management. The Designated Officer's Certificate indicates that this meeting occurred on 15 October 2013. If this is correct the full report should have been lodged with the Fair Work Commission by 29 October 2013.

The full report was lodged on 16 December 2013

If these dates are correct, the branch should have applied for an extension of time to lodge the required reports and the designated officer's certificate in accordance with section 268 of the RO Act.

Please note that in future financial years a written request for an extension of time, signed by a relevant officer, including any reason for the delay, must be made prior to required date of lodgement.

Auditor's report: declaration regarding going concern

Paragraph 45 of the reporting guidelines requires an auditor to include in the auditor's statement a declaration that as part of the audit of the financial statement they have concluded that management's use of the going concern basis of accounting in the preparation of the reporting unit's financial statements is appropriate. This declaration was not included in the auditor's statements.

If you have any queries regarding this letter, please contact me on (03) 8661 7893 or via email at larry.powell@fwc.gov.au.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'L Powell'.

Larry Powell
Senior Adviser
Regulatory Compliance Branch



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.org.au
Branch Secretary-Treasurer
Gerard Dwyer

11 December 2013

Mr Robert Pfeiffer
Fair Work Commission
GPO Box 1994
MELBOURNE VIC 3001



Dear Mr Pfeiffer,

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 2013, 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, 10 September 2013.
2. The financial accounts and statements were signed by the auditor on Wednesday, 11 September 2013.
3. The financial accounts and statements were provided to all members through the Spring 2013 edition of the Union journal. The journal was lodged with Australia Post on 25 September 2013.
4. The financial accounts and statements were re-presented to the Branch Council meeting held on Tuesday, 15 October 2013.

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', written in a cursive style.

Gerard Dwyer
BRANCH SECRETARY-TREASURER

enc

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: 11 December 2013

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

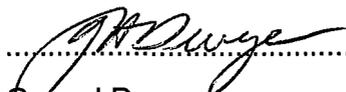
IN THE MATTER OF:

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 2013.
- 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, 15 October 2013 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 2013**

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

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013**

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

**OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2013**

Membership

Membership as at 30 June 2013 was 58,202 (2012: 57,909).

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 Kmart, Big W, Woolworths Supermarkets, Target, Dick Smith, Bunnings 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 2013, 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 the Service Skills NSW Wholesale, Retail and Personal Services 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 2013**

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) Resigned 24 July 2012
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) Resigned 16 April 2013
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 10th day of September 2013.

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

**STATEMENT OF THE COMMITTEE OF MANAGEMENT
FOR THE YEAR ENDED 30 JUNE 2013**

On 10th September 2013 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 2013:

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;
 - 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) Information has been furnished to any member of the reporting unit or to the General Manager of the Fair Work Commission, as the case may be, where information sought by the member or the General Manager of the Fair Work Commission was duly made under section 272 of the RO Act; and 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.
 - vi) No orders for inspection of financial records have been made by the Fair Work Commission under section 273 of the RO Act.

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

**STATEMENT OF THE COMMITTEE OF MANAGEMENT
FOR THE YEAR ENDED 30 JUNE 2013**

f) In relation to recovery of wages activity:

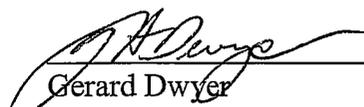
(i) the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of the General Manager; and
(ii) the committee of management instructed the auditor to include in the scope of the audit required under subsection 257(1) of the RO Act all recovery of wages activity by the reporting unit from which revenues had been derived for the financial year in respect of such activity; and

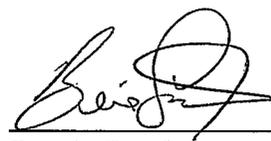
(iii) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from monies recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and

(iv) that prior to engaging in any recovery of wages activity, the organisation has disclosed to members by way of a written policy all fees to be charged or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and

(v) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from monies recovered from employers on behalf of workers until distributions of recovered money were made to the workers.

Signed on behalf of the Committee of Management:


Gerard Dwyer
Committee of Management


Bernie Smith
Committee of Management

Dated at Sydney this 10th day of September 2013.

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

**AUDITOR'S INDEPENDENCE DECLARATION
FOR THE YEAR ENDED 30 JUNE 2013**

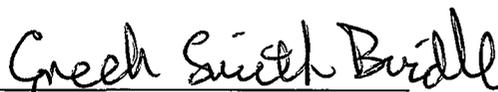
**TO THE COMMITTEE OF MANAGEMENT
SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
N.S.W. BRANCH**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2013 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.



Joseph Paul Grech
Registered Company Auditor
Number 4327
Holder of Current Practicing Certificate and
Member of the Australian Institute of
Chartered Accountants Number 24310



Grech Smith Bridle
Chartered Accountants

Dated at Sydney this 11th day of September 2013.

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013**

	Note	2013 \$	2012 \$
Revenue	2	295,694	305,973
Other Income	2	4,656,347	4,035,155
Affiliation fees	3(a)	(2,136,644)	(2,055,165)
Compulsory levies	3A	(60,040)	-
Membership propagation expenses		(945,278)	(529,090)
Journal expenses		(339,101)	(424,849)
Travel and accommodation expenses		(367,648)	(335,212)
Function expenses		(315,828)	(321,424)
Scholarship expenses		(122,650)	(131,666)
Conference fees		(86,721)	(100,578)
Legal fees and litigation costs		-	-
Donations		(1,350)	(5,264)
Other expenses		(230,510)	(198,894)
Profit before income tax expense		<u>346,271</u>	<u>238,986</u>
Income tax expense	1(c)	-	-
Profit/(loss) attributable to members		<u><u>346,271</u></u>	<u><u>238,986</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 2013**

	Note	2013 \$	2012 \$
ASSETS			
CURRENT ASSETS			
Cash assets and cash equivalents	4	29,595	-
Other receivables	5	58,946	39,004
Prepayments	6	1,391,865	1,310,392
TOTAL CURRENT ASSETS		<u>1,480,406</u>	<u>1,349,396</u>
TOTAL ASSETS		<u>1,480,406</u>	<u>1,349,396</u>
 CURRENT LIABILITIES			
Bank Overdraft	4	-	6,364
Trade and other payables	7	8,256	217,153
TOTAL CURRENT LIABILITIES		<u>8,256</u>	<u>223,517</u>
TOTAL LIABILITIES		<u>8,256</u>	<u>223,517</u>
NET ASSETS		<u>1,472,150</u>	<u>1,125,879</u>
 EQUITY			
Retained earnings		<u>1,472,150</u>	<u>1,125,879</u>
TOTAL EQUITY		<u>1,472,150</u>	<u>1,125,879</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 2013**

	<u>Retained Earnings</u>	<u>Total</u>
	\$	\$
Balance at 1 July 2011	886,893	886,893
Profit attributable to members of the Association	<u>238,986</u>	<u>238,986</u>
Balance at 30 June 2012	<u>1,125,879</u>	<u>1,125,879</u>
Profit attributable to members of the Association	<u>346,271</u>	<u>346,271</u>
Balance at 30 June 2013	<u>1,472,150</u>	<u>1,472,150</u>

No Compulsory levies or voluntary contributions have been collected from members of the reporting unit.

Compulsory Levies paid are disclosed in Note 3A. The levies are paid from retained earnings.

No Balances existed during the year, in any accounts for compulsory levies or voluntary contributions.

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 2013**

	Note	2013 \$	2012 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		194,270	266,958
Surplus transferred from Shop, Distributive and Allied Employees' Association		4,656,347	4,035,155
Payments to suppliers		(4,814,667)	(4,347,294)
Interest received		9	11
Net cash provided by (used in) operating activities	10(a)	<u>35,959</u>	<u>(45,170)</u>
Net (decrease)/increase in cash held		35,959	(45,170)
Cash at beginning of financial year		<u>(6,364)</u>	<u>38,806</u>
Cash at end of financial year	4	<u>29,595</u>	<u>(6,364)</u>

The accompanying notes form part of these financial statements.

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

**RECOVERY OF WAGES ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2013**

	Note	2013 \$	2012 \$
Cash assets in respect of recovered money at beginning of year			
Receipts			
Amounts recovered from employers in respect of wages etc.		-	-
Interest received on recovered money		-	-
Total receipts		<u>-</u>	<u>-</u>
Payments			
Deductions of amounts due in respect of Membership for:			
12 months or less		-	-
Greater than 12 months		-	-
Deductions of donations or other contributions to accounts or funds of:			
The reporting unit:			
name of account		-	-
name of fund		-	-
Name of other reporting unit of the organisation:			
name of account		-	-
name of fund		-	-
Name of other entity:			
name of account		-	-
name of fund		-	-
Deductions of fees or reimbursement of Expenses		-	-
Payments to workers in respect of recovered Money		-	-
Total payments		<u>-</u>	<u>-</u>
Cash asset's in respect of recovered money at end of year		-	-
Number of workers to which the monies recovered relates		-	-
Aggregate payables to workers attributable to recovered monies but not yet distributed			
Payable balance		-	-
Number of workers the payable relates to		-	-
Fund or account operated for recovery of wages		-	-

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**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the *Fair Work (Registered Organisation) Act 2009*. For the purpose of preparing the general purpose financial statements, the Shop, Distributive and Allied Employees' Association N.S.W. Branch is a not-for-profit entity.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities at measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

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.

(a) Comparative amounts

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

(b) New Australian Accounting Standards

No accounting standard has been adopted earlier than the application date stated in the standard.

The accounting policies adopted are consistent with those of the previous financial year.

(c) Income Tax

Shop, Distributive and Allied Employees' Association N.S.W. Branch is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligations for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

Note 1: Summary of Significant Accounting Policies (cont)

(c) Income Tax (continued)

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows. No provision for income tax is necessary as Trade Unions are exempt from income tax under the Income Tax Assessment Act 1936, as amended.

(d) Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from subscriptions is accounted for on an accrual basis and is recorded as revenue in the year to which it relates.

Revenue from the sale of goods is recognised when, the risks and rewards of ownership have been transferred to the buyer, the entity retains no managerial involvement or effective control over the goods, the revenue and transaction costs incurred can be reliably measured, and it is probable that the economic benefits associated with the transaction will flow to the entity.

Donation income is recognised when it is received.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

Interest revenue is recognised on an accrual basis using the effective interest method.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease.

(e) Capitation fees and levies

Capitation fees and levies are to be recognised on an accrual basis and record as a revenue and/or expense in the year to which it relates.

(f) Cash

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the consolidated statement of financial position.

(g) Critical Accounting Estimates and Judgements

The Committee of Management evaluate estimates and judgements 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 data, obtained both externally and within the Association.

It has not been necessary for the Committee of Management to make any key estimates or judgements in the report.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

Note 2: Revenue

	2013	2012
	\$	\$
Operating activities		
- members subscriptions	295,685	305,962
- interest received	9	11
	<u>295,694</u>	<u>305,973</u>
Non-operating activities		
- Surplus Transferred from N.S.W. Deductions Accounts Office	4,656,347	4,035,155
Other income	<u>4,656,347</u>	<u>4,035,155</u>
(a) Interest revenue from:		
- other persons	9	11
Total interest revenue	<u>9</u>	<u>11</u>
- Donations or Grants	-	-
- Capitation Fees	-	-
- Compulsory levy	-	-

Note 3: Profit from Ordinary Activities

(a) Expenses - Affiliation Fees		
National Office (SDA)	1,317,328	1,287,291
National Office (SDA) - International Fund	395,198	386,187
ALP NSW	236,127	189,709
Labor Council NSW	181,280	178,420
Other	6,711	13,558
	<u>2,136,644</u>	<u>2,055,165</u>
- Penalties – via RO Act or RO Regulations	-	-
- Grants or Donations	1,350	-
- Consideration paid to employers for payroll deductions	-	-
- Legal costs relating to litigation and other matters	-	-
- Capitation Fees	-	-
- Fees/allowances – meeting attendances – (this represents all costs associated with holding of meetings of members)	46,189	47,999

Note 3A: Compulsory Levy

A compulsory levy of \$1 per member was made by the National Office (SDA) for Branch contribution to the ACTU IR Campaign Levy during the year. The purpose of the levy was to promote the aims and activities undertaken by trade unions.

- Compulsory levy	<u>60,040</u>	<u>-</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 2013**

	2013 \$	2012 \$
Note 3: Profit from Ordinary Activities (cont)		
Note 3B: Employee expenses		
Holders of office:		
Wages and salaries	-	-
Superannuation	-	-
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses (See Note 3(a) for Fees/Allowances Costs for Meeting attendances by Office Holders)	-	-
Subtotal employee expenses holders of office	<u>-</u>	<u>-</u>
Employees other than office holders:		
Wages and salaries	-	-
Superannuation	-	-
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	-	-
Subtotal employee expenses employees other than office holders	<u>-</u>	<u>-</u>
Total employee expenses	<u>-</u>	<u>-</u>

Note 4: Cash and cash equivalents

Cash at bank	<u>29,595</u>	<u>(6,364)</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>29,595</u>	<u>(6,364)</u>

Note 5: Trade and Other Receivables

CURRENT

Amount receivable from another reporting unit	-	-
Less Provision for doubtful debts from another reporting unit	-	-
Trade receivables	-	-
Other receivables	<u>58,946</u>	<u>39,004</u>
	<u>58,946</u>	<u>39,004</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

	2013 \$	2012 \$
Note 6: Prepayments		
CURRENT		
Amount receivable from another reporting unit	-	-
Prepayments	<u>1,391,865</u>	<u>1,310,392</u>
	<u>1,391,865</u>	<u>1,310,392</u>
Note 7: Payables		
Note 7A: Trade Payables		
Amount payable to another reporting unit	-	-
Trade payables	<u>8,413</u>	<u>217,607</u>
Total trade payables	<u>8,413</u>	<u>217,607</u>
Note 7B: Other Payables		
Consideration to employers for payroll deductions	-	-
Legal costs	-	-
GST payables	<u>(157)</u>	<u>(454)</u>
Total other payables	<u>(157)</u>	<u>(454)</u>
Total Payables	<u>8,256</u>	<u>217,153</u>

Note 8: Segment Reporting

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

Note 9: Employee Salary & Entitlements

The Association does not employ any personnel for which salaries are paid or payable, either holders of office or other personnel. Accordingly it has no expenses relating to wages and salaries, superannuation, leave and entitlements, separation and redundancies, or any other employee expenses. No employee provisions can be disclosed as liabilities as they are nil.

Note 9A: Employee Provisions

	Employee Entitlements \$	Total \$
Opening balance at 1 July 2012	-	-
Additional provisions raised during year	<u>-</u>	<u>-</u>
Balance at 30 June 2013	<u>-</u>	<u>-</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

Note 9: Employee Salary & Entitlements (cont)

Employee provisions in respect of holders of offices in the reporting unit

	2013	2012
	\$	\$
Annual leave	-	-
Long service leave	-	-
Separation and redundancies	-	-
Other employee provisions	-	-
	<u>-</u>	<u>-</u>

Employee provisions in respect of employees (other than holders of offices) of the reporting unit

	2013	2012
	\$	\$
Annual leave	-	-
Long service leave	-	-
Separation and redundancies	-	-
Other employee provisions	-	-
	<u>-</u>	<u>-</u>

Analysis of Total Provisions

	2013	2012
	\$	\$
Current	-	-
Non-Current	-	-
	<u>-</u>	<u>-</u>

Note 10: Cash Flow

Note 10A: 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	346,271	238,986
Changes in assets and liabilities:		
(Increase)/decrease in prepayments	(81,473)	(462,305)
(Increase)/decrease in deposit in advance	(19,942)	(39,004)
(Decrease)/increase in payables	(208,601)	217,607
(Decrease)/increase in GST payable	(296)	(454)
	<u>35,959</u>	<u>(45,170)</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

	2013 \$	2012 \$
Note 10B: Cash Flow Information (cont)		
Cash inflows		
Shop Distributive & Allied Employees Association	<u>4,656,347</u>	<u>4,035,155</u>
Total cash inflows	<u>4,656,347</u>	<u>4,035,155</u>
Cash outflows		
Shop Distributive & Allied Employees Association	<u>-</u>	<u>-</u>
Total cash outflows	<u>-</u>	<u>-</u>

Note 11: 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 2013.

(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.

(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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

Note 11: Financial Instruments (Cont.)

(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		Floating Interest		Non-interest		Total	
	Average Effective		Rate		Bearing			
	2013	2012	2013	2012	2013	2012	2013	2012
	%	%	\$	\$	\$	\$	\$	\$
Financial Assets:								
Cash and cash equivalents	0.08	0.07	<u>29,595</u>	<u>(6,364)</u>	<u>-</u>	<u>-</u>	<u>29,595</u>	<u>(6,364)</u>
Total Financial Assets			<u><u>29,595</u></u>	<u><u>(6,364)</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>29,595</u></u>	<u><u>(6,364)</u></u>
Financial Liabilities:								
Trade and other payables	-	-	<u>8,413</u>	<u>217,607</u>	<u>8,413</u>	<u>217,607</u>	<u>8,413</u>	<u>217,607</u>
Total Financial Liabilities			<u><u>8,413</u></u>	<u><u>217,607</u></u>	<u><u>8,413</u></u>	<u><u>217,607</u></u>	<u><u>8,413</u></u>	<u><u>217,607</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

Note 11: 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.

	2013		2012	
	Carrying Amount \$	Net Fair Value \$	Carrying Amount \$	Net Fair Value \$
Financial Assets				
Cash and cash equivalents	<u>29,595</u>	<u>29,595</u>	<u>(6,364)</u>	<u>(6,364)</u>
	<u>29,595</u>	<u>29,595</u>	<u>(6,364)</u>	<u>(6,364)</u>
Financial Liabilities				
Trade and other payables	<u>8,413</u>	<u>8,413</u>	<u>217,607</u>	<u>217,607</u>
	<u>8,413</u>	<u>8,413</u>	<u>217,607</u>	<u>217,607</u>

Fair values are materially in line with carrying values.

Note 12: Section 272 Fair Work (Registered Organisations) Act 2009

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the 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 of Fair Work Australia, 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 2013**

Note 13: Related Party Disclosures

	Affiliation fee contributions	
	2013	2012
	\$	\$
Affiliates		
The Association made the following payments to its affiliates:		
National Office SDA (Affiliation fees)	1,317,328	1,287,291
National Office SDA - International Fund (Affiliation fees)	395,198	386,187
ALP NSW (Affiliation fees)	236,127	189,709
Labor Council NSW (Affiliation fees)	181,280	178,420
Other (Affiliation fees)	6,711	13,558
Total Affiliation fees	<u>2,136,644</u>	<u>2,055,165</u>
Surplus Transferred from Shop, Distributive and Allied Employees' Association	<u>4,656,347</u>	<u>4,035,155</u>
Total	<u>4,656,347</u>	<u>4,035,155</u>

Note 14: 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

Note 15: Acquisitions

The reporting unit has not acquired an asset or a liability during the financial year as a result of:

- a) an amalgamation under Part 2 of Chapter 3, of the RO Act in which the organisation (of which the reporting unit form part) was the amalgamated organisation; or
- b) a restructure of the branches of the organisation; or
- c) a determination by the General Manager under subsection 245(1) of the RO Act of an alternative reporting structure for the organisation; or
- d) a revocation by the General Manager under subsection 249(1) of the RO Act of a certificate issued to an organisation under subsection 245(1).

Note 16: Financial Support

The reporting unit does not provide financial support to any other reporting unit.

The reporting unit's ability to continue as a going concern is not reliant on the support of another reporting unit.

The reporting unit has not received financial support from another reporting unit.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

Note 17: Events after the reporting period

There were no events that occurred after 30 June 2013, or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of Shop, Distributive and Allied Employees' Association N.S.W. Branch.

**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**

Report on the Financial Report

We have audited the financial report of Shop, Distributive and Allied Employees' Association Branch ("the Association") for the financial year ended 30 June 2013, consisting of the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows for the year ended on that date, accompanying notes 1 to 17, the Operating Report and Committee of Management Statement. The Committee of Management is responsible for the financial report. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the Association.

The financial Report has been prepared for distribution to the members of the Association for the purpose of fulfilling the requirements of subsections 265(1) and 265(5) of the Fair Work (Registered Organisations) Act 2009 in relation to the financial report and independent auditor's report.

Committee of Management's Responsibility for the Financial Report

The Committee of Management of the Shop, Distributive and Allied Employees' Association N.S.W. Branch is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and compliance with Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Association, as well as evaluating the overall presentation of the financial report.

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

Independence

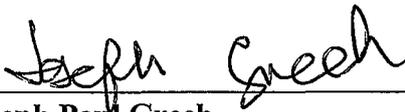
In conducting our audit, we followed and complied with the applicable independence requirements of Australian professional ethical pronouncements and the Fair Work (Registered Organisations) Act 2009.

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:

1. applicable Australian Accounting Standards (including the Australian Accounting Interpretations) and
2. in relation to recovery of wages activity:
 - a. that the scope of the audit encompassed recovery of wages activity;
 - b. that the financial statements and notes and recovery of wages activity financial report properly and fairly report all information required by the reporting guidelines of the general manager, including:
 - i. any fees charged to, or reimbursements of expenses claimed from, members and others for recovery of wages activity; and
 - ii. any donations or other contributions deducted from recovery money; and
3. any other requirements imposed by these reporting guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.



Joseph Paul Grech

Partner

Registered Company Auditor

Number 4327

Holder of Current Practicing Certificate and

Member of the Australian Institute of

Chartered Accountants Number 24310



Grech Smith Bridle

Chartered Accountants

Dated at Sydney this  day of September 2013