

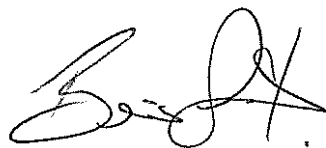
CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

Certificate for the period ended 30 June 2014

I Bernard Joseph Smith being the Branch Secretary-Treasurer of the Shop, Distributive and Allied Employees' Association NSW Branch certify:

- That the documents lodged herewith are copies of the full report for Shop, Distributive and Allied Employees' Association NSW Branch for the period ended 30 June 2014 referred to in s.268 of the Fair Work (Registered Organisations) Act 2009;
- That the financial accounts and statements were presented to the Branch Council meeting held on Tuesday 12 August 2014;
- The financial accounts and statements were signed by the auditor on 22 August 2014;
- That the full report of the financial accounts and statements was provided to members of the reporting unit on 22 September 2014; and
- That the full report of the financial accounts and statements was presented to a meeting of the committee of management of the reporting unit on 23 September 2014 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.

Signature of prescribed designated officer:



Name of prescribed designated officer:

Bernard Joseph Smith

Title of prescribed designated officer:

Branch Secretary-Treasurer

Dated:

25 September 2014

SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION

N.S.W. BRANCH

FINANCIAL REPORT

**FOR THE YEAR ENDED
30 JUNE 2014**

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

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2014**

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**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 N.S.W. Branch ("the Association") for the financial year ended 30 June 2014, 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 15, 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 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 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' judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, 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 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;
3. any other requirements imposed by these reporting guidelines or Part 3 of Chapter 8 of the Registered Organisations Act 2009.
4. The use of the Going Concern basis by the Committee of Management is appropriate.



Joseph Paul Grech

Partner


Registered Company Auditor

Number 4327

Holder of Current Practicing Certificate and

Member of Chartered Accountants Australia

And New Zealand Number 24310



Grech Smith Bridle

Chartered Accountants

Dated at Sydney this 22nd day of August 2014

Declaration

I, Joseph Paul Grech, being the auditor of the Shop, Distributive and Allied Employees' Association N.S.W. Branch declare that:

- a) I am an approved auditor, and
- b) I am a person who is a member of Chartered Accountants Australia and New Zealand; and
- c) I hold a current Public Practice Certificate.



Joseph Paul Grech

Partner

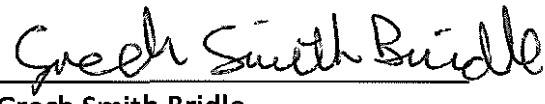
Registered Company Auditor

Number 4327

Holder of Current Practicing Certificate and

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And New Zealand Number 24310



Grech Smith Bridle

Chartered Accountants

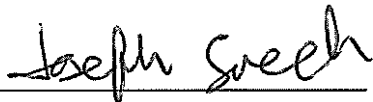
Dated at Sydney this *22nd* day of August 2014

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
N.S.W BRANCH
AUDITOR'S INDEPENDENCE DECLARATION
FOR THE YEAR ENDED 30 JUNE 2014**

**TO THE COMMITTEE OF MANAGEMENT OF
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 2014 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.

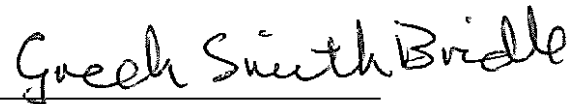


Joseph Paul Grech

Registered Company Auditor

Number 4327

Holder of Current Practicing Certificate and
Member of Chartered Accountants Australia
And New Zealand Number 24310



Grech Smith Bridle

Chartered Accountants

Dated at Sydney this 22nd day of August 2014

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

**OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2014**

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 during the year. These agreements all resulted in improved wages and working conditions for the employees covered by them.

Significant changes in financial affairs

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

Rights of members to resign

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 (Registered Organisations) Act 2009 (RO Act), members could resign from the Association by written notice to the appropriate Branch of the Association.

One officer & employee, who is a superannuation fund trustee or director of a company that is a superannuation fund trustee

One representative of the Association holds a position as the Alternate Director of the Retail Employees' Superannuation Trust ("REST"). Gerard Dwyer Acts as the alternate Director for Joe de Bruyn.

Directors

Mr Joe de Bruyn

Alternates

Mr Gerard Dwyer

Number of Members

Membership as at 30 June 2014 was 57,310 (2013: 58,202).

Number of employees

At 30 June 2014, there were no persons employed by the N.S.W. Branch of the Association.

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

**OPERATING REPORT (CONT.)
FOR THE YEAR ENDED 30 JUNE 2014**

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.

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

**OPERATING REPORT (CONT.)
FOR THE YEAR ENDED 30 JUNE 2014**

Names of Committee of Management members and period positions held during the financial year

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 financial 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)
B. Logue	Member since 16 December 2010	Branch Councillor (Branch membership)
M. Long	Member since 27 February 2007	Branch Councillor (Branch membership) Resigned 18 February 2014
C. Mills	Member since 4 February 2003	Branch Councillor (Branch membership)
M. Ponting	Member since 9 February 2007	Branch Councillor (Branch membership) Resigned 19 November 2013
S. Barros	Member since 16 February 2010	Branch Councillor (Branch membership)
N. Rizk	Member since 28 September 2010	Branch Councillor (Branch membership)
H. Thomas	Member since 4 February 2003	Branch Councillor (Branch membership)
D. Robins	Member since 28 September 2010	Branch Councillor (Other Industries and Vocational Grouping membership)
S. Sammak	Member since 18 February 2014	Branch Councillor (Drug and Allied 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 12th day of August 2014

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

**COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2014**

On 12 August 2014 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) for the year ended 30 June 2014:

The Committee of Management declares 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;
- 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; and
- 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; and
 - ii) The financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - iii) The financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - iv) Where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - v) Where information has been sought in any request by a member of the reporting unit or General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager; and
 - vi) Where any orders for inspection of financial records have been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
- f) No revenue has been derived from undertaking recovery of wages activity during the reporting period.

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

**COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2014**

This declaration is made in accordance with a resolution of the Committee of Management.

Signature of designated officer:



Name and title of designated officer: Gerard Dwyer, Secretary/ Treasurer

Dated: 12 August 2014

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014**

	Note	2014 \$	2013 \$
Revenue			
Membership subscription		310,551	295,685
Capitation fees	3A	-	-
Levies	3B	-	-
Interest	3C	6	9
Other revenue	3D	3,893,894	4,656,347
Total revenue		<u>4,204,451</u>	<u>4,952,041</u>
Other Income			
Grants and/or donations	3E	-	-
Total other income		<u>-</u>	<u>-</u>
Total income		<u>4,204,451</u>	<u>4,952,041</u>
Expenses			
Employee expenses	4A	-	-
Capitation fees	4B	-	-
Affiliation fees	4C	2,094,856	2,136,644
Administration expenses	4D	2,192,069	2,467,776
Grants or donations	4E	350	1,350
Legal costs	4F	-	-
Other expenses	4G	-	-
Total expenses		<u>4,287,275</u>	<u>4,605,770</u>
Profit (loss) for the year		<u>(82,824)</u>	<u>346,271</u>
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss		-	-
Gain on revaluation of land & buildings		-	-
Total comprehensive income for the year		<u>-</u>	<u>-</u>

The above statement should be read in conjunction with the notes.

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

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

	Note	2014 \$	2013 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5A	42,219	29,595
Trade and other receivables	5B	53,823	58,946
Other current assets	5C	1,297,624	1,391,865
Total current assets		<u>1,393,666</u>	<u>1,480,406</u>
Non-Current Assets			
Total non-financial assets		<u>-</u>	<u>-</u>
Total assets		<u>1,393,666</u>	<u>1,480,406</u>
LIABILITIES			
Current Liabilities			
Trade payables	6A	4,340	8,256
Other payables	6B	-	-
Employee provisions	7A	-	-
Total current liabilities		<u>4,340</u>	<u>8,256</u>
Non-Current Liabilities			
Employee provisions	7A	-	-
Total non-current liabilities		<u>-</u>	<u>-</u>
Total liabilities		<u>4,340</u>	<u>8,256</u>
Net assets		<u>1,389,326</u>	<u>1,472,150</u>
EQUITY			
General funds		-	-
Retained earnings (accumulated deficit)		1,389,326	1,472,150
Total equity		<u>1,389,326</u>	<u>1,472,150</u>

The above statement should be read in conjunction with the notes.

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED
30 JUNE 2014**

Note	General Funds \$	Retained Earnings \$	Total Equity \$
	<hr/>		
Balance at 1 July 2012	-	1,125,879	1,125,879
Adjustment for errors			
Adjustment for changes in accounting policies			
Profit for the year	-	346,271	346,271
Other comprehensive income for the year			
Transfer to/from [insert fund name]			
Transfer from retained earnings	-	-	-
Closing balance as at 30 June 2013	-	1,472,150	1,472,150
	<hr/>		
Adjustment for errors	-	-	-
Adjustment for changes in accounting policies	-	-	-
Profit for the year	-	(82,824)	(82,824)
Other comprehensive income for the year	-	-	-
Transfer to/from other fund	-	-	-
Transfer from retained earnings	-	-	-
Closing balance as at 30 June 2014	-	1,389,326	1,389,326
	<hr/> <hr/>		

The above statement should be read in conjunction with the notes.

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

**CASH FLOWS STATEMENT
FOR THE YEAR ENDED 30 JUNE 2014**

	Note	2014 \$	2013 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units/controlled Entity(s)	8B	3,893,894	4,656,347
Interest		6	9
Other		409,916	194,270
Cash used			
Employees		-	-
Suppliers		(2,102,095)	(2,759,496)
Payment to other reporting units/controlled entity(s)	8B	(2,189,097)	(2,055,171)
Net cash from (used by) operating activities	8A	<u>12,624</u>	<u>35,959</u>
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant and equipment		-	-
Proceeds from sale of land and buildings		-	-
Other		-	-
Cash used			
Purchase of plant and equipment		-	-
Purchase of land and buildings		-	-
Other		-	-
Net cash from (used by) investing activities		<u>-</u>	<u>-</u>
FINANCING ACTIVITIES			
Cash received			
Contributed equity		-	-
Other		-	-
Cash used			
Repayment of borrowings		-	-
Other		-	-
Net cash from (used by) financing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash held		12,624	35,959
Cash & cash equivalents at beginning of the financial year		29,595	(6,364)
Cash & cash equivalents at end of the financial year	5	<u>42,219</u>	<u>29,595</u>

The above statement should be read in conjunction with the notes.

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

**RECOVERY OF WAGES ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2014**

	Note	2014 \$	2013 \$
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		<u>-</u>	<u>-</u>
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		-	-

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

**INDEX TO THE NOTES OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2014**

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- Note 2 Events after the Reporting Period
- Note 3 Income
- Note 4 Expenses
- Note 5 Current Assets
- Note 6 Current Liabilities
- Note 7 Provisions
- Note 8 Cash Flow
- Note 9 Contingent Liabilities, Assets and Commitments
- Note 10 Related Party Disclosures
- Note 11 Remuneration of Auditors
- Note 12 Financial Instruments
- Note 13 Fair value measurements
- Note 14 Acquisitions
- Note 15 Section 272 Fair Work (Registered Organisations) Act 2009

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2014**

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation of the financial statements

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.

1.2 Comparative amounts

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

1.3 Significant accounting judgements and estimates

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 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.

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

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.

Note 1: Summary of Significant Accounting Policies (cont)

1.5 Basis of consolidation

These financial statements are for the reporting unit, the Association. They are not consolidated with any other entity.

1.5A Investment in associates

An associate is an entity over which the Association has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The Association has not made an investment in an associate.

1.6 Business combinations

There have been no business combinations during the year.

1.7 Acquisition of assets and or liabilities that do not constitute a business combination

There have been no acquisition of assets or liabilities by the Association during the year that do not constitute a business combination.

1.8 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.

1.9 Government grants

The Association has not received any Government grants during the year.

Note 1: Summary of Significant Accounting Policies (cont)

1.10 Capitation fees and levies

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

1.11 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.

1.12 Financial instruments

Financial assets and financial liabilities are recognised when Shop, Distributive and Allied Employees' Association N.S.W. Branch becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

AASB 9 Financial Instruments (2010), AASB 9 Financial Instruments (2009)

AASB 9 Financial Instruments (2009) introduces new requirements for the classification and measurement of financial assets. Under AASB 9 (2009), financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. AASB 9 (2010) introduces additions relating to financial liabilities. The IASB currently has an active project that may result in limited amendments to the classification and measurement requirements of AASB 9 and add new requirements to address the impairment of financial assets and hedge accounting.

AASB 9 (2010 and 2009) are effective for annual periods beginning on or after 1 January 2015 with early adoption permitted. The extent of the impact has not been determined.

1.13 Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Note 1: Summary of Significant Accounting Policies (cont)

Fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

The Association does not hold any financial assets for trading.

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Loan and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest rate basis except for debt instruments other than those financial assets that are recognised at fair value through profit or loss.

1.14 Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Note 1: Summary of Significant Accounting Policies (cont)

Fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or it is designated as at fair value through profit or loss.

The Association does not hold any financial liabilities for trading.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Other financial liabilities

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities

The reporting unit derecognises financial liabilities when, and only when, the reporting units obligations are discharged, cancelled or they expire. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

1.15 Contingent liabilities and contingent assets

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

1.16 Taxation

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 obligation 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.

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.

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1.17 Going concern

Shop, Distributive and Allied Employees' Association N.S.W. Branch has not received financial support from another reporting unit.

Shop, Distributive and Allied Employees' Association N.S.W. Branch does not provide financial support to any other reporting unit.

Shop, Distributive and Allied Employees' Association N.S.W. Branch's ability to continue as a going concern is not reliant on the support of another reporting unit.

Note 2 : Events after the reporting period

There were no events that occurred after 30 June 2014, and/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.

Note 3: Income	2014	2013
	\$	\$
Note 3A: Capitation fees		
Capitation fees	-	-
Total capitation fees	<u>-</u>	<u>-</u>
Note 3B: Levies		
Levies	-	-
Total levies	<u>-</u>	<u>-</u>
Note 3C: Interest		
Deposits	6	9
Loans	-	-
Total interest	<u>6</u>	<u>9</u>
Note 3D: Other Revenue		
Surplus transferred from N.S.W. Deductions Account Office	3,893,894	4,656,347
Total other revenue	<u>3,893,894</u>	<u>4,656,347</u>
Note 3E: Grants or donations		
Grants	-	-
Donations	-	-
Total grants or donations	<u>-</u>	<u>-</u>

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Note 4: Expenses	2014	2013
	\$	\$
Note 4A: Employee expenses		
Holders of office:		
Wages and salaries	-	-
Superannuation	-	-
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	-	-
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 4B: Capitation fees		
Capitation fees	-	-
Total capitation fees	<u>-</u>	<u>-</u>
Note 4C: Affiliation fees		
National Office SDA	1,353,462	1,317,328
National Office SDA – International Fund	304,555	395,198
ALP NSW	236,127	236,127
ALP ACT	10,087	2,561
Labor Council NSW	186,362	181,280
Labor Council ACT	1,511	1,473
Labor Council South Coast	2,752	2,677
Total affiliation fees/subscriptions	<u>2,094,856</u>	<u>2,136,644</u>

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Note 4: Expenses	2014	2013
	\$	\$
Note 4D: Administration expenses		
Consideration to employers for payroll deductions	-	-
Compulsory Levies		
ACTU IR Campaign Levy	61,772	60,040
Fees/Allowances – meeting and conferences	50,925	73,357
Conference and meeting expenses	726,022	770,197
Membership propagation expenses	752,044	945,278
Journal costs	356,205	339,101
Textbooks scholarships & TEAP Payments	87,154	122,651
Other	157,947	157,152
Subtotal administration expenses	2,192,069	2,467,776
Operating lease rental		
Minimum lease payments	-	-
Total administration expenses	2,192,069	2,467,776

Note: Compulsory Levy

A compulsory levy of \$1 per member was made by the Shop, Distributive and Allied Employees' Association N.S.W. Branch 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.

Note 4E: Grants or donations

Grants		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations		
Total paid that were \$1,000 or less	350	1,350
Total paid that exceeded \$1,000	-	-
Total grants or donations	350	1,350

Note 4F: Legal costs

Litigation	-	-
Other legal matters	-	-
Total legal costs	-	-

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	2014 \$	2013 \$
Note 4G: Other expenses		
Penalties – via RO Act or RO Regulations	-	-
Total other expenses	<u>-</u>	<u>-</u>
Note 5: Current assets		
Note 5A: Cash and cash equivalents		
Cash at bank	42,219	29,595
Cash on hand	-	-
Short term deposits	-	-
Other	-	-
Total cash and cash equivalents	<u>42,219</u>	<u>29,595</u>
Note 5B: Trade and other receivables		
Receivables from other reporting unit(s)		
name	-	-
Total receivables from other reporting unit(s)	<u>-</u>	<u>-</u>
Less provision for doubtful debts		
name	-	-
Total provision for doubtful debts	<u>-</u>	<u>-</u>
Receivable from other reporting unit(s) net	<u>-</u>	<u>-</u>
Other receivables		
GST receivable from the Australian Taxation Office	-	-
Other trade receivables	53,823	58,946
Total other receivables	<u>53,823</u>	<u>58,946</u>
Total trade and other receivables (net)	<u>53,823</u>	<u>58,946</u>
Note 5C: Other current assets		
Prepayments	1,297,624	1,391,865
Total other current assets	<u>1,297,624</u>	<u>1,391,865</u>

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Note 6: Current liabilities	2014	2013
	\$	\$
Note 6A: Trade payables		
Trade creditors and accruals	4,340	8,256
Operating lease rentals	-	-
Subtotal trade creditors	<u>-</u>	<u>-</u>
Payables to other reporting unit(s) (list name)	<u>-</u>	<u>-</u>
Subtotal payables to other reporting unit(s)	<u>-</u>	<u>-</u>
Total trade payables	<u>4,340</u>	<u>8,256</u>
Settlement is usually made within 30 days.		
Note 6B: Other payables		
Consideration to employers for payroll deductions	-	-
Legal costs	-	-
Total other payables	<u>-</u>	<u>-</u>
Total other payables are expected to be settled in:		
No more than 12 months	-	-
More than 12 months	-	-
Total other payables	<u>-</u>	<u>-</u>

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Note 7 Provisions	2014	2013
	\$	\$
Note 7A: Employee provisions		
Office Holders:		
Annual leave	-	-
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions – office holders	<u>-</u>	<u>-</u>
Employees other than office holders:		
Annual leave	-	-
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions – employees other than office holders	<u>-</u>	<u>-</u>
Total employee provisions	<u><u>-</u></u>	<u><u>-</u></u>
Current	-	-
Non Current	-	-
Total employee provisions	<u><u>-</u></u>	<u><u>-</u></u>

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Note 8 Cash flow	2014	2013
	\$	\$
Note 8A: Cash flow reconciliation		
Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:		
Cash and cash equivalents as per:		
Cash flow statement	42,219	29,595
Balance sheet	42,219	29,595
Difference	<u>-</u>	<u>-</u>
Reconciliation of profit/(deficit) to net cash from operating activities:		
Profit/(deficit) for the year	(82,824)	346,271
Adjustments for non-cash items		
(Increase)/decrease in net receivables	5,123	(19,942)
(Increase)/decrease in prepayments	94,241	(81,473)
Increase/(decrease) in supplier payables	(3,916)	(208,601)
Increase/(decrease) in other payables	-	-
Increase/(decrease) in employee provisions	-	-
Increase/(decrease) in other provisions	-	(296)
Net cash from (used by) operating activities	<u>12,624</u>	<u>35,959</u>
Note 8B: Cash flow information		
Cash inflows		
Shop Distributive & Allied Employees Association Branch	3,893,894	4,656,347
Total cash inflows	<u>4,303,815</u>	<u>4,850,625</u>
Cash outflows		
Shop Distributive & Allied Employees Association Branch	2,189,097	2,055,171
Total cash outflows	<u>4,291,191</u>	<u>4,814,667</u>

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Note 9 Contingent liabilities, assets and commitments

The Association has not entered into any lease commitments, or capital commitments

Other contingent assets or liabilities (i.e. legal claims)

The Association is not aware of any contingent asset or liability.

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Note 10 Related party disclosures

Note 10A: Related party transactions for the reporting period

The following table provides the total amount of transactions that have been entered into with related parties for the relevant year.

	2014	2013
	\$	\$
Revenue received from Shop, Distributive and Allied Employees' Association N.S.W Deduction Account Office includes the following:		
<i>Surplus transferred from Shop, Distributive and Allied Employees' Association N.S.W Deduction Account Office</i>	3,893,894	4,656,347
Expenses paid to National Office SDA includes the following:		
<i>Affiliation fees – National Office SDA</i>	1,353,462	1,317,328
Expenses paid to National Office SDA – International Fund includes the following:		
<i>Affiliation fees – National Office SDA – International Fund</i>	304,555	395,198
Expenses paid to ALP NSW includes the following:		
<i>Affiliation fees – ALP NSW</i>	236,127	236,127
Expenses paid to ALP ACT includes the following:		
<i>Affiliation fees – ALP ACT</i>	10,087	2,561
Expenses paid to Labor Council NSW includes the following:		
<i>Affiliation fees – Labor Council NSW</i>	186,362	181,280
Expenses paid to Labor Council ACT includes the following:		
<i>Affiliation fees – Labor Council ACT</i>	1,511	1,473
Expenses paid to Labor Council South Coast includes the following:		
<i>Affiliation fees – Labor Council South Coast</i>	2,752	2,677
Campaign Levy paid to National Office SDA includes the following:		
<i>ACTU IR Campaign Levy – National Office SDA</i>	61,772	60,040

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	2014	2013
	\$	\$
Note 11 Remuneration of Auditors		
Value of the services provided		
Financial statement audit services	-	-
Other services	-	-
Total remuneration of auditors	<u>-</u>	<u>-</u>

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Note 12: Financial Instruments

The Committee of Management has overall responsibility for the establishment and oversight of the risk management framework. Risk management policies are established to identify and analyse the risks faced by the Association, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Association's activities. The Association, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Association's financial instruments consist mainly of deposits with banks and accounts payable. The Association does not have any derivative instruments at 30 June 2014

	2014	2013
	\$	\$
Note 12A: Categories of financial instruments		
Financial assets		
Held-to-maturity investments:		
Cash and cash equivalents	42,219	29,595
Total	<u>42,219</u>	<u>29,595</u>
Carrying amount of financial assets	<u>42,219</u>	<u>29,595</u>
Financial Liabilities		
Other financial liabilities:		
<i>Trade and other payable</i>	4,340	8,256
Total	<u>4,340</u>	<u>8,256</u>
Carrying amount of financial liabilities	<u>4,340</u>	<u>8,256</u>

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Note 12B: Net income and expense from financial assets

	2014	2013
	\$	\$
Held-to-maturity		
Interest revenue	6	9
Net gain/(loss) held-to-maturity	<u>6</u>	<u>9</u>
Net gain/(loss) at fair value through profit and loss	<u>6</u>	<u>9</u>
Net gain/(loss) from financial assets	<u>6</u>	<u>9</u>

The net income/expense from financial assets not at fair value from profit and loss is \$0 (2013: \$0).

Note 12C: Net income and expense from financial liabilities

The net income/expense from financial liabilities not at fair value from profit and loss is \$0 (2013:\$0.).

Note 12D: Credit risk

The Association is not exposed to any material credit risk.

The following table illustrates the entity's gross exposure to credit risk.

	2014	2013
	\$	\$
Financial assets		
Cash and cash equivalents	42,219	29,595
Receivables	53,823	58,946
Total	96,042	88,541

The cash and cash equivalents are held with banking institutions located in Australia.

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Note 12E: Liquidity risk

The Association manages liquidity risk by monitoring forecast cash flows and ensuring that adequate cash facilities are maintained.

Contractual maturities for financial liabilities 2014

	On Demand \$	< 1 year \$	1 – 2 years \$	2 – 5 years \$	> 5 years \$	Total \$
Trade Payable	4,340	-	-	-	-	4,340
Total	4,340	-	-	-	-	4,340

Maturities for financial liabilities 2013

	On Demand \$	< 1 year \$	1 – 2 years \$	2 – 5 years \$	> 5 years \$	Total \$
Trade Payable	8,256	-	-	-	-	8,256
Total	8,256	-	-	-	-	8,256

Note 12F: Market risk

Interest Rate Risk

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

The interest earnings on cash and cash equivalents was low, the effect on interest rate risk is negligible.

Price Risk

The Association is not exposed to any price risk.

Foreign Currency Risk

The Association is not exposed to fluctuations in foreign currencies.

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Note 13 Fair value measurement

Note 13A: Financial assets and liabilities

Management of the reporting unit assessed that cash, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair value of financial assets and liabilities is included at the amount which the instrument could be exchanged in a current transaction between willing parties.

The own performance risk as at 30 June 2014 was assessed to be insignificant.

Note 14: 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 15: 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) to (3) of section 272, which reads as follows:

Information to be provided to members or General Manager:

- 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).