



6 October 2016

Mr Bernie Smith
Branch Secretary-Treasurer
Shop Distributive & Allied Employees Association, New South Wales Branch
Level 3, 8 Quay Street
SYDNEY NSW 2000

via email: secretary@sdansw.asn.au

Dear Mr Smith

The Shop Distributive & Allied Employees Association New South Wales Branch Financial Report for the year ended 30 June 2016 - [FR2016/196]

I acknowledge receipt of the financial report of the Shop Distributive & Allied Employees Association New South Wales Branch (**the reporting unit**). The documents were lodged with the Fair Work Commission (**FWC**) on 28 September 2016.

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 2017 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 FWC will confirm these concerns have been addressed prior to filing next year's report.

Committee of Management Statement

Date of resolution

Item 36 of the Reporting Guidelines requires that the Committee of Management statement be made in accordance with such resolution as is passed by the Committee of Management. Such statement must also specify the date of passage of the resolution. I note that the date of the resolution was not provided.

Please ensure in future years that the Committee of Management statement includes the date of the resolution.

Reporting Requirements

On the FWC website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The FWC recommends reporting units use this model as it will assist in ensuring compliance with the RO Act, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

Should you wish to discuss this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on 03) 8656 4681 or by email at joanne.fenwick@fwc.gov.au.

Yours sincerely



Joanne Fenwick
Financial Reporting Specialist
Regulatory Compliance Branch

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

Certificate for the period ended 30 June 2016

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 2016 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 16 August 2016;
- The financial accounts and statements were signed by the auditor on 16 August 2016;
- That the full report of the financial accounts and statements was provided to members of the reporting unit on 20 September 2016; 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 27 September 2016 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:

28 September 2016

SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION

N.S.W. BRANCH

FINANCIAL REPORT

**FOR THE YEAR ENDED
30 JUNE 2016**

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

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016**

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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 the Shop, Distributive and Allied Employees' Association N.S.W. Branch ("the Association"), which comprises the statement of Financial Position as at 30 June 2016, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information to the financial report, and the statement by the Committee of Management.

Committee of Management's Responsibility for the Financial Report

The Committee of Management of the Shop, Distributive and Allied Employee's Association N.S.W. Branch is responsible for the for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and Fair Work (Registered Organisations) Act 2009. This responsibility includes establishing and maintaining such internal controls as the Committee of Management determines is necessary to enable the preparation and fair presentation of the financial that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee of Management is responsible for assessing the Association's ability to continue as a going concern.

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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 auditor's 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 Association's preparation of the financial report that gives a true and fair view 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 Association's internal control. An audit also includes evaluating

the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee of Management, 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 have complied with the applicable independence requirements of the Accounting Professional and Ethical Standards Board.

Audit Opinion

In our opinion, the financial report of the Shop, Distributive and Allied Employees' Association N.S.W. Branch:

1. Presents fairly, in all material respects, the financial position of the Association's financial position as at 30 June 2016, and its financial performance and its cash flows for the year then ended; and
2. Complies with Australian Accounting Standards and the relevant legislation, including the Fair Work (Registered Organisations) Act 2009 and reporting guidelines

Going Concern

I declare, that as part of the audit report of financial report for the year ended 30 June 2016, the Committee of Management's use of the going concern basis of accounting in the preparation of the Shop, Distributive and Allied Employees' N.S.W. Branch financial statements is appropriate.

Recovery of Wages

The Association does not engage in the recovery of wages activity.



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 16th day of August 2016

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

Member of Chartered Accountants Australia

And New Zealand Number 24310



Grech Smith Bridle

Chartered Accountants

Dated at Sydney this 16th day of August 2016

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
N.S.W BRANCH
AUDITOR'S INDEPENDENCE DECLARATION
FOR THE YEAR ENDED 30 JUNE 2016**

**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 2016 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 16th day of August 2016

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

**OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2016**

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 and Aliscia Di Mauro act as the alternate Director for Joe de Bruyn and Geoff Williams.

Directors

Mr Joe de Bruyn
Mr Geoff Williams

Alternates

Mr Gerard Dwyer
Ms Aliscia Di Mauro

Number of Members

Membership as at 30 June 2016 was 58,882 (2015: 58,670).

Number of employees

At 30 June 2016, 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 2016**

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 is a member of the Administrative Committee of the Australian Labor Party, N.S.W. Branch.

The N.S.W. Branch Secretary-Treasurer is 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 N.S.W. 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 2016**

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>
C. Cassell	Member since 4 February 2003	Branch President
M. Dumycz	Member since 28 September 2010	Branch Vice President (Branch membership)
B. Smith	Member since 10 May 2005	Branch Secretary – Treasurer
R. Tonkli	Member since 23 September 2014	Branch Assistant Secretary – Treasurer
M. Hagley	Member since 9 February 1999	Branch Trustee
H. Thomas	Member since 4 February 2003	Branch Trustee
M. Doherty	Member since 12 December 2014	Branch Councillor (Retail membership)
S. Sammak	Member since 18 February 2014	Branch Councillor (Drug and Allied membership)
D. Robbins	Member since 28 September 2010	Branch Councillor (Other Industries and Vocational Grouping membership)
S. Barros	Member since 16 February 2010	Branch Councillor (Branch membership)
P. Avellino	Member since 28 September 2010	Branch Councillor (Branch membership)
A. Apps	Member since 23 September 2014	Branch Councillor (Branch membership)
J. Slender	Member since 23 September 2014	Branch Councillor (Branch membership)

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

**OPERATING REPORT (CONT.)
FOR THE YEAR ENDED 30 JUNE 2016**

**Names of Committee of Management members and period positions held during the financial year
(CONT.)**

N. Atkins	Member since 12 December 2014	Branch Councillor (Branch membership)
M. Hackett	Member since 12 December 2014	Branch Councillor (Branch membership)
A. Manos	Member since 12 December 2014	Branch Councillor (Branch membership)
C. Williams	Member since 12 December 2014	Branch Councillor (Branch membership)

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



Bernie Smith
Committee of Management



Robert Tonkli
Committee of Management

Dated at this ^{16th} day of August 2016

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

**COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016**

On August 2016 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 2016:

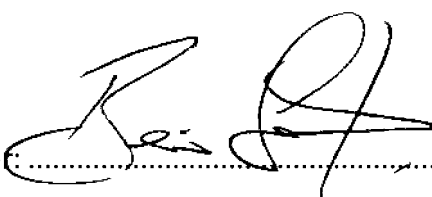
The Committee of Management declares that in its opinion:

- 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 Fair Work (Registered Organisations) Act 2009; 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 Fair Work (Registered Organisations) Act 2009 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 Fair Work (Registered Organisations) Act 2009, 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 2016**

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

Signature of designated officer: 

Name and title of designated officer: Bernie Smith, Secretary/ Treasurer

Dated:  August 2016

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016**

	Note	2016 \$	2015 \$
Revenue			
Membership subscription		404,552	335,092
Capitation fees	3A	-	-
Levies	3B	-	-
Interest	3C	7	7
Other revenue	3D	4,305,344	3,886,674
Total revenue		4,709,903	4,221,773
Other Income			
Grants and/or donations	3E	-	-
Total other income			
Total income		4,709,903	4,221,773
Expenses			
Employee expenses	4A	-	-
Capitation fees	4B	-	-
Affiliation fees	4C	2,059,615	2,028,175
Administration expenses	4D	2,517,804	2,372,801
Grants or donations	4E	94,901	-
Legal costs	4F	-	-
Other expenses	4G	-	-
Total expenses		4,672,320	4,400,976
Profit (loss) for the year		37,583	(179,203)
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		-	-

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 2016**

	Note	2016 \$	2015 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5A	41,124	6,725
Trade and other receivables	5B	52,272	155,345
Other current assets	5C	1,175,856	1,061,772
Total current assets		<u>1,269,252</u>	<u>1,223,842</u>
Non-Current Assets			
Total non-current assets		<u>-</u>	<u>-</u>
Total assets		<u>1,269,252</u>	<u>1,223,842</u>
LIABILITIES			
Current Liabilities			
Trade payables	6A	21,546	13,719
Other payables	6B	-	-
Employee provisions	7A	-	-
Total current liabilities		<u>21,546</u>	<u>13,719</u>
Non-Current Liabilities			
Employee provisions	7A	-	-
Total non-current liabilities		<u>-</u>	<u>-</u>
Total liabilities		<u>21,546</u>	<u>13,719</u>
Net assets		<u>1,247,706</u>	<u>1,210,123</u>
EQUITY			
General funds		-	-
Retained earnings (accumulated deficit)		1,247,706	1,210,123
Total equity		<u>1,247,706</u>	<u>1,210,123</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 2016**

Note	General Funds \$	Retained Earnings \$	Total Equity \$
	<hr/>		
Balance at 1 July 2014	-	1,389,326	1,389,326
Adjustment for errors			
Adjustment for changes in accounting policies			
Profit for the year	-	(179,203)	(179,203)
Other comprehensive income for the year			
Transfer to/from other fund			
Transfer from retained earnings	-	-	-
Closing balance as at 30 June 2015	<hr/>	1,210,123	1,210,123
Adjustment for errors	-	-	-
Adjustment for changes in accounting policies	-	-	-
Profit for the year	-	37,583	37,583
Other comprehensive income for the year	-	-	-
Transfer to/from other fund	-	-	-
Transfer from retained earnings	-	-	-
Closing balance as at 30 June 2016	<hr/> <hr/>	1,247,706	1,247,706

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 2016**

	Note	2016 \$	2015 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units/controlled Entity(s)	8B	4,304,439	3,886,674
Interest		7	7
Other		394,447	469,421
Cash used			
Employees		-	-
Suppliers		(2,937,984)	(2,723,743)
Payment to other reporting units/controlled entity(s)	8B	(1,726,510)	(1,667,853)
Net cash from (used by) operating activities	8A	<u>34,399</u>	<u>(35,494)</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		34,399	(35,494)
Cash & cash equivalents at beginning of the financial year		6,725	42,219
Cash & cash equivalents at end of the financial year	5	<u>41,124</u>	<u>6,725</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 2016**

	Note	2016 \$	2015 \$
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		<u>-</u>	<u>-</u>
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**

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FOR THE YEAR ENDED 30 JUNE 2016**

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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 2016**

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.

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.

Fair value through profit or loss

The Association does not hold any financial assets for trading nor does it designate financial assets at fair value through profit or loss.

Note 1: Summary of Significant Accounting Policies (cont)

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.

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity dates that the reporting unit has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment

Available-for-sale

Listed shares and listed redeemable notes held by the reporting unit that are traded in an active market are classified as available-for-sale and are stated at fair value. The reporting unit also has investments in unlisted shares that are not traded in an active market but that are also classified as available-for-sale financial assets and stated at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the reporting unit right to receive the dividends is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

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.

Note 1: Summary of Significant Accounting Policies (cont)

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'.

Fair value through profit or loss

The Association does not hold any financial liabilities for trading nor does it designate financial liabilities as fair value through profit or loss.

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.

Note 1: Summary of Significant Accounting Policies (cont)

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.

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

**NOTES TO THE FINANCIAL STATEMENTS
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Note 2 : Events after the reporting period

There were no events that occurred after 30 June 2016, 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	2016	2015
	\$	\$
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	7	7
Loans	-	-
Total interest	<u>7</u>	<u>7</u>
Note 3D: Other Revenue		
Surplus transferred from N.S.W. Deductions Account Office	4,304,439	3,886,674
Other revenue	905	-
Total other revenue	<u>4,305,344</u>	<u>3,886,674</u>
Note 3E: Grants or donations		
Grants	-	-
Donations	-	-
Total grants or donations	<u>-</u>	<u>-</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
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Note 4: Expenses	2016	2015
	\$	\$
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	1,393,869	1,375,813
National Office SDA – International Fund	209,080	206,372
ALP NSW	249,750	242,686
ALP ACT	7,878	7,344
Labor Council NSW	194,634	191,576
Labor Council ACT	1,530	1,555
Labor Council South Coast	2,874	2,829
Total affiliation fees/subscriptions	<u>2,059,615</u>	<u>2,028,175</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
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Note 4: Expenses	2016	2015
	\$	\$
Note 4D: Administration expenses		
Consideration to employers for payroll deductions	-	-
Compulsory Levies		
ACTU IR Campaign Levy	59,989	59,567
Fees/Allowances – meeting and conferences	56,847	62,625
Conference and meeting expenses	787,094	834,733
Membership propagation expenses	890,492	794,380
Journal costs	466,398	369,420
Textbooks scholarships & TEAP Payments	84,871	104,562
Other	172,113	147,514
Subtotal administration expenses	<u><u>2,517,804</u></u>	<u><u>2,372,801</u></u>
Operating lease rental		
Minimum lease payments	-	-
Total administration expenses	<u><u>2,517,804</u></u>	<u><u>2,372,801</u></u>
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	2,173	-
Total paid that exceeded \$1,000	92,728	-
Total grants or donations	<u><u>94,901</u></u>	<u><u>-</u></u>
Note 4F: Legal costs		
Litigation	-	-
Other legal matters	-	-
Total legal costs	<u><u>-</u></u>	<u><u>-</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS
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	2016	2015
	\$	\$
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	41,124	6,725
Cash on hand	-	-
Short term deposits	-	-
Other	-	-
Total cash and cash equivalents	<u>41,124</u>	<u>6,725</u>
Note 5B: Trade and other receivables		
Receivables from other reporting unit(s)		
Shop, Distributive and Allied Employees' Association N.S.W. Deductions Account Office	-	33,945
Total receivables from other reporting unit(s)	<u>-</u>	<u>33,945</u>
Less provision for doubtful debts		
-	-	-
Total provision for doubtful debts	<u>-</u>	<u>-</u>
Receivable from other reporting unit(s) net	<u>-</u>	<u>33,945</u>
Other receivables		
GST receivable from the Australian Taxation Office	1,959	4,041
Other trade receivables	50,313	117,359
Total other receivables	<u>52,272</u>	<u>121,400</u>
Total trade and other receivables (net)	<u>52,272</u>	<u>155,345</u>
Note 5C: Other current assets		
Prepayments	1,175,856	1,061,772
Total other current assets	<u>1,175,856</u>	<u>1,061,772</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
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Note 6: Current liabilities	2016	2015
	\$	\$
Note 6A: Trade payables		
Trade creditors and accruals	21,546	13,719
Operating lease rentals	-	-
Subtotal trade creditors	<u>21,546</u>	<u>13,719</u>
Payables to other reporting unit(s)		
-	-	-
Subtotal payables to other reporting unit(s)	<u>-</u>	<u>-</u>
Total trade payables	<u>21,546</u>	<u>13,719</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>

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

**NOTES TO THE FINANCIAL STATEMENTS
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Note 7 Provisions	2016	2014
	\$	\$
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>
Current	-	-
Non Current	-	-
Total employee provisions	<u>-</u>	<u>-</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
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30 JUNE 2016**

Note 8 Cash flow	2016	2015
	\$	\$
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	41,124	6,725
Balance sheet	<u>41,124</u>	<u>6,725</u>
Difference	<u>-</u>	<u>-</u>
 Reconciliation of profit/(deficit) to net cash from operating activities:		
Profit/(deficit) for the year	37,583	(179,203)
 Adjustments for non-cash items		
(Increase)/decrease in net receivables	103,073	(101,522)
(Increase)/decrease in prepayments	(114,084)	235,852
Increase/(decrease) in supplier payables	7,827	9,379
Increase/(decrease) in other payables	-	-
Increase/(decrease) in employee provisions	-	-
Increase/(decrease) in other provisions	-	-
Net cash from (used by) operating activities	<u>34,399</u>	<u>(35,494)</u>
 Note 8B: Cash flow information		
Cash inflows		
Shop Distributive & Allied Employees Association N.S.W.		
Deductions Account Office	<u>4,304,439</u>	<u>3,886,674</u>
Total cash inflows	<u>4,698,893</u>	<u>4,356,102</u>
 Cash outflows		
Shop Distributive & Allied Employees Association National Office	<u>1,726,510</u>	<u>1,667,853</u>
Total cash outflows	<u>4,664,494</u>	<u>4,391,596</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2016**

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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
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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.

	2016	2015
	\$	\$
Revenue received from <i>Shop, Distributive and Allied Employees' Association N.S.W Deduction Account Office</i> includes the following:		
<i>Surplus transferred from Shop, Distributive and Allied Employees' Association N.S.W Deduction Account Office</i>	4,304,439	3,886,674
Expenses paid to <i>National Office SDA</i> includes the following:		
<i>Affiliation fees – National Office SDA</i>	1,393,869	1,375,813
<i>Donation – ALP 2016 Election Campaign Levy</i>	68,910	-
Expenses paid to <i>National Office SDA – International Fund</i> includes the following:		
<i>Affiliation fees – National Office SDA – International Fund</i>	209,080	206,372
Expenses paid to <i>ALP NSW</i> includes the following:		
<i>Affiliation fees – ALP NSW</i>	249,750	242,686
<i>Donations – 2016 Election Campaign</i>	24,637	-
<i>Donations – G Warren Campaign Lunch</i>	900	-
Expenses paid to <i>ALP ACT</i> includes the following:		
<i>Affiliation fees – ALP ACT</i>	7,878	7,344
Expenses paid to <i>Labor Council NSW</i> includes the following:		
<i>Affiliation fees – Labor Council NSW</i>	194,634	191,576
Expenses paid to <i>Labor Council ACT</i> includes the following:		
<i>Affiliation fees – Labor Council ACT</i>	1,530	1,555

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

**NOTES TO THE FINANCIAL STATEMENTS
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	2016	2015
	\$	\$
Note 10A - Continued		
Campaign Levy paid to National Office SDA includes the following:		
<i>ACTU IR Campaign Levy – National Office SDA</i>	59,989	59,567
Expenses paid to Labor Council South Coast includes the following:		
<i>Affiliation fees – Labor Council South Coast</i>	2,874	2,829

Note 11 Remuneration of Auditors

Grech Smith Bridle		
Financial statement audit services	-	-
Other services	-	-
Total remuneration of auditors	<u>-</u>	<u>-</u>

The auditor did not perform any other additional services. The auditor's remuneration was paid by Shop, Distributive and Allied Employees' Association N.S.W. Deductions Account Office.

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

**NOTES TO THE FINANCIAL STATEMENTS
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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 2016

	2016	2015
	\$	\$
Note 12A: Categories of financial instruments		
Financial assets		
Fair value through profit or loss:	-	-
Total	<u>-</u>	<u>-</u>
Held-to-maturity investments:		
Total	<u>-</u>	<u>-</u>
Loans and receivables:		
Trade and other receivables	52,272	155,345
Total	<u>52,272</u>	<u>155,345</u>
Available for sale:		
Cash and cash equivalents	41,124	6,725
Total	<u>41,124</u>	<u>6,725</u>
Carrying amount of financial assets	<u>41,124</u>	<u>6,725</u>
Financial Liabilities		
Other financial liabilities:		
<i>Trade and other payable</i>	21,546	13,719
Total	<u>21,546</u>	<u>13,719</u>
Carrying amount of financial liabilities	<u>21,546</u>	<u>13,719</u>

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

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Note 12B: Net income and expense from financial assets

	2016	2015
	\$	\$
Available for sale		
Interest revenue	7	7
Dividend revenue	-	-
Exchange gains / (loss)	-	-
Gains / (loss) recognised in equity	-	-
Amounts reversed from equity:	-	-
Impairment	-	-
Fair value changes reversed on disposal	-	-
Gains / (loss) on disposal	-	-
Net gain/(loss) available for sale	<u>7</u>	<u>7</u>
 Loans and receivables		
Interest revenue	-	-
Exchange gains / (loss)	-	-
Impairment	-	-
Gains / (loss) on disposal	-	-
Net gain / (loss) from loan and receivables	<u>-</u>	<u>-</u>
 Net gain/(loss) from financial assets	<u>7</u>	<u>7</u>

All financial assets are deemed to be at fair value.

The net income/expense from financial assets not at fair value from profit and loss is \$0 (2015: \$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 (2015:\$0.).

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N.S.W BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
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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.

	2016	2015
	\$	\$
Financial assets		
Cash and cash equivalents	41,124	6,725
Receivables	<u>52,272</u>	<u>155,345</u>
Total	<u>93,396</u>	<u>162,070</u>

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

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 2016

	On Demand	< 1 year	1 – 2 years	2 – 5 years	> 5 years	Total
	\$	\$	\$	\$	\$	\$
Trade Payable	21,546	-	-	-	-	21,546
Total	<u>21,546</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,546</u>

Contractual maturities for financial liabilities 2015

	On Demand	< 1 year	1 – 2 years	2 – 5 years	> 5 years	Total
	\$	\$	\$	\$	\$	\$
Trade Payable	13,719	-	-	-	-	13,719
Total	<u>13,719</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,719</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
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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.

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 2016 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 2009 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 2009 of an alternative reporting structure for the organisation; or
- d) a revocation by the General Manager under subsection 249(1) of the RO Act 2009 of a certificate issued to an organisation under subsection 245(1).

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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).



15 July 2016

Mr Bernard Smith
Secretary-Treasurer
Shop, Distributive and Allied Employees Association-New South Wales Branch
By email: secretary@sdansw.asn.au

Dear Mr Smith,

**Re: Lodgement of Financial Report - [FR2016/196]
*Fair Work (Registered Organisations) Act 2009 (the RO Act)***

The financial year of the Shop, Distributive and Allied Employees Association-New South Wales Branch (the reporting unit) ended on 30 June 2016.

This is a courtesy letter to remind you of the obligation to prepare and lodge the financial report for the reporting unit by the due date under s.268 of the RO Act, that being within 14 days after the meeting referred to in s.266 of the RO Act.

Timelines

The RO Act sets out a particular chronological order in which financial documents and statements must be prepared, audited, provided to members and presented to a meeting. For your assistance, the attached *Timeline/Planner* summarises these requirements.

Fact sheets, guidance notes and model statements

Fact sheets and guidance notes in relation to financial reporting under the RO Act are provided on the Fair Work Commission website. This includes a model set of financial statements which have been developed by the FWC. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards. The model statement, Reporting Guidelines and other resources can be accessed through our website under [Financial Reporting](#) in the Compliance and Governance section.

Loans, grants and donations: our focus this year

Also you are reminded of the obligation to prepare and lodge a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 for the reporting unit during its financial year. Section 237 requires this statement to be lodged with the FWC within 90 days of the end of the reporting unit's financial year, that is on or before 28 September 2016. A sample statement of loans, grants or donations is available at [sample documents](#).

Over the past year we have noted issues in organisations' financial reports relating to timelines and how loans, grants and donations are reported. We will be focusing closely on these areas this year. Please find attached below fact sheets relating to these requirements or alternatively visit our website for information regarding [financial reporting timelines](#) and [loans, grants and donations](#).

It is requested that the financial report and any Statement of Loans, Grant or Donations be lodged electronically by emailing orgs@fwc.gov.au.

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Internet : www.fwc.gov.au

Civil penalties may apply

It should be noted that s.268 is a civil penalty provision. Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$54,000 for a body corporate and \$10,800 for an individual per contravention) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

Contact

Should you wish to seek any clarification in relation to the above, email orgs@fwc.gov.au.

Yours sincerely,

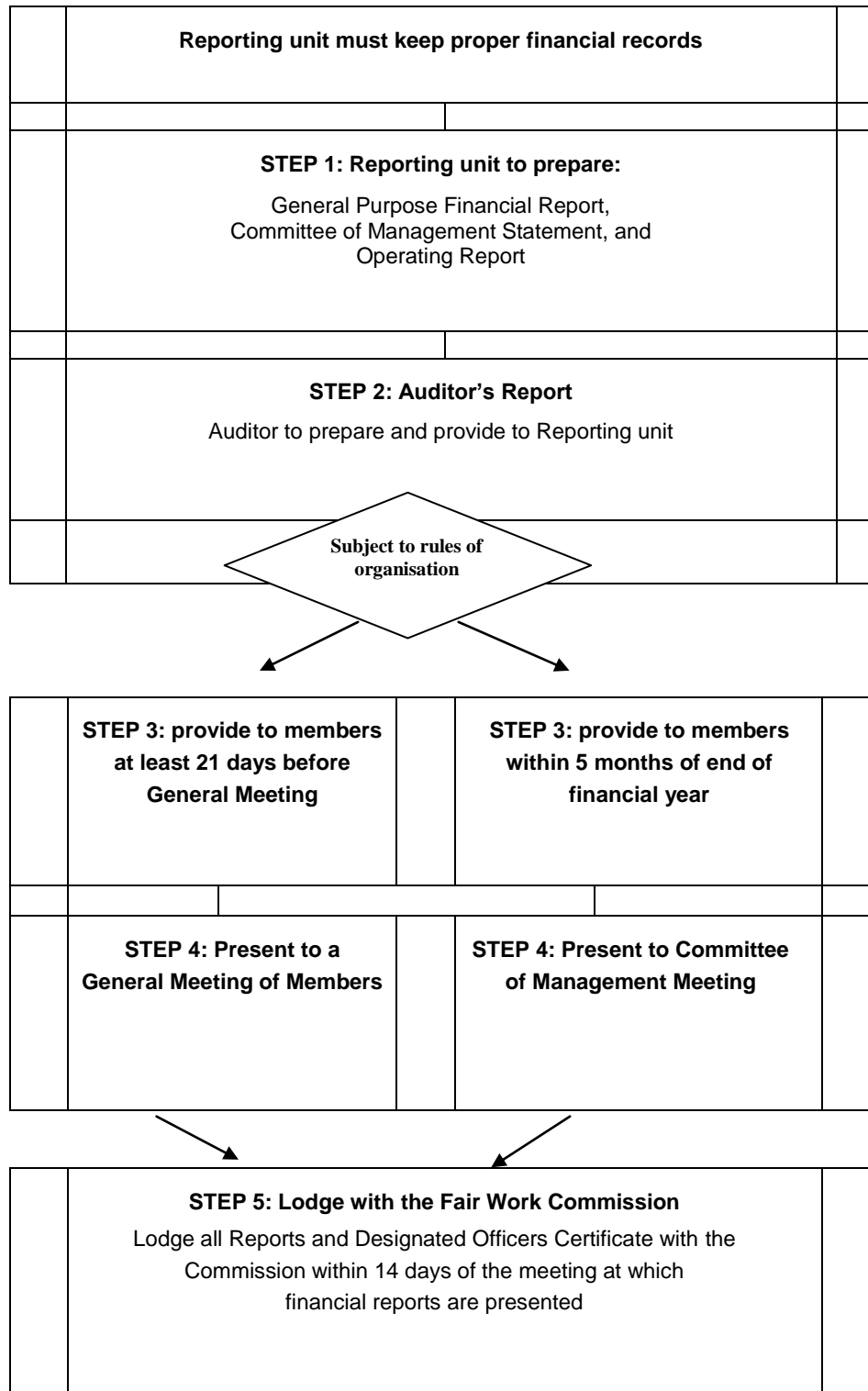


Anastasia Kyriakidis
Adviser
Regulatory Compliance Branch

Financial reporting timelines

Financial reports are to be lodged with the Fair Work Commission (the Commission) within 14 days of the meeting at which the financial reports have been presented, by completing the steps as outlined below.

See Fact sheet—Financial reporting for an explanation of each of these steps.



Fact Sheet - Loans, Grants & Donations

The Loans, Grants & Donations Requirements

The *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires an organisation or branch to lodge a loans, grants and donations statement (the statement) within **90 days** of the ending of the financial year.

Under the General Manager's Reporting Guidelines, a reporting unit's General Purpose Financial Report (the financial report) must break down the amounts of grants and donations (see below). The figures in the financial report will be compared to the loans, grants and donations statement.

The Loans, Grants & Donations Statement

Section 237 of the RO Act applies to every loan, grant and donation made by an organisation or branch during the financial year that exceed \$1000. The following information must be supplied to the Commission for each relevant loan, grant or donation:

the amount,

the purpose,

the security (if it is a loan),

the name and address of the person to whom it was made,* and







the arrangements for repaying the loan.*

*The last two items are not required if the loan, grant or donation was made to relieve a member of the organisation (or their dependent) from severe financial hardship.

The statement must be lodged within 90 days of the end of the financial year and the Commission has a [Template Loans, Grants and Donations Statement](#) on its website. The Commission encourages branches and organisations to lodge the statement even if all of the figures are NIL.

Common misconceptions

Over the years, staff of the Commission have noted that there are some common misunderstandings made in relation to the Statement. They include:

Misconception	Requirement
 Only reporting units must lodge the Statement.	 All branches and organisations, regardless of whether they lodge a financial report, must lodge the statement within 90 days of the end of the financial year. An organisation cannot lodge a single statement to cover all of its branches.
 Employees can sign the Statement.	 The statement must be signed by an elected officer of the relevant branch.
 Statements can be lodged with the financial report.	 The deadline for the statement is much shorter (90 days) and if it is lodged with the financial report it is likely to be late.

Grants & Donations within the Financial Report

Item 16(e) of the [General Manager's Reporting Guidelines](#) requires the reporting unit to separate the line items relating to grants and donations into grants or donations that were \$1000 or less and those that exceeded \$1000.

As such, the note in the financial report relating to grants and donations will have four lines.

In the [Commission's Model Statements](#) the note appears as follows:

Note 4E: Grants or donations*

Grants:	2016	2015
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Total grants or donations	-	-

Item 17 of the General Manager's Reporting Guidelines requires that these line items appear in the financial report even if the figures are NIL.

Implications for filing the Financial Report

During their review of the 2016 financial report staff of the Commission will confirm that the figures in the financial report match the disclosures made in the statement. Any inconsistencies in these figures will be raised with the organisation or branch for explanation and action.

This may involve lodging an amended loans, grants or donations statement. Any failure to lodge a loans, grants or donations statement or lodging a statement that is false or misleading can attract civil penalties under the RO Act.

If a reporting unit did not fully comply with these requirements in their 2015 financial report, its filing letter will have included a statement reminding the reporting unit of its obligations.

It is strongly recommended that all reporting units review their filing letters from the previous financial year to ensure any targeted concerns are addressed in their latest financial report. Failure to address these individual concerns may mean that a financial report cannot be filed.

Previous financial reports and filing letters are available from the [Commission's website](#).

Further information

If you have any further questions relating to the loan, grant and donation disclosure requirements in the statement or the financial report, please contact the Regulatory Compliance Branch on orgs@fwc.gov.au