



23 November 2018

Mr Bernard Smith
Secretary-Treasurer, New South Wales Branch
Shop, Distributive and Allied Employees Association

Dear Mr Smith

Re: – Financial reporting – Shop, Distributive and Allied Employees Association, New South Wales Branch - for year ending 30 June 2018 (FR2018/141)

I refer to the financial report of the New South Wales Branch of the Shop, Distributive and Allied Employees Association, in respect of the year ending 30 June 2018. The documents were lodged with the Registered Organisations Commission ('the ROC') on 3 October 2018.

The financial report has been filed. The financial report was filed based on a primary review. This involved confirming whether 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 the report for year ending 30 June 2019 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged. However, I make the following comments to assist you when preparing the next report.

Officer's declaration statement – to include nil activity disclosures not elsewhere disclosed.

Item 21 of the reporting guidelines states that if any activities identified within items 10-20 have not occurred in the reporting period, a statement to this effect must be included either in the financial statements, the notes or in an officer's declaration statement. I note that the officer's declaration statement included the following nil activity disclosures for which there was already an equivalent form of disclosure elsewhere in the body of the notes (as indicated):

- RG 10 - agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount) (Note 1.27)
- RG 11 - agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount) (Note 1.27)
- RG 13(b) – receive capitation fees from another reporting unit (Note 3A)
- RG 13(c) – receive revenue via compulsory levies (Note 3B)
- RG 13(d) - receive grants or donations (Note 3E)
- RG 14(b) – pay capitation fees to another reporting unit (Note 4B)
- RG 14(e)(i) – pay a grant that was \$1,000 or less (Note 4E)
- RG 14(e)(ii) – pay a grant that exceeded \$1,000 (Note 4E)
- RG 14(k) – pay a penalty imposed under the RO Act or *Fair Work Act 2009* (Note 4H)

- IRG 16(a) – have a payable to an employer as consideration for that employer making payroll deductions of membership subscriptions (Note 7B)

Please note that nil activity disclosures only need to be made once within the general purpose financial report.

Committee of management statement – content

Paragraph 26 of the current fifth edition of the Reporting Guidelines sets out the correct wording for the committee of management statement. The declaration at sub-paragraph (e)(vi) which is in relation to orders under section 273, should refer to the “*Fair Work Commission*” rather than to the “*Registered Organisations Commission*”.

The declaration at paragraph (f) which is in relation to revenue from recovery of wage activity should be omitted from the committee of management statement, since relevant disclosure is now to be made elsewhere (see RGs 13(e) or 21), and I note that nil activity disclosure was made appropriately in the officer’s declaration statement in accordance with RG 21.

Reporting Requirements

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 reporting guidelines and a model set of financial statements. Access to this information is available via [this link](#).

If you have any queries regarding this letter, please contact me on 0429 462 979 or by email at stephen.kellett@roc.gov.au

Yours faithfully



Stephen Kellett
Financial Reporting
Registered Organisations Commission

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

Certificate for the period ended 30 June 2018

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 2018 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 14 August 2018;
- The financial accounts and statements were signed by the auditor on 14 August 2018;
- That the full report of the financial accounts and statements was provided to members of the reporting unit on 27 September 2018; 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 3 October 2018 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:

3 October 2018

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

A.B.N. 74 415 123 375

FINANCIAL REPORT

**FOR THE YEAR ENDED
30 JUNE 2018**

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

A.B.N. 74 415 123 375

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2018**

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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

Opinion

I have audited the financial report of Shop, Distributive and Allied Employees' Association N.S.W. Branch (the Reporting Unit), which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, statement of changes in equity, and statement of cash flows for the year ended 30 June 2018, notes to the financial statements, including a summary of significant accounting policies; and the Committee of Management Statement, the subsection 255(2A) report and the Officer Declaration Statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Shop, Distributive and Allied Employees' Association N.S.W. Branch as at 30 June 2018 and its financial performance and its cash flows for the year ended on that date in accordance with:

- a) the Australian Accounting Standards; and
- b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

I declare that management's use of the going concern basis in the preparation of the financial statements of the Reporting Unit is appropriate.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Reporting Unit in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Information Other than the Financial Report and Auditor's Report Thereon

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Committee of Management for the Financial Report

The Committee of Management of the Reporting Unit is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that gives a true and fair view and 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 Reporting Unit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee of Management either intend to liquidate the Reporting Unit or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

My objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Reporting Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. I am

responsible for the direction, supervision and performance of the Reporting Unit audit. I remain solely responsible for my audit opinion.

I communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Recovery of Wages

The Reporting Unit does not engage in the recovery of wages activity.



Joseph Paul Grech

Partner

Registration Number: AA2017/26

(as registered by the RO Commissioner
under the RO Act)

Holder of Current Practicing Certificate and

Member of the Chartered Accountants

Australia and New Zealand Number 24310



Grech Smith Bridle

Chartered Accountants

Dated at Sydney this 14th day of August 2018

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 auditor registered under the RO Act, 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 Grech

Joseph Paul Grech

Partner

Registration Number: AA2017/26

(as registered by the RO Commissioner
under the RO Act)

Holder of Current Practicing Certificate and

Member of the Chartered Accountants

Australia and New Zealand Number 24310

Grech Smith Bridle

Grech Smith Bridle

Chartered Accountants

Dated at Sydney this 14th day of August 2018

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

**AUDITOR'S INDEPENDENCE DECLARATION
FOR THE YEAR ENDED 30 JUNE 2018**

**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 2018 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.



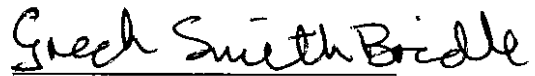
Joseph Paul Grech

Partner

Registration Number: AA2017/26

(as registered by the RO Commissioner
under the RO Act)

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



Grech Smith Bridle

Chartered Accountants

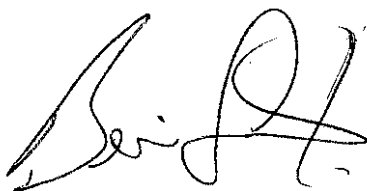
Dated at Sydney this 14th day of August 2018

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

**REPORT REQUIRED UNDER SUNSECTION 255(2A)
FOR THE YEAR ENDED 30 JUNE 2018**

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting unit for the year ended 30 June 2018.

	2018	2017
	\$	\$
Categories of Expenditures:		
Remuneration and other employment-related costs and expenses – employees	7,550,982	7,558,568
Advertising	743,888	153,839
Operating costs	8,088,035	7,357,375
Donations to political parties	1,627	7,376
Legal costs	212,836	154,643

Signature of designated officer: 

Name and title of designated officer: Bernard Joseph Smith Branch Secretary - Treasurer.

Dated: 14 August 2018

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

OPERATING REPORT FOR THE YEAR ENDED 30 JUNE 2018

The Committee of Management presents its operating report on the Reporting Unit for the financial year ended 30 June 2018.

Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year

The principal activities of the association 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.

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

OPERATING REPORT (CONT.) FOR THE YEAR ENDED 30 JUNE 2018

Officers & employees who are superannuation fund trustees or director of a company that is a superannuation fund trustee

Representatives of the Branch hold a position as the Alternative Directors of the Retail Employees' Superannuation Trust ("REST"). Gerard Dwyer and Aliscia Di Mauro act as the alternative director for Joe De Bruyn and Geoff Williams.

Directors

Mr Joe De Bruyn
Mr Geoff Williams

Alternates

Mr Gerard Dwyer
Ms Aliscia Di Mauro

Mr P Griffin was a Director of the Tasplan Superannuation Fund until October 2017.

Number of Members

Membership as at 30 June 2018 was 59,474 (2017: 58,593).

Number of employees

At 30 June 2018, there were 65 persons (full time equivalent), employed by the N.S.W. Branch of the Association.

Affiliations & Directorships

Detailed below are the affiliations of the N.S.W. Branch of the Association:

- Australian Labor Party, N.S.W. Branch
- Australian Labor Party, A.C.T. Branch
- Unions N.S.W.
- South Coast Labor Council
- Unions A.C.T.

The N.S.W. Branch Secretary-Treasurer is on the Administrative Committee of the Australian Labor Party N.S.W. Branch.

The N.S.W. Branch Secretary-Treasurer of the Association 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 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 2018

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

The following members held positions on the Branch's Committee of Management for the entire reporting period unless indicated otherwise:

<i>Name</i>	<i>Position</i>
C. Cassell	Branch President
M. Dumycz	Branch Vice President (Branch membership)
B. Smith	Branch Secretary – Treasurer
R. Tonkli	Branch Assistant Secretary – Treasurer
M. Hagley	Branch Trustee
H. Thomas	Branch Trustee
M. Doherty	Branch Councillor (Retail membership)
S. Sammak	Branch Councillor (Drug and Allied membership)
D. Robins	Branch Councillor (Other Industries and Vocational Grouping membership)
S. Barros	Branch Councillor (Retail membership)
P. Avellino	Branch Councillor (Branch membership)
N. Rizk	Branch Councillor (Retail membership)
A. Apps	Branch Councillor (Branch membership)
J. Slender	Branch Councillor (Branch membership)
N. Atkins	Branch Councillor (Branch membership)
M. Hackett	Branch Councillor (Branch membership)
A. Manos	Branch Councillor (Branch membership)
C. Williams	Branch Councillor (Branch membership)

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



Bernie Smith
Committee of Management



Cheryl Cassell
Committee of Management

Dated at Sydney this 14 day of August 2018

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

COMMITTEE OF MANAGEMENT STATEMENT FOR THE YEAR ENDED 30 JUNE 2018

On 14 August 2018 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 2018:

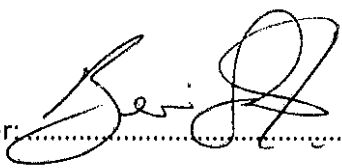
The Committee of Management declares that in its opinion:

- a) The financial statements and notes comply with the Australian Accounting Standards;
- b) The financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);
- 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 Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and
 - vi) Where any orders for inspection of financial records have been made by the Registered Organisations 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 (CONT.)
FOR THE YEAR ENDED 30 JUNE 2018**

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

Signature of designated officer: 

Name and title of designated officer: *Bernard Joseph Smith Branch Secretary Treasurer*

Dated: *14 August 2018*

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

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018**

	Notes	2018 \$	2017 \$
Revenue			
Membership subscription		17,137,065	17,100,295
Capitation fees	3A	-	-
Levies	3B	-	-
Interest	3C	204,122	254,453
Rental revenue	3D	1,227,379	1,162,614
Other revenue		50,159	24,506
Total revenue		18,618,725	18,541,868
Other Income			
Grants and/or donations	3E	-	-
Net gains from sale of assets	3F	155,905	23,047
Total other income		155,905	23,047
Total income		18,774,630	18,564,915
Expenses			
Employee expenses	4A	7,550,982	7,558,569
Capitation fees	4B	-	-
Affiliation fees	4C	2,144,046	2,115,111
Administration expenses	4D	7,400,881	7,503,252
Grants or donations	4E	16,380	23,117
Depreciation	4F	755,857	810,525
Legal costs	4G	212,836	154,643
Audit fees	13	52,800	51,500
Other expenses	4H	-	-
Total expenses		18,133,782	18,216,717
Profit (loss) for the year		640,848	348,198
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss			
Gain on revaluation of land & buildings		2,985,559	11,751,171
Total comprehensive income for the year		3,626,407	12,099,369

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 2018**

	Notes	2018 \$	2017 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5A	10,881,044	10,097,587
Trade and other receivables	5B	1,663,366	1,179,532
Other current assets	5C	1,392,538	1,298,510
Total current assets		13,936,948	12,575,629
Non-Current Assets			
Cash and cash equivalents	6A	1,500,000	1,500,000
Land and buildings	6B	12,155,263	9,416,618
Plant and equipment	6C	1,008,725	998,398
Investment Property	6D	29,266,647	29,547,625
Other non-current assets	6E	5,054	88,707
Total non-current assets		43,935,689	41,551,348
Total assets		57,872,637	54,126,977
LIABILITIES			
Current Liabilities			
Trade payables	7A	621,348	537,798
Other payables	7B	11,617	3,483
Employee provisions	8A	2,458,670	2,431,160
Total current liabilities		3,091,635	2,972,441
Non-Current Liabilities			
Employee provisions	8A	19,262	19,203
Total non-current liabilities		19,262	19,203
Total liabilities		3,110,897	2,991,644
Net assets		54,761,740	51,135,333
EQUITY			
General funds	9A	20,420,153	17,434,594
Retained earnings		34,341,587	33,700,739
Total equity		54,761,740	51,135,333

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 2018**

	Notes	General funds \$	Retained earnings \$	Total equity \$
Balance as at 1 July 2016		5,683,423	33,352,541	39,035,964
Adjustment for errors		-	-	-
Adjustment for changes in accounting policies		-	-	-
Profit or (Loss) for the year		-	348,198	348,198
Other comprehensive income for the year		-	-	-
Transfer to/from Asset Revaluation Reserve	9A	11,751,171	-	11,751,171
Transfer from retained earnings		-	-	-
Closing balance as at 30 June 2017		17,434,594	33,700,739	51,135,333
Adjustment for errors		-	-	-
Adjustment for changes in accounting policies		-	-	-
Profit or (Loss) for the year		-	640,848	640,848
Other comprehensive income for the year		-	-	-
Transfer to/from Asset Revaluation Reserve	9A	2,985,559	-	2,985,559
Transfer from retained earnings		-	-	-
Closing balance as at 30 June 2018		20,420,153	34,341,587	54,761,740

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

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 \$	2017 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units/controlled entity(s)	10B	30,708	50,119
Interest		204,122	254,455
Other		19,643,242	18,677,139
Cash used			
Employees		(7,523,413)	(7,584,025)
Suppliers		(8,857,670)	(8,569,909)
Payment to other reporting units/controlled entity(s)	10B	(2,675,668)	(1,711,844)
Net cash from (used by) operating activities	10A	821,321	1,115,935
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant and equipment		228,635	59,413
Proceeds from sale of land and buildings		-	-
Other		474,380	457,922
Cash used			
Purchase of plant and equipment		(547,477)	(323,347)
Purchase of land and buildings		-	-
Other		(193,402)	(74,375)
Net cash from (used by) investing activities		(37,864)	119,613
FINANCING ACTIVITIES			
Cash received			
Contributed equity		-	-
Other		-	-
Cash used			
Repayment of borrowings		-	-
Other		-	-
Net cash from (used by) financing activities		-	-
Net increase (decrease) in cash held		783,457	1,235,548
Cash & cash equivalents at the beginning of the reporting period		11,597,587	10,362,039
Cash & cash equivalents at the end of the reporting period	5A & 6A	12,381,044	11,597,587

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

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

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FOR THE YEAR ENDED 30 JUNE 2018**

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- Note 20** Officers Declaration Statement

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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. The comparative figures provided in this financial report, the consolidated figures of the Shop, Distributive and Allied Employees' Association N.S.W. Branch and Deductions Account.

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 Reporting Unit.

Key Judgements

(i) *Employee Benefits*

For the purpose of measurement, AASB 119: *Employee Benefits* defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. As the Reporting Unit expects that all its employees would use all their annual leave entitlements earned during a reporting period before 12 months after the end of the reporting period, the Committee of Management consider that obligations for annual leave entitlements satisfy the definition for short-term employee benefits and, therefore, can be measured at the (undiscounted) amounts expected to be paid to employees when the obligations are settled.

Note 1: Summary of Significant Accounting Policies (cont.)

1.4 Significant accounting judgements and estimates (cont.)

Key Estimates

(i) Impairment of Investment Properties

The investment properties were independently valued at 30 June 2017 by LandMark White (Sydney) Pty Ltd. The valuation was based on the fair value less costs of disposal. The critical assumptions adopted in determining the valuation included the location of the investment properties, rental returns of similar investment properties, sales demand in the area, and recent sales data for similar investment properties. The valuation resulted in a revaluation increment of \$11,751,171 being recognised for the year end 30 June 2017.

At 30 June 2018, the Committee of Management reviewed the key assumptions made by the valuers at 30 June 2017. They have concluded that these assumptions remain materially unchanged and are satisfied that carrying amount does not exceed the recoverable amount investment properties at 30 June 2018.

(ii) Impairment of Plant & Equipment

The Association assess impairment of Plant & Equipment at the end of each reporting period by evaluating the conditions and events specific to the association that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions. No impairment has been recognised in respect of Plant & Equipment at the end of the reporting period. Plant & Equipment are carried in the statement of financial position at a written down value of \$1,008,725.

1.5 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 except for the following standards and amendments, which have been adopted for the first time this financial year:

- AASB 2016-2 Amendment to Australian Accounting Standards – Disclosure Initiative Amendments to AASB 107, which amends AASB 107 Statement of Cash Flows (August 2015) to require entities preparing financial statements in accordance with Tier 1 reporting requirements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and no-cash changes.
- AASB 2016-4 Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash Generating Specialised Assets of Not-for-Profit Entities, which amends AASB 136 Impairment of Assets to remove references to depreciated replacement cost as a measure of value in use for not-for-profit entities and clarify that not-for-profit entities holding non-cash-generating specialised assets at fair value in accordance with AASB 13 Fair Value Measurement [under the revaluation model in AASB 116 Property, Plant and Equipment and AASB 138 Intangible Assets] no longer need to consider AASB 136. Not-for-profit entities holding such assets at cost may determine recoverable amounts using current replacement cost in AASB 13 as a measure of fair value for the purposes of AASB 136.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Reporting Unit.

Note 1: Summary of Significant Accounting Policies (cont.)

Future Australian Accounting Standards Requirements

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the future reporting period that are expected to have a future financial impact on Shop, Distributive and Allied Employees' Association N.S.W. Branch include:

- (i) AASB 9: *Financial Instruments* and associated amending standards (applicable to annual reporting periods beginning on or after 1 January 2018).

The standard will be applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments, revised recognition criteria and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes that may affect the Association on initial application include certain simplifications to the classification of financial assets, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income.

The adoption of this standard is not expected to have a material impact on the financial statements.

- (ii) AASB 15: *Revenue from Contracts with Customers* (applicable to annual reporting periods beginning on or after 1 January 2018).

When effective, this standard will replace the current accounting requirements applicable to revenue with a single principles-based model. Apart from a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers.

The adoption of this standard is not expected to have a material impact on the financial statements.

- (iii) AASB 16: *Leases* (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this standard will replace the current accounting requirements applicable to leases in AASB 117: *Leases* and related interpretations. AASB 16 *Leases* introduces a single lease accounting model that eliminates the requirement for lease to be classified as operating or operating leases. The new standard does not make any significant changes to lessor accounting and as such is only expected to impact lease accounting from a lessee's perspective.

The adoption of this standard is not expected to have a material impact on the financial statements.

Note 1: Summary of Significant Accounting Policies (cont.)

1.6 Consolidation

The Shop, Distributive and Allied Employees' Association N.S.W. Branch presents consolidated financial statements when it controls other entities. Control is achieved where the Shop Distributive and Allied Employees' Association N.S.W. Branch is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the Shop Distributive and Allied Employees' Association N.S.W. Branch.

Specifically, the Shop Distributive and Allied Employees' Association N.S.W. Branch controls an investee if and only if the Shop Distributive and Allied Employees' Association N.S.W. Branch has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

When the Shop Distributive and Allied Employees' Association N.S.W. Branch has less than a majority of the voting or similar rights of an investee, the Shop Distributive and Allied Employees' Association N.S.W. Branch considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- Relevant activities of the investee and who has control over them
- Existing or future administrative or statutory arrangements that may give rise to rights/control (or change the previous control assessment)
- Whether rights are substantive or protective in nature and whether rights presently exercisable or will be exercisable when decisions about relevant activities are being made
- Exposure or rights to financial and non-financial returns (direct or indirect) and the ability to influence those returns
- Whether the investor is exercising its decision-making abilities as a principal or agent
- Rights arising from other contractual arrangements

The Shop Distributive and Allied Employees' Association N.S.W. Branch re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Shop Distributive and Allied Employees' Association N.S.W. Branch obtains control over the subsidiary and ceases when the Shop Distributive and Allied Employees' Association N.S.W. Branch loses control of the subsidiary.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Shop Distributive and Allied Employees' Association N.S.W. Branch gains control until the date the Shop Distributive and Allied Employees' Association N.S.W. Branch ceases to control the subsidiary.

Income and expense of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate.

Total comprehensive income of subsidiaries is attributed to the owners of the Shop Distributive and Allied Employees' Association N.S.W. Branch and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Shop Distributive and Allied Employees' Association N.S.W. Branch.

Note 1: Summary of Significant Accounting Policies (cont.)

Changes in the Shop Distributive and Allied Employees' Association N.S.W. Branch ownership interests in subsidiaries that do not result in the Shop Distributive and Allied Employees' Association N.S.W. Branch losing control are accounted for as equity transactions. The carrying amounts of the Shop Distributive and Allied Employees' Association N.S.W. Branch interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Shop Distributive and Allied Employees' Association N.S.W. Branch.

When the Shop Distributive and Allied Employees' Association N.S.W. Branch loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Shop Distributive and Allied Employees' Association N.S.W. Branch had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 139 'Financial Instruments: Recognition and Measurement' or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

1.7 Investment in associates and joint arrangement

An associate is an entity over which the Shop Distributive and Allied Employees' Association N.S.W. Branch 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.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

A joint operation is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the individual assets and obligations for the liabilities of the joint operation.

The Shop Distributive and Allied Employees' Association N.S.W. Branch has not made any investment in an associate or entered into any joint arrangements.

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

The net book value of assets and or liabilities transferred to Shop Distributive and Allied Employees' Association N.S.W. Branch for no consideration is used to account for an amalgamation under Part 2 of Chapter 3 of the Fair Work (Registered Organisations) Act 2009/a restructure of the branches of the Shop Distributive and Allied Employees' Association N.S.W. Branch / a determination by the Commissioner

under subsections 245(1) of the Fair Work (Registered Organisations) Act 2009/ a revocation by the Commissioner under subsection 249(1) of the Fair Work (Registered Organisations) Act 2009.

The assets and liabilities are recognised as at the date of transfer.

Note 1: Summary of Significant Accounting Policies (cont.)

1.9 Revenue

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

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

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

Donation income is recognised when it is received.

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

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

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

1.10 Government grants

Government grants are not recognised until there is reasonable assurance that the Shop, Distributive and Allied Employees' Association N.S.W. Branch will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Shop, Distributive and Allied Employees' Association N.S.W. Branch recognises as expenses the related costs for which the grants are intended to compensate.

Specifically, government grants whose primary condition is that the Shop, Distributive and Allied Employees' Association N.S.W. Branch should purchase, construct otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Shop, Distributive and Allied Employees' Association N.S.W. Branch with no future related costs are recognised in profit or loss in the period in which they become receivable.

1.11 Gains

Sale of assets

Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.

Note 1: Summary of Significant Accounting Policies (cont.)

1.12 Capitation fees and levies

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

1.13 Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required, and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in AASB 119 Employee Benefits) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the reporting unit in respect of services provided by employees up to reporting date.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Provision is made for separation and redundancy benefit payments. Reporting Unit recognises a provision for termination as part of a broader restructuring when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. A provision for voluntary termination is recognised when the employee has accepted the offer of termination.

1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

1.15 Borrowing costs

All borrowing costs are recognised in profit and loss in the period in which they are incurred.

Note 1: Summary of Significant Accounting Policies (cont.)

1.16 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 statement of financial position.

1.17 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.

1.18 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.

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

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.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition, it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

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 unit's 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.

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.

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.

Note 1: Summary of Significant Accounting Policies (cont.)

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the reporting units past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Derecognition of financial assets

The reporting unit derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the

Note 1: Summary of Significant Accounting Policies (cont.)

sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

1.19 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

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.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition, it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability 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 liability 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 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's derecognises financial liabilities when, and only when, the reporting unit's 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.

Note 1: Summary of Significant Accounting Policies (cont.)

1.20 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.

1.21 Land, buildings, plant and equipment

Asset recognition threshold

Purchases of land, buildings, plant and equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Revaluations—land and buildings

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight-line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2018	2017
Land & Buildings	40 years	40 years
Plant and equipment	4 to 40 years	4 to 40 years

Derecognition

An item of land, buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

Note 1: Summary of Significant Accounting Policies (cont.)

1.22 Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit and loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

1.23 Impairment for non-financial assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated, and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Association were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

1.24 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable, and the non-current asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs of disposal.

1.25 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.

Note 1: Summary of Significant Accounting Policies (cont.)

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.

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.

1.26 Fair value measurement

Shop, Distributive and Allied Employees' Association N.S.W. Branch measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 16A.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Association. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Shop, Distributive and Allied Employees' Association N.S.W. Branch uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Shop, Distributive and Allied Employees' Association N.S.W. Branch determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Note 1: Summary of Significant Accounting Policies (cont.)

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the Shop, Distributive and Allied Employees' Association N.S.W. Branch has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

1.27 Going concern

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

Shop, Distributive and Allied Employees' Association N.S.W. Branch has not agreed to provide financial support to another reporting unit to ensure they can continue on a going concern basis.

Note 2: Events after the reporting period

There were no events that occurred after 30 June 2018, 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.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
Note 3 Income		
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	204,122	254,453
Loans	-	-
Total Interest	<u>204,122</u>	<u>254,453</u>
Note 3D: Rental revenue		
Properties:		
Investment	1,696,817	1,615,202
Other	4,942	5,334
Lease incentive	(474,380)	(457,922)
Other	-	-
Total rental revenue	<u>1,227,379</u>	<u>1,162,614</u>
Note 3E: Grants or donations		
Grants	-	-
Donations	-	-
Total grants or donations	<u>-</u>	<u>-</u>
Note 3F: Net gains from sale of assets		
Land and buildings	-	-
Plant and equipment	155,905	23,047
Other	-	-
Total net gain from sale of assets	<u>155,905</u>	<u>23,047</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
Note 4 Expenses		
Note 4A: Employee Expenses		
Holders of Office:		
Wages and salaries	330,050	328,053
Superannuation	64,023	88,147
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	30,922	61,537
Subtotal employee expenses - holders of office	<u>424,995</u>	<u>477,737</u>
Employees other than office holders:		
Wages and salaries	5,242,297	5,102,904
Superannuation	559,342	526,999
Leave and other entitlements	669,729	766,645
Separation and redundancies	-	-
Other employee expenses	654,619	684,284
Subtotal employee expenses - employees other than office holders	<u>7,125,987</u>	<u>7,080,832</u>
Total employee expenses	<u><u>7,550,982</u></u>	<u><u>7,558,569</u></u>
Note 4B: Capitation fees		
	-	-
Total capitation fees	<u>-</u>	<u>-</u>
Note 4C: Affiliation fees		
SDA National Office	1,451,577	1,436,067
SDA National Office – International Fund	217,736	215,410
ALP NSW	259,841	254,795
ALP ACT	7,767	7,186
Labor Council NSW	201,894	197,164
Labor Council ACT	1,724	1,578
Labor Council South Coast	3,507	2,911
Total affiliation fees	<u><u>2,144,046</u></u>	<u><u>2,115,111</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
Note 4D: Administration expenses		
Consideration to employers for payroll deductions	289,099	1,477,589
Campaign levies - ACTU IR & others	528,300	819
Fees/allowances - meeting and conferences	139,955	98,777
Conference and meeting expenses	387,467	785,916
Accommodation & Travel	553,190	149,116
Contractors & Consultants	339,336	401,946
Membership Propagation Expense	752,682	758,011
Journal Costs	486,684	352,428
Textbook, Scholarships & Teap Payments	56,834	54,696
Occupancy Expenses	1,002,329	977,478
Printing, Postage & Stationery	271,234	192,083
Telephone	162,247	169,117
Insurance	755,921	667,345
Motor Vehicle	489,947	447,445
Other	832,005	624,846
Subtotal administration expense	7,047,230	7,157,612
Operating lease rentals:		
Minimum lease repayments	353,651	345,640
Total administration expenses	7,400,881	7,503,252
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	4,152	8,905
Total paid that exceeded \$1,000	12,228	14,212
Total grants or donations	16,380	23,117
Note 4F: Depreciation		
Land & buildings	246,915	249,858
Property, Plant & Equipment	508,942	560,667
Total depreciation	755,857	810,525
Note 4G: Legal costs		
Litigation	8,131	8,876
Other legal matters	204,705	145,767
Total legal costs	212,836	154,643

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
Note 4H: 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 on hand	1,650	1,650
Cash at bank	1,370,200	1,480,889
Short term deposits	9,509,194	8,615,048
Other	-	-
Total cash and cash equivalents	<u>10,881,044</u>	<u>10,097,587</u>

Note 5B: Trade and other receivables

Receivables from other reporting unit(s)	-	-
Total receivables from other reporting unit(s)	<u>-</u>	<u>-</u>
Less provision for doubtful debts	-	-
Total provision for doubtful debts	<u>-</u>	<u>-</u>
Net receivables from other reporting unit(s)	<u>-</u>	<u>-</u>

Other receivables

GST Receivable	-	-
Other Trade receivables	1,562,688	1,101,064
Other sundry receivables	100,678	78,468
Total other receivables	<u>1,663,366</u>	<u>1,179,532</u>
Total Trade and other receivables	<u>1,663,366</u>	<u>1,179,532</u>

Note 5C: Other current assets

Prepayments	1,392,538	1,298,510
Total other current assets	<u>1,392,538</u>	<u>1,298,510</u>

Note 6: Non-current Assets

Note 6A: Cash and cash equivalents

Cash at bank	-	-
Short term deposits	1,500,000	1,500,000
Other	-	-
Total cash and cash equivalents	<u>1,500,000</u>	<u>1,500,000</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

2018 2017
\$ \$

Note 6B: Land and buildings

Land and buildings:		
fair value	12,173,500	9,874,600
accumulated depreciation	(18,237)	(457,982)
Total land and buildings	12,155,263	9,416,618

Reconciliation of Opening and Closing balances of Land & Buildings

As at 1 July		
Gross book value	9,874,600	9,994,305
Accumulated depreciation & impairment	(457,982)	(271,500)
Net book value 1 July	9,416,618	9,772,805
Additions:		
By purchase	-	-
From acquisitions of entities (including restructuring)	-	-
Revaluations	2,298,900	(119,705)
Impairments	-	-
Depreciation expense	(246,915)	(249,858)
Other movement:		
Reversal of accumulated depreciation due to revaluation	686,660	63,376
Disposals:		
From disposal of entities (including restructuring)	-	-
Other	-	-
Net book value 30 June	12,155,263	9,416,618
Net book value as of 30 June represented by:		
Gross book value	12,173,500	9,874,600
Accumulated depreciation and impairment	(18,237)	(457,982)
Net book value 30 June	12,155,263	9,416,618

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

Note 6B: Land and buildings (cont.)

The fair value of land and buildings is included within level 2.

The revalued land and buildings consist of commercial property and carparking spaces held within N.S.W. and the A.C.T. Management determined that these constitute one class of asset under AASB 13, based on the nature, characteristics and risks of the property.

Fair value of the properties was determined by using direct comparison on a rate per square metre of lettable area supported by the capitalisation of net income method. This means that it utilises sales that have been analysed on a rate /m² of strata area basis and compares the equivalent rates to the subject to establish the property's current market value. As at the date of revaluation, 30 June 2018, the properties' fair values are based on valuations performed by; Mark Willers of LandMark White and Timothy Heaton of CBRE Valuation & Advisory Services, an accredited independent valuer with a recognised professional qualification in Australian Property Institute and with recent experience in the location and category of the investment property being valued.

A significant increase (decrease) in estimated price per square metre in isolation would result in a significantly higher (lower) fair value.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

2018 2017
\$ \$

Note 6C: Plant and Equipment

Plant and equipment:

at cost	3,781,482	3,796,694
accumulated depreciation	(2,772,757)	(2,798,296)
Total Plant and equipment	1,008,725	998,398

Reconciliation of Opening and Closing Balances of Plant & Equipment

As at 1 July		
Gross book value	3,796,694	3,781,152
Accumulated depreciation & impairment	(2,798,296)	(2,509,069)
Net book value 1 July	998,398	1,272,083
Additions:		
By purchase	591,998	323,347
From acquisitions of entities (including restructuring)	-	-
Impairments	-	-
Depreciation expense	(508,942)	(560,667)
Other movement:		
Reversal of accumulated depreciation due to disposal	534,481	271,440
Disposals:		
From disposal of entities (including restructuring)	-	-
Other	(607,210)	(307,805)
Net book value 30 June	1,008,725	998,398
Net book value as of 30 June represented by:		
Gross book value	3,781,482	3,796,694
Accumulated depreciation and impairment	(2,772,757)	(2,798,296)
Net book value 30 June	1,008,725	998,398

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$

Note 6D: Investment Property

Property

Opening balance as at 1 July	27,909,500	16,102,000
Additions	-	-
Net gain / (loss) from fair value adjustment	-	11,807,500
Closing balance as at 30 June	<u>27,909,500</u>	<u>27,909,500</u>

Lease Incentive

Opening balance as at 1 July	4,653,598	4,579,223
Additions	193,402	74,375
Less accumulated amortisation of lease incentive	(3,489,853)	(3,015,473)
Closing balance as at 30 June	<u>1,357,147</u>	<u>1,638,125</u>
Total Investment Property	<u>29,266,647</u>	<u>29,547,625</u>

Property valuations were performed by Mark Willers of LandMark White, an accredited independent valuer with a recognised and relevant professional qualification and with recent experience in the location and category of the investment property being valued.

The fair value of completed investment property has been determined on a market value basis in accordance with International Valuation Standards (IVS), as set out by the International Valuation Standards Council (IVSC). In arriving at their estimates of market values, the valuers have used their market knowledge and professional judgement and not only relied on historical transactional comparables.

The highest and best use of the investment properties is not considered to be different from its current use.

Additions during the year relate to improvements on commercial property. This forms part of the lease incentive.

Rental income earned and received from the investment properties during the year was \$1,696,817 (2017: \$1,615,202).

Direct expenses incurred in relation to the investment properties that generated rental income during the year was \$529,066 (2017: \$517,358). During the year and as at the year-end, no restrictions on the realisability of investment property or the remittance of income and proceeds of disposal were present. The Association does not have any contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

The fair value of the investment property is included within level 2.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
Note 6E: Other Non-current Assets		
Prepayments	5,054	88,707
Other	-	-
Total other non-current assets	<u>5,054</u>	<u>88,707</u>

Note 7: Current Liabilities

Note 7A: Trade Payables

Trade creditors and accruals	621,348	537,798
Operating lease rentals	-	-
Subtotal trade creditors	<u>621,348</u>	<u>537,798</u>

Payables to other reporting unit(s)

Subtotal payables to other reporting unit(s)

Total trade payables

-	-
<u>-</u>	<u>-</u>
<u>621,348</u>	<u>553,248</u>

Note 7B: Other payables

Superannuation	-	-
Payable to employers for making payroll deductions of membership subscriptions	-	-
Legal costs	-	-
GST Payable	10,072	(11,967)
Other	1,545	15,450
Total other payables	<u>11,617</u>	<u>3,483</u>

Total other payables are expected to be settled in:

No more than 12 months	11,617	3,483
More than 12 months	-	-
Total other payables	<u>11,617</u>	<u>3,483</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

2018 2017
\$ \$

Note 8: Employee Provisions

Note 8A: Employee provisions

Office Holders

Annual leave	80,151	71,270
Long service leave	126,302	133,725
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions – office holders	206,453	204,995

Employees other than office holders:

Annual leave	762,594	767,267
Long service leave	1,508,885	1,478,102
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions – employees other than office holders	2,271,479	2,245,369

Total employee provisions	2,477,932	2,450,364
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Current	2,458,670	2,431,161
Non-current	19,262	19,203
Total employee provisions	2,477,932	2,450,364

Note 9: Equity

Note 9A: General Funds

Asset Revaluation Reserve

Balance at start of the year:	17,434,594	5,683,423
Transfers to reserve	2,985,559	11,751,171
Transfers out of reserve	-	-
Balance as at end of year	20,420,153	17,434,594
Total Reserves	20,420,153	17,434,594

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
Note 9B: Other Specific disclosures - Funds		
Compulsory levy / volunteer contribution fund – if invested in assets	-	-
Other fund(s) required by rules		
Balance at start of the year:	-	-
Transfers to reserve	-	-
Transfers out of reserve	-	-
Balance as at end of year	-	-

Note 10: Cash Flow

Note 10A 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	12,381,044	11,597,587
Balance sheet	12,381,044	11,597,587
Difference	-	-

Reconciliation of profit/(loss) to net cash from operating activities:

Profit/(loss) for the year	640,848	348,198
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Adjustment for non-cash items:

Depreciation	755,857	810,525
Net write-down of non-financial assets	-	-
Non-cash income	(44,523)	-
(Gain)/Loss on disposal of assets	(155,905)	(23,047)

Changes in assets/liabilities

(Increase)/decrease in net receivables	(483,834)	37,243
(Increase)/decrease in prepayments	(10,375)	(13,977)
Increase/(decrease) in supplier payables	83,550	(24,423)
Increase/(decrease) in other payables	8,134	6,873
Increase/(decrease) in employee provisions	27,569	(25,457)
Increase/(decrease) in other provisions	-	-
Net cash from (used by) operating activities	821,321	1,115,935

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

	2018 \$	2017 \$
Note 10B: Cash flow information		
Cash inflows from other Reporting Units:		
Shop, Distributive & Allied Employees' Association – National Office	18,960	50,119
Shop, Distributive & Allied Employees' Association – Newcastle & Northern Branch	11,748	-
	<u>30,708</u>	<u>50,119</u>
Total cash in flows for the year	<u>20,581,087</u>	<u>19,499,048</u>
Cash outflows from other Reporting Units:		
Shop, Distributive & Allied Employees' Association – National Office	2,094,161	1,711,844
Shop, Distributive & Allied Employees' Association – Newcastle & Northern Branch	303,018	-
Shop, Distributive & Allied Employees' Association – Northern Territory Branch	1,578	-
Shop, Distributive & Allied Employees' Association – Queensland Branch	11,960	-
Shop, Distributive & Allied Employees' Association – South Australian Branch	13,250	-
Shop, Distributive & Allied Employees' Association – Victorian Branch	5,539	-
Shop, Distributive & Allied Employees' Association – Western Australian Branch	12,305	-
	<u>2,441,811</u>	<u>1,711,844</u>
Total cash out flows for the year	<u>19,797,630</u>	<u>18,263,500</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

2018 2017
\$ \$

Note 11: Contingent Liabilities, Assets and Commitments

Note 11A: Commitments and contingencies

Operating lease commitments—as lessee

The operating leases (property, plant, equipment and a membership hosting system) are non-cancellable with terms of three to six years. Operating leases are paid quarterly or monthly in advance. The leases provide a right of renewal at which time all terms are renegotiated.

Future minimum rentals payable under non-cancellable operating leases as at 30 June are as follows:

Within one year:	362,082	344,694
After one year but not more than five years	146,662	541,555
More than five years	-	-
	508,744	886,294

Operating lease commitments – as lessor

The association leases out its investment properties under operating leases (see note 7C). The future minimum lease income under non-cancellable leases are as follows

Future minimum rentals receivable under non-cancellable operating leases as at 30 June are as follows:

Within one year:	1,277,754	1,238,060
After one year but not more than five years	2,041,184	2,497,425
More than five years	-	-
	3,318,938	3,735,485

During the year, \$1,227,379 was recognised as rental income in profit or loss (2017: \$1,162,614)

Capital commitments

The Association does not have any future 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 30 JUNE 2018**

2018	2017
\$	\$

Note 12: Related Party Disclosures

Note 12A: 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:

Revenue received from Shop Distributive & Allied Employees' Association National Office includes the following:

<i>Reimbursements – Other</i>	18,538	50,119
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Expenses paid to Shop Distributive & Allied Employees' Association National Office includes the following:

<i>Affiliation fees</i>	1,451,577	1,436,067
<i>Campaign levies</i>	426,900	819
<i>Other</i>	56,637	5,682

Expenses paid to Shop Distributive & Allied Employees' Association National Office – International Fund includes the following:

<i>Affiliation Fees – International Fund</i>	217,737	215,410
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Expenses paid to Australian Labor Party N.S.W. includes the following includes the following:

<i>Affiliation fees</i>	259,841	254,795
<i>Donations – Campaign lunches / dinners</i>	727	2,118
<i>Donations – other</i>	900	2,188

Expenses paid to the Australian Labor Party A.C.T. includes the following:

<i>Affiliation fees</i>	7,767	7,185
<i>Donations – campaign levy</i>	-	3,080

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$

Note 12A: Related party transactions for the reporting period (cont.)

**Expenses paid to the Labor Council N.S.W.
includes the following:**

<i>Affiliation fees</i>	201,894	197,164
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**Expenses paid to the Australian Labor Council
A.C.T. includes the following:**

<i>Affiliation fees</i>	1,724	1,578
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**Expenses paid to the Labor Council South Coast
includes the following:**

<i>Affiliation fees</i>	3,507	2,911
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The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

For the year ended 30 June 2018, the Shop Distributive and Allied Employees' Association N.S.W. Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2017: \$Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

2018 2017
\$ \$

Note 12B: Key Management Personnel Remuneration for the reporting period

Short-term employee benefits

Salary (including annual leave taken)	326,012	319,772
Annual leave accrued	5,602	16,163
Performance bonus	-	-
Non-Monetary (motor vehicle & parking)	30,922	31,384
Total short-term employee benefits	362,536	367,319

Post-employment benefits

Superannuation	64,023	88,147
Total post-employment benefits	64,023	88,147

Other long-term benefits

Long-service leave	4,725	9,855
Total other long-term benefits	4,725	9,855

Termination benefits

	-	-
Total	431,284	465,321

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

Note 12B: Key Management Personnel Remuneration for the reporting period (cont.)

Key Management Personnel	Bernie Smith Secretary	Robert Tonkli Assistant Secretary	Narelle Atkins Organiser	Corrin Boyle Information Officer	Total
	\$	\$	\$	\$	\$
Remuneration for 2018					
Short-term employee benefits					
Salary (including annual leave taken)	128,025	111,193	41,249	45,545	326,012
Honorarium	-	-	-	-	-
Annual leave accrued	941	4,514	147	-	5,602
Non-monetary (motor vehicle & parking)	14,579	16,343	-	-	30,922
Total short-term employee benefits	143,545	132,050	41,396	45,545	362,536
Post-employment benefits:					
Superannuation	27,581	20,947	6,819	8,676	64,023
Total post-employment benefits	27,581	20,947	6,819	8,676	64,023
Other long-term benefits:					
Long-service leave	-	3,594	1,130	-	4,724
Total other long-term benefits	-	3,594	1,130	-	4,724
Total	171,126	156,591	49,345	54,221	431,283
Remuneration for 2017					
Short-term employee benefits					
Salary (including annual leave taken)	115,129	108,035	37,862	58,746	319,772
Honorarium	-	-	-	-	-
Annual leave accrued	5,535	5,185	3,470	1,973	16,163
Non-monetary (motor vehicle & parking)	14,226	17,158	-	-	31,384
Total short-term employee benefits	134,890	130,378	41,332	60,719	367,319
Post-employment benefits:					
Superannuation	24,944	20,298	6,098	36,807	88,147
Total post-employment benefits	24,944	20,298	6,098	36,807	88,147
Other long-term benefits:					
Long-service leave	4,974	1,055	900	2,926	9,855
Total other long-term benefits	4,974	1,055	900	2,926	9,855
Total	164,808	151,731	48,330	100,452	465,321

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$

Note 13: Remuneration of Auditor

Value of the services provided

Financial statement audit services	52,800	51,500
Other services	-	-
Total remuneration of auditors	52,800	51,500

No other services were provided by the auditors of the financial statements.

Note 14: Financial Instruments

The Shop Distributive and Allied Employees' Association N.S.W. financial instruments consist primarily of deposits with banks, short term investments, accounts receivable and accounts payable. The totals for each category of financial Instruments are summarised in note 14A.

The Committee of Management has overall responsibility for the establishment and oversight of risk management policies. Main policies aim to minimise potential risk exposure by actively securing short to medium term cash flows through minimising exposure to financial markets. The Association currently does not hold any long term financial instruments. The Association does not actively engage in the trading of financial assets for speculative purposes.

The main risks faced by the Association consist of; credit risk, liquidity risk and market risk, which are outlined below.

a) Credit risk

Credit risk is the risk of financial loss to the Association if a counterparty to a financial instrument fails to meet its contractual obligations and arises primarily from the Association's receivables and other financial assets.

i) Receivables

The Associations exposure to credit risk is influenced mainly by the individual characteristics of each customer or tenant. The Association takes reasonable steps to ensure the credit worthiness of tenants. None of the tenants were in arrears at balance sheet date and there is no indication that any present significant credit risk. The Association continuously monitors defaults of customers and incorporates this information into its credit risk policies.

ii) Cash and cash equivalents

The maximum exposure of these assets is shown in note 16D. The cash and cash equivalents are held with bank counterparties, all of which are located in Australia.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

b) Liquidity risk

Liquidity risk is the risk that the Association will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Association manages liquidity risk by monitoring forecast cash flows and ensuring that adequate cash facilities are maintained to meet liabilities when due under both normal and stress conditions, without incurring any unacceptable losses (note 14C)

c) Market Risk

Market risk is the risk that changes in the market prices, such as foreign exchange rates, interest rates and equity prices will affect the Associations income or the value of its holdings of financial instruments. The Association aims to control and manage market risk exposures to acceptable levels, while optimising return (note 16D).

d) Interest rate risk

The Associations interest rate risk arises primarily from investments in term deposits which are issued at fixed rates for 30-day and 90-day terms. Term deposits mature at regular intervals to smooth fluctuations in interest rates being offered. The majority of cash reserves are held in term deposits with the remainder held in variable rate at call cash accounts used to provide liquidity of funds.

Capital Management

In conjunction with the above risk policies, specifically those relating to financial instruments, the Association's policy is to maintain a strong capital base so as to sustain member, creditor and market confidence and to sustain future development of the unions activities. The Committee of Management monitors the return on capital and seeks to maintain a conservative position. There were no changes in the Associations approach to capital management during the year.

	2018	2017
	\$	\$

Note 14A: Categories of Financial Assets

Financial Assets

Cash & cash equivalents	12,381,044	11,597,587
Trade & other receivables	1,663,366	1,179,532
Financial Assets at fair value through profit or loss:	-	-
Held to maturity investments:	-	-
Available for sale financial assets:	-	-
Total financial assets	14,044,410	12,777,119

Financial Liabilities

Trade & other payables	632,965	541,281
Total financial liabilities	632,965	541,281

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

2018 2017
\$ \$

Note 14B: Credit Risk

The Association is not exposed to any material credit risk.

The following table illustrates the entity's gross exposure to credit risk, excluding any collateral or credit enhancements.

Financial assets

Cash & Cash equivalents	12,381,044	11,597,587
Trade & other receivables	1,663,366	1,179,532
Total	14,044,410	12,777,119

Financial liabilities

Trade & other payables	632,965	541,281
Total	632,965	541,281

In relation to the entity's gross credit risk, the following collateral is held: nil

Credit quality of financial instruments not past due or individually determined as impaired

	Not past due nor impaired	Not past due nor impaired
Cash & Cash equivalents	12,381,044	11,597,587
Trade & other receivables	1,663,366	1,179,532
Total	14,044,410	12,777,119

	Past due or impaired	Past due or impaired
Cash & Cash equivalents	-	-
Trade & other receivables	-	-
Total	-	-

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Note 14B: Credit Risk (cont.)

Ageing of financial assets that were past due but not impaired for 2018

None of the Shop Distributive and Allied Employees' N.S.W. Branch's receivables were past due and based on past default rates and minimal credit risk, the Association believes no impairment allowance is necessary.

Other financial assets consist of term deposits and at call accounts, held with the Commonwealth Bank of Australia, thus the Association believes no impairment allowance is necessary. As at 30 June 2018 the Association does not have any collective impairments on its cash and cash equivalents or receivables. None of the receivables lie outside Australia.

Ageing of financial assets that were past due but not impaired for 2017

None of the Shop Distributive and Allied Employees' N.S.W. Branch's were past due and based on past default rates and minimal credit risk, the Association believes no impairment allowance is necessary.

Other financial assets consist of term deposits and at call accounts, held with the Commonwealth Bank of Australia, thus the Association believes no impairment allowance is necessary. As at 30 June 2017 the Association does not have any collective impairments on its cash and cash equivalents or receivables. None of the receivables lie outside Australia.

Note 14C: Liquidity risk

The Association manages liquidity risk by monitoring forecast cash flows and ensuring that adequate cash facilities are maintained. The Association assess the liquidity risk as minimal as it holds sufficient financial assets to cover the expected contractual outflows.

Contractual maturities for financial liabilities

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
2018						
Trade payables	621,348	-	-	-	-	621,348
Other payables	11,617	-	-	-	-	11,617
Total	632,965	-	-	-	-	632,965
2017						
Trade payables	537,798	-	-	-	-	537,798
Other payables	3,483	-	-	-	-	3,483
Total	541,281	-	-	-	-	541,281

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Note 14D: Market risk

Interest Rate Risk

Interest rate risk is managed with a mixture of fixed and floating rate cash balances. At 30 June 2018, approximately 88.41% (2017: 87.47%) of the Association's cash balance is fixed.

The fixed rate instruments consist of 90 & 180-day term deposits and money market call account, shown in cash and cash equivalents (Notes 5A & 6A)). A one percent (1.0%) change in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. This analysis is performed on the same basis for 2017.

Sensitivity analysis of the risk that the entity is exposed to

	Risk variable	Change in risk variable %	Effect on	
			Profit and loss \$	Equity \$
2018:				
Interest rate risk	Increase	1.0%	110,092	110,092
Interest rate risk	Decrease	(1.0%)	(110,092)	(110,092)
2017:				
Interest rate risk	Increase	1.0%	101,150	101,150
Interest rate risk	Decrease	(1.0%)	(101,150)	(101,150)

Price Risk

The Association is not exposed to any price risk.

Foreign Currency Risk

The Association is not exposed to fluctuations in foreign currencies.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Note 15 Fair value measurement

Note 15A: 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 following methods and assumptions were used to estimate the fair values:

- Fair values of the reporting unit's interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The own performance risk as at 30 June 2018 was assessed to be insignificant.
- Fair value of available-for-sale financial assets is derived from quoted market prices in active markets.
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 30 June 2018 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

The Association measures and recognises the following assets at their fair value on a recurring basis after initial recognition:

- Available-for-sale financial assets
- Freehold land and building; and
- Investment property

The following table contains the carrying amounts and related fair values for the Shop, Distributive and Allied Employees' Association N.S.W Branch financial assets and liabilities:

	Carrying amount 2018 \$	Fair value 2018 \$	Carrying amount 2017 \$	Fair value 2017 \$
Financial Assets				
Cash & cash equivalents	12,381,044	12,381,044	11,597,587	11,597,587
Trade & other receivables	1,663,366	1,663,366	1,179,532	1,179,532
Total	14,044,410	14,044,410	12,777,119	12,777,119
Financial Liabilities				
Trade & other payables	634,965	634,965	541,281	541,281
Total	634,965	634,964	541,281	541,281

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Note 15B: Fair value hierarchy

The following table provide an analysis of financial and non-financial assets and liabilities that are measured at fair value, by fair value hierarchy.

	Date of valuation	Level 1 \$	Level 2 \$	Level 3 \$
Consolidated:				
2018				
Assets measured at fair value				
Non-Financial Assets		-	-	-
Land & Buildings	30 June 2018	-	12,155,263	-
Investment Property	30 June 2017	-	27,909,500	-
Total		-	40,064,763	-
2017				
Assets measured at fair value				
Non-Financial Assets		-	-	-
Land & Buildings	30 June 2017	-	9,416,618	-
Investment Property	30 June 2017	-	27,909,500	-
Total		-	37,326,118	-

Total amount disclosed in 2017 the fair value of investment property (consolidated) was \$27,909,500 and carrying amount of lease incentive was \$1,638,125 giving a total of \$29,547,625 (parent: \$0).

In 2018 the fair value of investment property (consolidated) was \$27,909,500 and carrying amount of lease incentive was \$1,357,147 giving a total of \$29,266,647 (parent: \$0).

All investment properties held by the Shop, Distributive and Allied Employees' Association N.S.W. Branch were revalued in 2017 as per internal policy. No revaluations took place in year 2018.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

Note 16: Business Combinations

Subsidiaries acquired

Name of entity	Principal activity	Date of acquisition	Control acquired %	Consideration transferred
2018:				
No acquisitions				
2017:				
Shop, Distributive and Allied Employees' Association N.S.W. Deductions Account	Preserving and enhancing the wages and working conditions of its members, and the promotion of the interests and rights of workers	Refer to Note 17	100	-

Consideration transferred

2018:	No acquisitions
Cash	-
Total	-
2017:	Shop, Distributive and Allied Employees' Association N.S.W. Deductions Account
Cash	-
Total	-

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

Note 16: Business Combinations (cont.)

Assets acquired, and liabilities assumed at the date of acquisition

	-	Total
2018:		
Current assets	-	-
Non-current assets	-	-
Current liabilities	-	-
Non-current liabilities	-	-
	-	-

	Shop, Distributive and Allied Employees' Association N.S.W. Deductions Account	Total
2017:		
Current assets		
Cash and cash equivalents	10,320,915	10,320,915
Trade and other receivables	1,166,462	1,166,462
Other current assets	96,859	96,859
Non-current assets		
Land & buildings	9,722,805	9,722,805
Plant & equipment	1,272,083	1,272,083
Investment property	18,123,673	18,123,673
Other non-current assets	100,525	100,525
Current liabilities		
Trade and other payables	(539,243)	(539,243)
Employee provisions	(2,445,838)	(2,445,838)
Non-current liabilities		
Employee provisions	(29,982)	(29,982)
	<u>37,788,259</u>	<u>37,788,259</u>

Goodwill arising on acquisition

No goodwill was recorded on the acquisition of the Shop, Distributive and Allied Employees' N.S.W. Deductions Account Office.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Note 17: Information about subsidiaries

The consolidated financial statements of the Shop, Distributive and Allied Employees' Association N.S.W. Branch include:

Name of entity	Principal activity	Country of origin	Control 2018 %	Control 2017 %
Shop, Distributive and Allied Employees' Association N.S.W. Deductions Account	Preserving and enhancing the wages and working conditions of its members, and the promotion of the interests and rights of workers	Australia	-	100

There are no other subsidiaries nor is there any non-controlling interests held by other parties.

Disposal of Controlled Entities

On 23 April 2018, the Shop, Distributive and Allied Employees' Association (SDA) N.S.W. Branch absorbed its controlled entity, the SDA Deductions Account, due to changes in Rule 6 of the SDA's national rules being approved by the Fair Work Commission. Refer to note 18 for further detail.

Upon this event occurring, the SDA N.S.W. Branch did not recognise any gains or losses in profit or loss or other comprehensive income. Further, no consideration was received by the SDA N.S.W. Branch upon this event occurring. No remaining interest was held by the SDA N.S.W. Branch.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Note 18: N.S.W. Deductions Account

History

The Shop, Distributive and Allied Employees' Association (SDA) N.S.W. Deductions Account was set up as an account operated by the SDA nationally on behalf of the SDA N.S.W. Branch. Its creation was authorised under Rule 6(d) of the SDA's national rules. For many years the practical day to day operation and control of the account has been directly exercised by the SDA N.S.W. Branch through the delegated authority of the SDA National Executive.

The Financial Reports for the year ended 30 June 2017 for the SDA N.S.W. Branch and the Deductions Account were prepared as a consolidated set of accounts. In previous years, each of these entities had lodged separate financial reports with the Registered Organisations Commission (ROC) or its predecessor.

Change

The supreme governing body of the SDA is the SDA National Council. It met in Newcastle last year from 16 – 20 October 2017. At that meeting the SDA National Council resolved unanimously to:

- Alter the rules of the SDA by deleting Rule 6(d) of the National Rules of the SDA that had referred to the SDA N.S.W. Deductions Account; and
- That upon the certification of the Rule changes by the Fair Work Commission (FWC) the SDA N.S.W. Deductions Account would be under the management of the SDA N.S.W. Branch and form part of the Branch Fund of the SDA N.S.W. Branch.

Following the meeting of the SDA National Council the SDA made application to the FWC on 1 November 2017 to alter the SDA National Rules consistent with the decisions of the National Council.

On 23 April 2018 a decision of the Fair Work Commission approving the alteration to Rule 6 by the deletion of Rule 6(d) was approved. This decision in combination with the SDA National Council resolution means that from 23 April 2018 the SDA N.S.W. Deductions Account became part of the SDA N.S.W. Branch Fund.

Outcome - Financial Reports for the year ended 30 June 2018

The Financial Reports for the year ended 30 June 2018 have been prepared with SDA N.S.W. Branch having no controlled entity. All the assets and liabilities of the Deductions Account have been absorbed into the accounts of the SDA N.S.W. Branch.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

Note 19: 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 Commissioner:

- 1) A member of a reporting unit, or the Commissioner, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- 2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- 3) A reporting unit must comply with an application made under subsection (1).

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

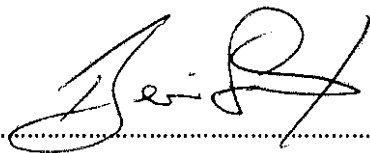
Note 20: Officers Declaration Statement

I, Bernard Smith, being the Branch Secretary of the Shop, Distributive and Allied Employees' Association N.S.W. Branch, declare that the following activities did not occur during the reporting period ending 30 June 2018.

The reporting unit did not:

- agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive capitation fees from another reporting unit
- receive any other revenue from another reporting unit
- receive revenue via compulsory levies
- receive donations or grants
- receive revenue from undertaking recovery of wages activity
- pay capitation fees to another reporting unit
- pay a grant that was \$1,000 or less
- pay a grant that exceeded \$1,000
- pay a penalty imposed under the RO Act or the Fair Work Act 2009
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit

Signed by the officer:



Dated:

14 August 2018