



**AUSTRALIAN INDUSTRIAL REGISTRY**

Level 35, Nauru House  
80 Collins Street, Melbourne, VIC 3000  
GPO Box 1994S, Melbourne, VIC 3001  
Telephone: (03) 8661 7777  
Fax: (03) 9654 6672

Mr Chris Ketter  
Branch Secretary  
Shop, Distributive & Allied Employees' Association  
Queensland Branch  
PO Box 490  
SPRING HILL Qld 4004

Dear Mr Ketter

**RE: Financial Return for Financial Year ended 30 June 2003 - FR2003/487**

Reference is made to the financial documents of the Queensland Branch of the Shop, Distributive & Allied Employees' Association for the year ended 30 June 2003; the documents were lodged on 5 March 2004.

The documents have been filed.

**New legislation**

Please note that the reporting obligations for the financial year ending 30 June 2004 will be governed by the requirements of the *RAO Schedule* of the *Workplace Relations Act 1996*.

Should you wish to discuss this letter please contact me on (03) 8661 7985.

Yours sincerely

Sylvia van Riet  
Statutory Services Branch

30 March 2004



FR2003/487

2 March 2004

Deputy Industrial Registrar  
Australian Industrial Registry  
Queensland Registry  
Level 14, Central Plaza 2  
66 Eagle St.  
BRISBANE QLD 4000



Dear Sir/Madam

Re: Filing of Accounts for Year ended 30/6/2003

Please find enclosed the Certificate of Filing and other appropriate documents for our Accounts for the year ended 30 June, 2003.

I trust this meets your requirements.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Chris Ketter', is located below the closing text.

Chris Ketter  
Secretary

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION  
(QUEENSLAND BRANCH)**

**CERTIFICATE BY STATE SECRETARY RE FILING OF ACCOUNTS**

I, Chris Ketter, being the Officer responsible for keeping the accounting records of the Queensland Branch, certify that as at 30 June 2003, the number of members of the Queensland Branch was 32,870.

In my opinion :-

- (1) The Auditor's Report was received by the Branch on 12 November 2003.
- (2) The accounts and accompanying statements of the said Branch were prepared and circulated to the membership of the Branch in the Branch Journal by post by the relevant dates, in accordance with Section 279.
- (3) In accordance with Section 279(6), the said Auditor's report, accounts and statements were presented to a meeting of the State Council on 4 February 2004.
- (4) The said State Council meeting passed unanimously the following resolutions in respect of the said accounts and accompanying statements:-

"That the accounts and accompanying documents as tabled at this meeting and circulated to members in accordance with Section 279 of the Workplace Relations Act 1996 be received "

"That the accounts and accompanying documents as tabled at this meeting and circulated to members in accordance with Section 279 of the Workplace Relations Act 1996 be adopted "

"That the Secretary be authorised to file documents adopted at this meeting and sign on behalf of the Branch appropriate documents to be filed in accompaniment with the Auditor's Report, Statement of Income and Expenditure and Balance Sheet, and appropriate Certificates with the Deputy Federal Industrial Registrar."

BRISBANE, 2 MARCH 2004

Chris Ketter  
Branch Secretary/Treasurer

**Financial Report  
Shop Distributive and Allied  
Employees Association  
(Queensland Branch)**

**June 30, 2003**

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION (QUEENSLAND  
BRANCH)**

**JUNE 30, 2003**

**INDEX**

**Schedule No.**

1. Audit Report
2. Statement of Financial Performance
3. Statement of Financial Position
4. Statement of Cash Flows
5. Certificate by State Secretary
6. Certificate of Committee of Management
7. Notes to the Financial Statements

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS**

### **Scope**

We have audited the Financial Report of The Shop Distributive and Allied Employees Association (Queensland Branch) for the financial year ended 30 June 2003 being Certificate of Committee of Management, Certificate by State Secretary, Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and Notes to the Financial Statements. The Committee of Management is responsible for the preparation and presentation of the Financial Report and the information they contain. We have performed an audit of this Financial Report in order to express an opinion on them to the members of the Union.

Our audit has been planned and performed in accordance with Australian Auditing Standards, to provide a reasonable level of assurance as to whether the Financial Report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the Financial Report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the Financial Report is presented fairly in accordance with Australian Accounting Standards, other mandatory professional reporting requirements (Urgent Issues Group Consensus Views) and statutory requirements so as to present a view of the Union which is consistent with our understanding of their operations.

The audit opinion expressed in this report has been formed on the above basis.

### **Audit Opinion**

In our opinion:-

1. Satisfactory accounting records have been kept, including:-
  - a) records of the sources and nature of income of the Union (including income from members);  
and
  - b) records of the nature and purposes of the expenditure of Union.
2. The accounts and statements prepared in accordance with Section 273 of the Workplace Relations Act 1996, were properly drawn up:-
  - a) so as to give a true and fair view of:
    - i) the financial affairs of the Union at the end of that period; and
    - ii) the income and expenditure and surplus of the Union for that period; and

b) in accordance with Australian Accounting Standards and other mandatory professional reporting requirements.

3. We have received all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

**BDO Kendalls**  
**Chartered Accountants**

  
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**P.A. Gallagher**  
Partner

Brisbane: November 12, 2003.

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION  
(QUEENSLAND BRANCH)**

**STATEMENT OF FINANCIAL PERFORMANCE**

**For The Year Ended 30 June 2003**

		30.06.03	30.06.02
		\$	\$
<b>GENERAL FUND</b>			
<b>INCOME</b>			
Revenue from ordinary activities	2	7,861,929	7,647,038
		-----	-----
		7,861,929	7,647,038
		-----	-----
<b>EXPENDITURE</b>			
Borrowing costs expense		82,005	159,385
Other expenses from ordinary activities	3	7,791,280	7,001,477
		-----	-----
		7,873,285	7,160,862
		-----	-----
(Loss)/Profit from ordinary activities before Income tax expense		(11,356)	486,176
		-----	-----
Income tax expense relating to Ordinary activities		-	-
		-----	-----
Total changes in equity other than those resulting from transactions with owners as owners	9	(11,356)	486,176
		=====	=====

The accompanying notes should be read in conjunction with these financial statements.



**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION  
(QUEENSLAND BRANCH)**

**STATEMENT OF FINANCIAL POSITION**

**As at 30 June 2003**

	Note	30.06.03	30.06.02
		\$	\$
<b>CURRENT ASSETS</b>			
<b>Bank Deposits</b>			
Cash on Hand	6(a)	300	300
Bank Account	6(a)	-	634
Cash at Bank	6(a)	(184,929)	(28,416)
<b>Investments (at cost)</b>			
Interest Bearing Term Deposits		895,382	850,385
Other		-	33,152
<b>Receivables</b>			
Prepayments & Debtors		105,566	169,497
Membership Fees		479,517	595,909
<b>Other Current Assets</b>			
Stock on Hand		16,357	20,074
Deposits		224	224
<b>TOTAL CURRENT ASSETS</b>		1,312,417	1,641,759
<b>NON-CURRENT ASSETS</b>			
Plant & Equipment	5	980,889	845,508
Land & Buildings	5	12,202,239	12,240,675
Lease Incentives	5	248,559	624,431
<b>TOTAL NON-CURRENT ASSETS</b>		13,431,687	13,710,614
<b>TOTAL ASSETS</b>		14,744,104	15,352,373

The accompanying notes should be read in conjunction with these financial statements.

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION  
(QUEENSLAND BRANCH)**

**STATEMENT OF FINANCIAL POSITION**

**As at 30 June 2003**

		30.06.03	30.06.02
		\$	\$
<b>CURRENT LIABILITIES</b>			
Accounts Payable		166,030	255,008
GST Payable		105,677	99,966
Interest Bearing Liabilities	7	650,000	600,000
Provision for Annual Leave		400,075	397,974
Provision for Sick Leave		194,282	126,932
		-----	-----
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,516,064</b>	<b>1,479,880</b>
		-----	-----
<b>NON-CURRENT LIABILITIES</b>			
Provision for Long Service Leave		444,043	391,440
Interest Bearing Liabilities	7	-	650,000
		-----	-----
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>444,043</b>	<b>1,041,440</b>
		-----	-----
<b>TOTAL LIABILITIES</b>		<b>1,960,107</b>	<b>2,521,320</b>
		-----	-----
<b>NET ASSETS</b>		<b>12,783,997</b>	<b>12,831,053</b>
		=====	=====
<b>EQUITY</b>			
Mortality Fund	8	505,186	540,886
General Fund	9	12,047,630	12,058,986
Asset Revaluation Reserve	10	231,181	231,181
		-----	-----
<b>TOTAL EQUITY</b>	11	<b>12,783,997</b>	<b>12,831,053</b>
		=====	=====
Contingent Liabilities	13		
Commitments	14		

The accompanying notes should be read in conjunction with these financial statements.

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION  
(QUEENSLAND BRANCH)**

**STATEMENT OF CASH FLOWS**

**For the Year Ended 30 JUNE 2003**

	Note	30.06.03 \$	30.06.02 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Received from members		7,259,300	7,020,725
Rental income		1,281,716	1,222,139
Interest received		39,121	35,044
Sundry Income		4,238	5,059
Payments to suppliers and employees		(7,681,616)	(7,072,857)
Interest paid		(82,005)	(159,385)
		-----	-----
Net Cash Provided By Operating Activities	6(b)	820,754	1,050,725
		-----	-----
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of fixed assets		137,492	85,437
Payments for fixed assets		(503,548)	(263,506)
Redemption of / (payment for) investments		(11,845)	(341,622)
Payments for lease incentives		-	(192,173)
		-----	-----
Net Cash Used In Investing Activities		(377,901)	(711,864)
		-----	-----
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
(Repayment of) / funding from borrowings		(600,000)	(378,838)
		-----	-----
NET CASH FROM / (USED IN) FINANCING ACTIVITIES		(600,000)	(378,838)
		-----	-----
Net Increase/(Decrease) in Cash Held		(157,147)	(39,977)
Cash at the Beginning of the Financial Period		(27,482)	12,495
		-----	-----
Cash at the End of the Financial Period	6(a)	(184,629)	(27,482)
		=====	=====

The accompanying notes should be read in conjunction with these financial statements

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION  
(QUEENSLAND BRANCH)**

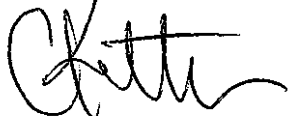
**CERTIFICATE BY STATE SECRETARY**

I, Christopher Ketter, being the Officer responsible for keeping the accounting records of the Queensland Branch, certify that as at 30 June 2003 the number of members of the Queensland Branch was 32,870.

In my opinion:-

- (1) The accompanying accounts show a true and fair view of the financial affairs of the Queensland Branch as at 30 June 2003.
- (2) The accompanying audit report, accounts and Certificate of Committee of Management are copies of the documents presented to a meeting in accordance with Section 279(6) of the Workplace Relations Act 1996.
- (3) A record has been kept of all moneys paid by or collected from members of the Queensland Branch and all moneys so paid or collected have been credited to the bank account to which those moneys are to be credited in accordance with the rules of the Queensland Branch.
- (4) Before any expenditure was incurred by the Queensland Branch approval of the incurring of the expenditure was obtained in accordance with the rules of the Queensland Branch.
- (5) No payments were made out of funds or accounts operated by the Queensland Branch in respect of compulsory levies raised by the Queensland Branch or voluntary contributions collected from members of the Queensland Branch or other funds, the operation of which is required by the rules of the Queensland Branch for purpose other than the purpose for which the fund was operated.
- (6) No loans or other financial benefits other than remuneration in respect of their full time employment with the Queensland Branch were made to persons holding office in the Queensland Branch.
- (7) The register of members of the Queensland Branch was maintained in accordance with The Workplace Relations Act 1996 as amended.

BRISBANE: November 12, 2003.



.....  
**C. KETTER**

**STATE SECRETARY/TREASURER**

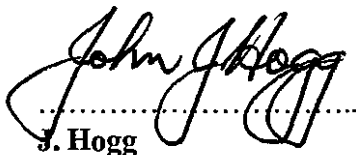
**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION  
(QUEENSLAND BRANCH)**

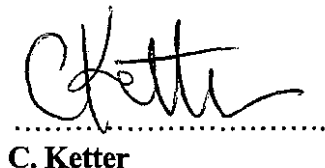
**CERTIFICATE OF COMMITTEE OF MANAGEMENT**

We, John Hogg and Chris Ketter, being two members of the Committee of Management of the Queensland Branch do state on behalf of the Queensland Branch and in accordance with a resolution passed by the Branch that:-

- i) In the opinion of the Committee of Management, the accompanying accounts show a true and fair view of the financial affairs of the Queensland Branch as at 30 June 2003.
- ii) In the opinion of the Committee of Management, meetings of the Committee were held during the period ended 30 June 2003 in accordance with the rules of the Queensland Branch.
- iii) To the knowledge of any member of the committee, there have been, during the financial year to which the accounts relate, no instances where records of the organisation or other documents (not being documents containing information made available to a member of the organisation under subsection 274(2) of the Workplace Relations Act 1996), or copies of those records or other documents or copies of the rules of the organisation, have not been furnished, or made available, to members of the organisation in accordance with the Workplace Relations Act 1996, these Regulations or the rules of the Queensland Branch.
- iv) The Branch has complied with sub-sections 279(1) and (6) of the Act in relation to the financial accounts in respect of the previous financial period and the auditors' report thereon.

Dated: November 12, 2003.

  
.....  
J. Hogg

  
.....  
C. Ketter

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION  
(QUEENSLAND BRANCH)**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2003**

**NOTE 1: STATEMENT OF ACCOUNTING POLICIES**

Shop Distributive and Allied Employees Association (Qld Branch) is a state employees union and is domiciled in Australia.

This general purpose financial report has been prepared in accordance with applicable Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has been prepared on the basis of historical costs and does not take into account changing money values, or except where stated, current valuations of non current assets. Cost is based on the fair values of the consideration given in exchange for assets. Unless noted, the accounting policies adopted are consistent with those of the previous year.

The following is a summary of the material accounting policies adopted in the preparation of the financial report:

**(a) Revenue**

The principal sources of income are members fees and rent from investment properties. This income is recognised as it is earned. Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

**(b) Property, Plant and Equipment**

Plant and equipment are measured on the cost basis, less, where applicable, any accumulated depreciation or amortisation. The carrying amount of property, plant and equipment is reviewed annually by committee of management to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

Land and Buildings are measured on the fair value basis, being the amount for which an asset could be exchanged between willing parties in an arm's length transaction. It is the practice of the union to have an independent valuation every three years with annual appraisals being made by the Committee of Management. The revaluation of freehold land and buildings has not taken account of potential capital gains tax on assets acquired after the introduction of capital gains tax.

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION  
(QUEENSLAND BRANCH)**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2003**

**NOTE 1: STATEMENT OF ACCOUNTING POLICIES (continued)**

**(c) Depreciation**

Depreciation is based on the prime cost and diminishing value methods of calculation. It is provided on all fixed assets except for investment properties, so as to write-off the cost of the assets over their estimated useful lives to the union.

The depreciation rates applied are:

Buildings Leichhardt Street	1.5% diminishing value
Motor Vehicles	22.5% diminishing value
Computer Equipment	20% - 40% diminishing value
Microfilm Equipment	20% diminishing value
Library	20% diminishing value
Furniture Fittings & Equipment	15% -33% diminishing value

A portion of Land & Buildings are Investment properties that are held by the union for generation of rental income and capital appreciation. They are not occupied by or for the operations of the union. The investment properties were revalued at 1 July 2000. Investment properties are not depreciated. Land & Buildings at Leichhardt Street are occupied by and are used for the operations of the union. Leichhardt Street was revalued at 1 July 2000 and the buildings are depreciated as specified above.

**(d) Net Fair Value**

The carrying amounts of cash, cash equivalents and non-interest bearing monetary financial assets and liabilities approximate net fair value.

**(e) Cash**

For the purposes of the statement of cash flows, cash includes cash on hand, at call deposits with banks or financial institutions, and money market assets maturing within less than two months and net of bank overdrafts.

**(f) Lease Incentives and Amortisation**

Lease incentive costs incurred, including landlord works, refurbishment, and lease free periods have been capitalised and amortised on a straight line basis over the terms of the leases.

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION  
(QUEENSLAND BRANCH)**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2003**

**NOTE 1: STATEMENT OF ACCOUNTING POLICIES (continued)**

**(g) Employee Benefits**

Expenses are recognised when it is probable that consumption or loss of service potential has occurred and they are capable of being measured reliably.

Liabilities are only recognised where it is probable that settlement will be required and can be measured reliably.

Annual leave and other employee entitlements which are expected to be settled within twelve months are calculated using the nominal basis of measurement. This method uses current remuneration methods and does not discount cash flows to present values.

Long term liabilities including long service leave are measured as the present value of the estimated future cash flows expected to be made.

Present values are discounted using rates for Commonwealth Government guaranteed securities having terms to maturity that match, as closely as possible, the terms of the related liabilities. Future increases in remuneration rates are taken into account in estimating future cash outflows.

In accordance with the Standard, employee on-costs such as payroll tax that relate to employee entitlements have been included in the provision for employee entitlements.

**(h) Taxation**

The income of the union is exempt from income tax. All items in the Statement of Financial Performance are recorded net of the amount of Goods and Services Tax (GST). Receivables and payables in the Statement of Financial Position are stated inclusive of GST. For the purposes of the Statement of Cash Flows, receipts from customers and payments to suppliers include GST received and paid on a gross basis.

**(i) Investments**

All investments are included in the accounts at cost.



**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION  
(QUEENSLAND BRANCH)**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2003**

**NOTE 1: STATEMENT OF ACCOUNTING POLICIES (continued)**

**(j) Inventory**

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first in, first out basis.

**(k) Asset Revaluation Reserve**

Increments in the valuation of property plant & equipment are recognised in the asset revaluation reserve. Any decrements in the valuation of a class of property plant & equipment are recognised in the asset revaluation reserve up to the amount of previous valuation increments. Any excess decrement is recognised in the statement of financial performance.

**(l) Comparative Figures**

Where required by accounting standards, comparative information has been adjusted to conform with presentation changes of the current financial year.

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION  
(QUEENSLAND BRANCH)**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2003**

**NOTE 2: REVENUE**

	<b>30.06.03</b>	<b>30.06.02</b>
	\$	\$
<b>(a) Income</b>		
Membership fees	6,515,754	6,407,219
Interest	39,121	35,044
Rental income	1,165,324	1,114,279
Other revenue	4,238	5,059
Proceeds on disposal of plant and equipment	137,492	85,437
	7,861,929	7,647,038
	7,861,929	7,647,038

**NOTE 3: EXPENSES**

	<b>30.06.03</b>	<b>30.06.02</b>
	\$	\$
Profit from ordinary activities has been determined after:		
<b>(a) Expenses:</b>		
Administration and sundry expenses	2,859,094	2,421,294
Advertising	2,044	42,778
Affiliation fees	823,740	769,002
Amortisation	375,872	185,088
Audit Fees	10,750	21,770
Commission	628,916	617,993
Depreciation	252,168	287,546
Federal expenses	83,369	73,250
Fringe benefits tax	27,395	38,729
Honoraria	500	500
Legal Fees	124,301	153,751
Salaries		
- Officials	266,558	262,733
- Staff	1,945,600	1,841,191
State Council & Committee of Management	9,890	10,143
Superannuation	226,648	195,130
Written down value on disposal of plant & equipment	154,435	80,579
	7,791,280	7,001,477
	7,791,280	7,001,477

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION  
(QUEENSLAND BRANCH)**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2003**

**NOTE 4: NOTICE REQUIRED UNDER SECTION 274 OF THE  
WORKPLACE RELATIONS ACT 1996.**

In accordance with the requirements of the Workplace Relations Act, 1996, the attention of members is drawn to the provisions of Sub Sections (1), (2) and (3) of Section 274 which reads as follows:-

- (1) A member of an organisation, or a Registrar, may apply to the organisation for specified prescribed information in relation to the organisation.
- (2) An organisation shall, on application made under subsection (1) by a member of the organisation or a Registrar, make the specified information available to the member or Registrar in such manner, and within such time, as is prescribed.
- (3) A Registrar may only make an application under subsection (1) at the request of a member of the organisation concerned, and the Registrar shall provide to a member information received because of an application made at the request of the member.

**NOTE 5: PROPERTY PLANT & EQUIPMENT**

	<b>30.06.03</b>	<b>30.06.02</b>
	\$	\$
Land & Buildings - at fair value	12,301,435	12,304,717
Less: Accumulated depreciation	(99,196)	(64,042)
	12,202,239	12,240,675
Motor vehicles – at cost	1,057,942	1,022,503
Less: Accumulated depreciation	(449,173)	(530,774)
	608,769	491,729

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION  
(QUEENSLAND BRANCH)**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2003**

	<b>30.06.03</b>	<b>30.06.02</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 5:      PROPERTY PLANT &amp; EQUIPMENT (Con't)</b>		
Air conditioner – at cost	80,064	80,064
Less: Accumulated depreciation	(80,064)	(80,064)
	-----	-----
	-	-
	-----	-----
Computer equipment – at cost	380,826	294,357
Less: Accumulated depreciation	(265,767)	(230,850)
	-----	-----
	115,059	63,507
	-----	-----
Microfilm – at cost	78,272	78,272
Less: Accumulated depreciation	(77,115)	(74,951)
	-----	-----
	1,157	3,321
	-----	-----
Library – at cost	196,551	196,551
Less: Accumulated depreciation	(176,606)	(171,655)
	-----	-----
	19,945	24,896
	-----	-----
Library Subs – at cost	209,230	195,592
Less: Accumulated depreciation	(137,551)	(119,690)
	-----	-----
	71,679	75,902
	-----	-----
Furniture, fittings and equipment – at cost	577,064	573,271
Less: Accumulated depreciation	(485,637)	(472,272)
	-----	-----
	91,427	100,999
	-----	-----
Office equipment – at cost	246,536	232,389
Less: Accumulated depreciation	(173,683)	(147,235)
	-----	-----
	72,853	85,154
	-----	-----
<b>Total Plant &amp; Equipment</b>	<b>980,889</b>	<b>845,508</b>
	-----	-----

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION  
(QUEENSLAND BRANCH)**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2003**

**NOTE 5: PROPERTY PLANT & EQUIPMENT (Con't)**

Lease Incentive – at cost	984,240	984,240
Less: Accumulated amortisation	(735,681)	(359,809)
	248,559	624,431
	13,431,687	13,710,614

Movements in property plant & equipment during the financial year were as follows:

	Land & Buildings	Plant & Equipment	Lease Incentives	Total
Opening Balance	12,240,675	845,508	624,431	13,710,614
Additions	-	503,548	-	503,548
Disposals	(3,279)	(151,156)	-	(154,435)
Depreciation	(35,157)	(217,011)	(375,872)	(628,040)
Revaluation Increments	-	-	-	-
Closing Balance	12,202,239	980,889	248,559	13,431,687

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION  
(QUEENSLAND BRANCH)**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2003**

**NOTE 6: NOTES TO STATEMENT OF CASH FLOWS**

**(a) Reconciliation of Cash**

For the purposes of the Statement of Cash Flows, cash includes cash on hand and "at call" deposits with financial institutions. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the balance sheet as follows:-

	<b>30.06.03</b>	<b>30.06.02</b>
	\$	\$
Cash on hand	300	300
Bank accounts	-	634
Cash at bank (overdraft)	(184,929)	(28,416)
	<u>(184,629)</u>	<u>(27,482)</u>

**(b) Reconciliation of Net Cash Provided by Operating Activities to Operating Surplus**

Operating surplus / (deficit)	(11,356)	486,176
<b>Non-Cash Flows in Operating Surplus</b>		
Depreciation	252,168	287,546
Amortisation	375,872	185,088
Loss/(gain) on sale of fixed assets	16,943	(4,859)
<b>Changes in Assets and Liabilities</b>		
Decrease in receivables	180,323	13,477
Decrease in payables	(88,978)	(142,797)
Increase in provisions	127,765	285,193
Decrease/(increase) in stock on hand	3,717	(15,399)
<b>Other</b>		
Payments from Mortality Funds	(35,700)	(42,500)
Payments from Auxiliary Fund	-	(1,200)
	<u>820,754</u>	<u>1,050,725</u>
Net Cash Provided by Operating Activities	<u>820,754</u>	<u>1,050,725</u>

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION  
(QUEENSLAND BRANCH)**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2003**

**NOTE 7: INTEREST BEARING LIABILITIES**

	<b>30.06.03</b>	<b>30.06.02</b>
	\$	\$
Bank Loan – Current	650,000	600,000
Bank Loan – Non Current	-	650,000
	650,000	1,250,000

**Security held over borrowing**

Security is held by first registered mortgage over the property at 67 St Paul's Terrace for all borrowings of the Union.

**Credit Stand-By Arrangements**

The Union has monthly minimum and maximum draw down limit arrangements with the Commonwealth Bank in relation to the bank loan. The minimum drawdown limit at 30 June 2003 is \$650,000 and the maximum limit at 30 June 2003 is \$1,250,000. Full settlement of the bank loan is expected at 30 June 2004.

**NOTE 8: MORTALITY FUND**

	<b>30.06.03</b>	<b>30.06.02</b>
	\$	\$
<b>MORTALITY FUND</b>		
Opening Balance	540,886	583,386
Less Mortality Claims Paid	(35,700)	(42,500)
	505,186	540,886
<b>TOTAL: MORTALITY FUNDS</b>	505,186	540,886

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION  
(QUEENSLAND BRANCH)**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2003**

**NOTE 9: GENERAL FUND**

	<b>30.06.03</b>	<b>30.06.02</b>
	\$	\$
<b>GENERAL FUND</b>		
Opening Balance	12,058,986	11,574,010
Auxiliary Funds Paid	-	(1,200)
(Loss)/Profit After Income Tax	(11,356)	486,176
	-----	-----
<b>TOTAL: GENERAL FUNDS</b>	<b>12,047,630</b>	<b>12,058,986</b>
	-----	-----

**NOTE 10: RESERVES**

	<b>30.06.03</b>	<b>30.06.02</b>
	\$	\$
<b>ASSET REVALUATION RESERVE</b>		
Opening Balance	231,181	231,181
Revaluation Increments	-	-
	-----	-----
<b>TOTAL: ASSET REVALUATION RESERVE</b>	<b>231,181</b>	<b>231,181</b>
	-----	-----

**NOTE 11: EQUITY**

	<b>30.06.03</b>	<b>30.06.02</b>
	\$	\$
<b>TOTAL FUNDS</b>		
Opening Balance	12,831,053	12,388,577
Mortality Claims Paid	(35,700)	(42,500)
Auxiliary Funds Paid	-	(1,200)
Profit/(Loss) After Income Tax	(11,356)	486,176
Movement in Reserves	-	-
	-----	-----
<b>TOTAL: TOTAL FUNDS</b>	<b>12,783,997</b>	<b>12,831,053</b>
	=====	=====

**NOTE 12: NUMBER OF EMPLOYEES  
AT BALANCE DATE**

	45	43
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**NOTE 13: CONTINGENT LIABILITIES**

The union has a contingent liability of \$90,000 over its credit stand-by arrangements for autopay (2002: \$90,000).



**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION  
(QUEENSLAND BRANCH)**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2003**

**NOTE 14: COMMITMENTS**

**Lease Commitments Receivable**

The union has commitments receivable related to tenancy agreements in its rental properties:

	<b>30.06.03</b>	<b>30.06.02</b>
	<b>\$</b>	<b>\$</b>
Less than one year	670,362	670,362
Greater than one year but less than two years	670,362	670,362
Greater than two years But less than five years	298,014	968,376
Greater than five years	-	-
	1,638,738	2,309,100

**Lease Incentives Commitments Payable**

The union has commitments payable related to tenancy agreements in its rental properties.

	<b>30.06.03</b>	<b>30.06.02</b>
	<b>\$</b>	<b>\$</b>
Less than one year	13,510	13,510
Greater than one year but less than two years	13,510	13,510
Greater than two years But less than five years	13,510	27,020
Greater than five years	-	-
	40,530	54,040

**Capital Commitments**

	<b>30.06.03</b>	<b>30.06.02</b>
	<b>\$</b>	<b>\$</b>
67 St Pauls Terrace Refurbishments	-	-

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION  
(QUEENSLAND BRANCH)**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2003**

**NOTE 15: FINANCIAL INSTRUMENTS**

**Interest Rate Risk**

The Union's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

Cash bears variable interest rates. The secured bank loan bears a fixed interest rate of 7.32%. All other significant financial assets and financial liabilities are non-interest bearing.

**Credit Risk**

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements.

The consolidated entity does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the economic entity.

**Net Fair Values**

For the financial instruments their net fair value approximates their carrying value.

**NOTE 16: SEGMENT REPORTING**

The Union operates in one geographical location, being Queensland, Australia and in one industry, being providing benefits to its members, who are retail (including fast food) employees within the State of Queensland.