



Australian Government
Australian Industrial Registry

Level 36, Nauru House
80 Collins Street, Melbourne, VIC 3000
GPO Box 1994S, Melbourne, VIC 3001
Telephone: (03) 8661 7777
Fax: (03) 9655 0401

Mr Chris Ketter
Secretary
Shop, Distributive and Allied Employees Association
Queensland Branch
PO Box 490
SPRING HILL QLD 4004

Dear Mr Ketter,

**Re: Shop, Distributive and Allied Employees Association - Queensland Branch
Financial reports for year ended 30 June 2004
Schedule 1B of the Workplace Relations Act 1996 (the RAO Schedule) FR2004/265**

I acknowledge receipt of the financial reports of the Queensland Branch of the Shop, Distributive and Allied Employees Association for the year ended 30 June 2004. The documents were lodged in the Industrial Registry on 15 April 2005.

On 8 May 2003 the Industrial Registrar wrote to all organisations and branches of organisations (reporting units) and provided a number of fact sheets covering various aspects of the RAO Schedule. The letter and fact sheets indicated there would be substantial changes to financial reporting requirements and that the RAO Schedule would apply to a financial year that commences on or after the commencement of the reporting guidelines.¹

The Industrial Registrar then wrote to all reporting units on 7 July 2003 advising that he had issued reporting guidelines to apply to each financial year that starts on or after 1 July 2003.

Following the financial year ending 30 June 2004, Deputy Industrial Registrar Nassios wrote to you on 12 August 2004, outlining what the reporting unit must do to meet its financial reporting obligations under the RAO Schedule (a copy of this letter is attached).

An examination of the reports lodged reveal they have been prepared under the former provisions of the *Workplace Relations Act 1996*. The Industrial Registry cannot accept financial reports that have been lodged without any regard to the RAO Schedule.

Your branch is now requested to prepare the necessary reports, supply them to the members, present to a meeting and lodge in the Industrial Registry in accordance with the RAO Schedule.

Should you wish to discuss this letter or if you require further information or assistance on the financial reporting requirements of the RAO Schedule, please contact me on (03) 8661-7817 or email: robert.pfeiffer@air.gov.au.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'R. Pfeiffer'.

Robert Pfeiffer
Statutory Services Branch, Melbourne

21 April 2005

¹ Reporting Guidelines published in the Government Notices Gazette on 25 June 2003

FR 2004/265



15 April 2005

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 30/6/2004

Please find enclosed the Certificate of Filing and other appropriate documents for our Accounts for the year ended 30 June, 2004.

I trust this meets your requirements.

Yours faithfully

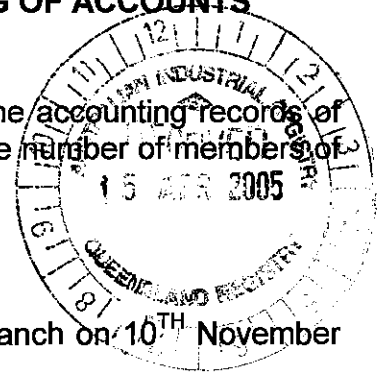
A handwritten signature in black ink, which appears to read 'Chris Ketter', is located below the 'Yours faithfully' text.

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 2004, the number of members of the Queensland Branch was 34,693.



In my opinion:-

- (1) The Auditor's Report was received by the Branch on 10TH November 2004.
- (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 2 February 2005.
- (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 "

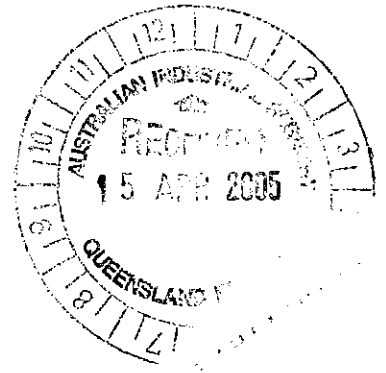
"That the accounts and accompanying documents as tabled at this meeting and circulated to members in accordance with Section 279 of the Workplace Relations Act 1996 be adopted "

"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, 15 APRIL 2005

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

Chris Ketter
Branch Secretary/Treasurer



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

June 30, 2004

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

JUNE 30, 2004

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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 2004 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.

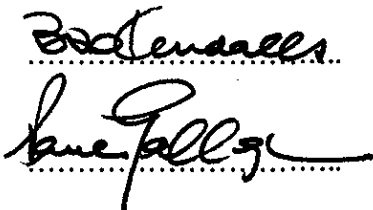
Audit Opinion

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 the 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


.....
.....

P.A. Gallagher
Partner

Brisbane: 17.1.2005

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

OPERATING REPORT

Membership

Membership of the Branch as at 30 June 2004 was 34,693.

Persons eligible to do so under the rules of the Branch were actively encouraged to join the Branch. Pursuant to s174 of the Workplace Relations Act 1996, members could resign from the Branch by written notice.

Principal Activities

The Branch maintained its industrial awards and agreements at a high, up-to-date standard.

New enterprise agreements were negotiated with a wide range of employers including Coles-Myer, Woolworths, Bunnings, Just Jeans, Pretty Girl, Freedom Furniture, Super Cheap Auto, Wendy's and others. These agreements all resulted in improved wages and working conditions for the employees covered by them.

The Branch produced a range of publications for members.

At 30 June 2004, there were 46 persons employed by the Branch.

Affiliations & Directorships

The Branch is affiliated with the Australian Labor Party ("ALP"). Delegates were credentialed to the State meetings of the ALP. The Branch President is a member of the ALP State Administrative Committee.

One representative of the Branch is a Director of the Enabling Queensland Group Industry Training Advisory Board.

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

OPERATING REPORT (continued)

State Council

The members of the State Council of the Branch at any time during or since the end of the financial year were:

<i>Name</i>	<i>State Council</i>
Senator J. Hogg Branch President	State Council member since 1980 Branch President since 1996
Ms. E. Beswick Branch Vice President	State Council member since 1998 Branch Vice President since 2002
Mr. K. Addison Branch Vice President	State Council member since 1972 Branch Vice President since 1995
Mr. C. Ketter Branch Secretary –Treasurer	State Council member since 1984 Branch Secretary –Treasurer since 1996.
Mr. D. Wagner First Assistant Secretary	State Council member since 1988 First Assistant Secretary since 1996
Ms. J. Arnold	State Council member since 2002 Brisbane Area Representative
Ms. A. England	State Council member since 2002 Brisbane Area Representative
Mrs. P. Jarrett	State Council member since 1984 Brisbane Area Representative
Mrs. S. Pulungan	State Council member since 1998 Brisbane Area Representative
Mr. A. Hardy	State Council member since 1996 Brisbane Area Representative
Ms. J. Ney	State Council member since 2002 Representative from the Northern Districts
Mr. B. Plath	State Council member since 1984 Representative from the Northern Districts
Mrs. B. Bale	State Council member since 1987 Representative from the Southern & Western Districts

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

OPERATING REPORT (continued)

Mr. S. Cummings

State Council member since 1994
Representative from the Southern & Western
Districts

Ms. A. Usher

State Council member since 1984
Representative from the area covered by the Shop
Assistants and Storemen and Packers Award -
Central Division

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

10th November CK
Dated at Brisbane this ~~23rd~~ day of ~~December~~ 2004.



Chris Ketter
Branch Secretary - Treasurer

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

STATEMENT OF FINANCIAL PERFORMANCE

For The Year Ended 30 June 2004

		30.06.04	30.06.03
		\$	\$
GENERAL FUND			
INCOME			
Revenue from ordinary activities	2	10,057,790	7,861,929
		-----	-----
		10,057,790	7,861,929
		-----	-----
EXPENDITURE			
Borrowing costs expense		27,622	82,005
Other expenses from ordinary activities	3	8,582,975	7,791,280
		-----	-----
		8,610,597	7,873,285
		-----	-----
(Loss)/Profit from ordinary activities before			
Income tax expense		1,447,193	(11,356)
		-----	-----
Income tax expense relating to			
Ordinary activities		-	-
		-----	-----
Total changes in equity other than those resulting			
from transactions with owners as owners	9	1,447,193	(11,356)
		=====	=====

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 2004

	Note	30.06.04 \$	30.06.03 \$
CURRENT ASSETS			
Bank Deposits			
Cash on Hand	6(a)	300	300
Bank Account	6(a)	36,936	-
Investments (at cost)			
Cash Management Account		2,595,382	895,382
Other		-	-
Receivables			
Prepayments & Debtors		36,516	105,566
Membership Fees		625,325	479,517
Other Current Assets			
Stock on Hand		61,625	16,357
Deposits		224	224
TOTAL CURRENT ASSETS		3,356,308	1,497,346
NON-CURRENT ASSETS			
Plant & Equipment	5	830,502	980,889
Land & Buildings	5	11,530,049	12,202,239
Lease Incentives	5	-	248,559
TOTAL NON-CURRENT ASSETS		12,360,551	13,431,687
TOTAL ASSETS		15,716,859	14,929,033

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 2004

		30.06.04	30.06.03
		\$	\$
CURRENT LIABILITIES			
Cash at Bank	6(a)	97,084	184,929
Accounts Payable		238,758	166,030
GST Payable		115,791	105,677
Interest Bearing Liabilities	7	50,000	650,000
Provision for Annual Leave		400,075	400,075
Provision for Sick Leave		139,918	194,282
		-----	-----
TOTAL CURRENT LIABILITIES		1,041,626	1,700,993
		-----	-----
NON-CURRENT LIABILITIES			
Provision for Long Service Leave		444,043	444,043
Interest Bearing Liabilities	7	-	-
		-----	-----
TOTAL NON-CURRENT LIABILITIES		444,043	444,043
		-----	-----
TOTAL LIABILITIES		1,485,669	2,145,036
		-----	-----
NET ASSETS		14,231,190	12,783,997
		=====	=====
EQUITY			
Mortality Fund	8	475,386	505,186
General Fund	9	13,524,623	12,047,630
Asset Revaluation Reserve	10	231,181	231,181
		-----	-----
TOTAL EQUITY	11	14,231,190	12,783,997
		=====	=====
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

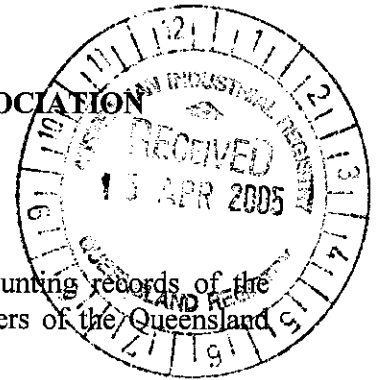
For the Year Ended 30 JUNE 2004

	Note	30.06.04 \$	30.06.03 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Received from members		9,086,843	7,259,300
Rental income		1,306,015	1,281,716
Interest received		60,647	39,121
Sundry Income		5,598	4,238
Payments to suppliers and employees		(8,794,331)	(7,681,616)
Interest paid		(27,622)	(82,005)
		-----	-----
Net Cash Provided By Operating Activities	6(b)	1,637,150	820,754
		-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of fixed assets		1,056,547	137,492
Payments for fixed assets		(268,916)	(503,548)
Redemption of / (payment for) investments		(1,700,000)	(11,845)
Payments for lease incentives		-	-
		-----	-----
Net Cash Used In Investing Activities		(912,369)	(377,901)
		-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES			
(Repayment of) / funding from borrowings		(600,000)	(600,000)
		-----	-----
NET CASH FROM / (USED IN) FINANCING ACTIVITIES		(600,000)	(600,000)
		-----	-----
Net Increase/(Decrease) in Cash Held		124,781	(157,147)
Cash at the Beginning of the Financial Period		(184,629)	(27,482)
		-----	-----
Cash at the End of the Financial Period	6(a)	(59,848)	(184,629)
		=====	=====

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 2004 the number of members of the Queensland Branch was 34,693.

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 2004.
- (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 of 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.

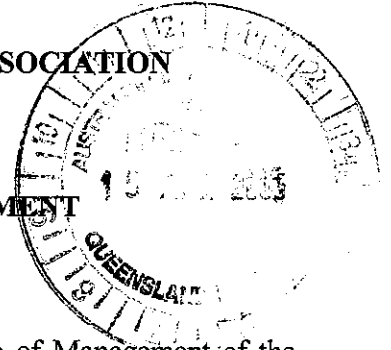
10th November CK .
BRISBANE: ~~23rd~~ December, 2004.

.....
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 2004.
- ii) In the opinion of the Committee of Management, meetings of the Committee were held during the period ended 30 June 2004 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.

10th November
Dated: ~~23rd December~~, 2004. *JKH*

John Hogg
.....
J. Hogg

Chris Ketter
.....
C. Ketter

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2004

NOTE 1: STATEMENT OF ACCOUNTING POLICIES

Shop Distributive and Allied Employees Association (Old 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:

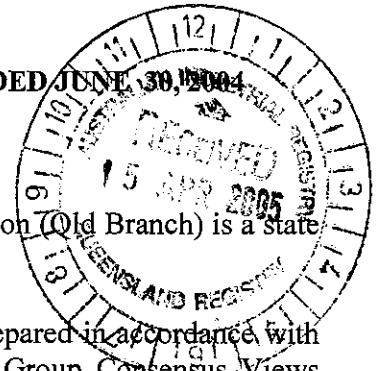
(a) Revenue

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, 2004

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, 2004

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, 2004

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.

(m) Adoption of Australian Equivalents to International Financial Reporting Standards

Australia is currently preparing for the introduction of International Financial Reporting Standards (IFRS) effective for financial years commencing 1 January 2005. This requires the production of accounting data for future comparative purposes at the beginning of the next financial year.

The company's Board, along with its auditors, are assessing the significance of these changes and are preparing for their implementation.

The directors are of the opinion that the key differences in the company's accounting policies which will arise from the adoption of IFRS are:

First Time Adoption

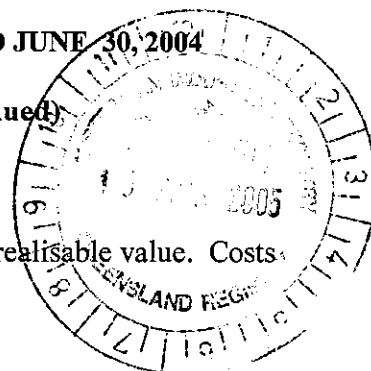
All adjustments required from first time adoption will be directly transferred to/from retained earnings.

Impairment of Assets

The company presently assesses the amount of impairment of assets by determining the recoverable amount on the basis of undiscounted cash flows. Under Australian equivalents to IFRS, the company will be required to determine the recoverable amount as the higher of net selling price and value in use (which is determined using discounted cash flows). This change in policy and basis for calculation may lead to more impairment losses being recognised. When discounting is initially applied on transition at 1 July 2004, impairment losses may need to be recognised resulting in a negative impact on opening balances of retained earnings at that date.

Disposal of Non-Current Assets

Previously the proceeds from disposal of non-current assets were considered to be revenue. Under the new standards, revenue now is the net profit or loss on the disposal of non-current assets.



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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2004

NOTE 2: REVENUE

	30.06.04	30.06.03
	\$	\$
(a) Income		
Membership fees	7,628,984	6,515,754
Interest	60,647	39,121
Rental income	1,300,838	1,165,324
Other revenue	10,775	4,238
Proceeds on disposal of Investments & Plant and Equipment	Note 2(b) 1,056,546	137,492
	<u>10,057,790</u>	<u>7,861,929</u>

(b) Significant Revenues

The following significant revenue items are relevant in explaining the financial performance:

	30.06.04	30.06.03
	\$	\$
Consideration on disposal of investment – Edmund Street	1,000,000	-
Consideration of disposal of motor vehicles	56,546	-
Carrying amount of investment sold - Edmund Street	(639,156)	-
Carrying amount of motor vehicles sold	(67,530)	-
	<u>349,860</u>	<u>-</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2004

NOTE 3: EXPENSES

	30.06.04	30.06.03
	\$	\$
Profit from ordinary activities has been determined after:		
(a) Expenses:		
Administration	508,445	449,754
Affiliation fees	837,526	823,740
Amortisation – Leasehold Incentives	248,560	375,872
Audit Fees	20,000	10,750
Commission	734,163	628,916
Consulting/Training	322,383	346,236
Depreciation	288,279	252,168
Federal expenses	129,822	83,369
Fringe benefits tax	41,773	27,395
Insurance	116,628	123,215
Legal Fees	171,741	124,301
Organising Expenses	218,083	199,981
Other	642,110	752,537
Payroll Tax	106,537	115,292
Postage	194,473	212,919
Printing	281,341	383,823
Salaries		
- Officials	270,011	266,558
- Staff	1,981,656	1,945,600
Scholarship Bursaries	167,100	108,060
Shop Steward Expenses	229,163	179,711
Superannuation	240,166	226,648
Mortality Benefits paid	29,800	-
Written down value on disposal of Investments, Plant & Equipment	803,215	154,435
	8,582,975	7,791,280
	8,582,975	7,791,280

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2004

**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

	30.06.04	30.06.03
	\$	\$
Land & Buildings - at fair value	11,662,281	12,301,435
Less: Accumulated depreciation	(132,232)	(99,196)
	11,530,049	12,202,239
Motor vehicles – at cost	1,106,331	1,057,942
Less: Accumulated depreciation	(490,968)	(449,173)
	615,363	608,769

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2004

	30.06.04	30.06.03
	\$	\$
NOTE 5: PROPERTY PLANT & EQUIPMENT (Con't)		
Air conditioner – at cost	92,844	80,064
Less: Accumulated depreciation	(81,274)	(80,064)
	-----	-----
	11,570	-
	-----	-----
Computer equipment – at cost	239,228	380,826
Less: Accumulated depreciation	(171,387)	(265,767)
	-----	-----
	67,841	115,059
	-----	-----
Microfilm – at cost	78,272	78,272
Less: Accumulated depreciation	(78,272)	(77,115)
	-----	-----
	-	1,157
	-----	-----
Library – at cost	196,657	196,551
Less: Accumulated depreciation	(196,657)	(176,606)
	-----	-----
	-	19,945
	-----	-----
Library Subs – at cost	221,360	209,230
Less: Accumulated depreciation	(221,360)	(137,551)
	-----	-----
	-	71,679
	-----	-----
Furniture, fittings and equipment – at cost	582,064	577,064
Less: Accumulated depreciation	(499,245)	(485,637)
	-----	-----
	82,819	91,427
	-----	-----
Office equipment – at cost	246,214	246,536
Less: Accumulated depreciation	(193,305)	(173,683)
	-----	-----
	52,909	72,853
	-----	-----
Total Plant & Equipment	830,502	980,889
	-----	-----

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2004

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

Lease Incentive – at cost	984,240	984,240
Less: Accumulated amortisation	(984,240)	(735,681)
	-----	-----
	-	248,559
	-----	-----
	<u>12,360,551</u>	<u>13,431,687</u>

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

	Land & Buildings	Plant & Equipment	Lease Incentives	Total
Opening Balance	12,202,239	980,889	248,559	13,431,687
Additions		270,293		270,293
Disposals	(639,154)	(80,462)		(719,616)
Depreciation	(33,036)	(255,243)	(248,559)	(536,838)
Writedown		(84,975)		(84,975)
Revaluation Increments	-	-	-	-
Closing Balance	11,530,049	830,502	-	12,360,551

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2004

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:-

	30.06.04	30.06.03
	\$	\$
Cash on hand	300	300
Bank accounts	36,936	-
Cash at bank (overdraft)	(97,084)	(184,929)
	<u> </u>	<u> </u>
	<u>(59,848)</u>	<u>(184,629)</u>

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

Operating surplus / (deficit)	1,447,193	(11,356)
Non-Cash Flows in Operating Surplus		
Depreciation	288,279	252,168
Amortisation	248,559	375,872
Loss/(gain) on sale of fixed assets	(349,860)	16,943
Asset Written Off	96,528	-
Changes in Assets and Liabilities		
(Increase)/decrease in receivables	(145,810)	180,323
Decrease in prepayment	69,050	-
Increase/(decrease) in payables	82,843	(88,978)
(Decrease)/Increase in provisions	(54,364)	127,765
Decrease/(increase) in stock on hand	(45,268)	3,717
Other		
Payments from Mortality Funds	-	(35,700)
	<u> </u>	<u> </u>
Net Cash Provided by Operating Activities	<u>1,637,150</u>	<u>820,754</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2004

NOTE 7: INTEREST BEARING LIABILITIES

	30.06.04	30.06.03
	\$	\$
Bank Loan – Current	50,000	650,000
Bank Loan – Non Current	-	-
	-----	-----
	50,000	650,000
	-----	-----

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 2004 is \$50,000 and the maximum limit at 30 June 2004 is \$700,000. Full settlement of the bank loan took place at 30 July 2004.

NOTE 8: MORTALITY FUND

	30.06.04	30.06.03
	\$	\$
MORTALITY FUND		
Opening Balance	505,186	540,886
Transfer to General Fund	(29,800)	(35,700)
	-----	-----
TOTAL: MORTALITY FUNDS	475,386	505,186
	=====	=====

In current financial year, the accounting treatment for the Mortality Fund benefits was changed to show the expenses incurred in the General Fund. An amount equal to the expenses has been transferred from the Mortality Fund to the General Fund to meet the commitments.

The comparative figures have been amended to reflect a similar accounting treatment in the prior year.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2004

NOTE 9: GENERAL FUND

	30.06.04	30.06.03
	\$	\$
GENERAL FUND		
Opening Balance	12,047,630	12,058,986
Transfer from Mortality Fund	29,800	-
(Loss)/Profit After Income Tax	1,447,193	(11,356)
	-----	-----
TOTAL: GENERAL FUNDS	13,524,623	12,047,630
	-----	-----

NOTE 10: RESERVES

	30.06.04	30.06.03
	\$	\$
ASSET REVALUATION RESERVE		
Opening Balance	231,181	231,181
Revaluation Increments	-	-
	-----	-----
TOTAL: ASSET REVALUATION RESERVE	231,181	231,181
	-----	-----

NOTE 11: EQUITY

	30.06.04	30.06.03
	\$	\$
TOTAL FUNDS		
Mortality Fund	475,386	505,186
General Fund	13,524,623	12,047,630
Asset Revaluation Reserve	231,181	231,181
	-----	-----
TOTAL: TOTAL FUNDS	14,231,190	12,783,997
	=====	=====

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

	46	45
--	----	----

NOTE 13: CONTINGENT LIABILITIES

The union has a contingent liability of \$90,000 over its credit stand-by arrangements for autopay (2003: \$90,000).

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2004

NOTE 14: COMMITMENTS

Lease Commitments Receivable

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

	30.06.04	30.06.03
	\$	\$
Less than one year	845,958	670,362
Greater than one year		
but less than two years	507,552	670,362
Greater than two years		
But less than five years	530,113	298,014
Greater than five years	-	-
	1,883,623	1,638,738

Lease Incentives Commitments Payable

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

	30.06.04	30.06.03
	\$	\$
Less than one year	113,443	13,510
Greater than one year		
but less than two years	72,943	13,510
Greater than two years		
But less than five years	79,120	13,510
Greater than five years	-	-
	265,506	40,530

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2004

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.