



Mr Christopher Ketter
Branch Secretary–Treasurer
Shop, Distributive and Allied Employees Association
Queensland Branch
PO Box 490
SPRINGHILL QLD 4004

email: secretary@sdaq.asn.au

Dear Mr Ketter

Re: Financial Report for the year ended 30 June 2006 – FR2006/394

I acknowledge receipt of the financial report for the Queensland Branch of the Shop, Distributive and Allied Employees Association for the year ended 30 June 2006. The report was lodged with the Registry on 28 November 2006.

The financial report has been filed. I apologise for the delay in finalising this matter.

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

Operating Report

The operating report must contain the following:

(a) *Significant changes in financial affairs*

The report must give details of any significant changes in the reporting unit's financial affairs during the year. If there have been no significant changes then a simple statement to that effect would suffice.

(b) *Right of members to resign:*

Subsection 254(2)(c) of Schedule 1 of the Workplace Relations Act 1996 (the RAO Schedule) requires the operating report to “give details” of the right of members to resign from the reporting unit under section 174 of the RAO Schedule. The requirement may be met by the inclusion of a statement that a member has the right to resign and a reference to the relevant rule, which makes such provision. Alternatively, the complete text of the relevant resignation rule may be reproduced in the report. It would appear in this case that rule 8 of the organisation's Rules is applicable.

(c) *Trustees of superannuation entities:*

The report must give details (including details of the position held) of any officer or member of the reporting unit who is:

- (i) a trustee of a superannuation entity or an exempt public sector superannuation scheme; or

- (ii) a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme; and

where a criterion for the officer or member being the trustee or director is that the officer or member is an officer or member of a registered organisation

Committee of Management Statement

Recovery of Wages

I note that the accounts do not provide any information in relation to any recovery of wages activity. Items 16 – 23, 25(f) and 27(b) of the Guidelines govern the financial reporting of recovery of wages activity.

In circumstances where the reporting unit has not undertaken any recovery of wages activity for the financial year, a declaration in the Committee of Management Statement to the effect that there was no recovery of wages activity for the financial year would be sufficient.

Auditors Report

(a) *References to Schedule 1B*

The Auditor's Report contains references to Schedule 1B of the *Workplace Relations Act 1996*. Such references should now be to Schedule 1.

(b) *Auditor's Opinion*

The term "true and fair view" was used in the superseded legislation. Subsection 257(5) of the RAO Schedule sets out the matters upon which an auditor is required to make an opinion on whether the general purpose financial report is presented fairly in accordance with applicable Australian Accounting Standards and other requirements of the RAO Schedule. The following wording in the auditor's opinion would satisfy the requirements:

"In our opinion the general purpose financial report is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the RAO Schedule of the Workplace Relations Act 1996".

(c) *Auditor's Qualifications*

In future financial years the Auditor's Report should be amended so that it provides details of the Auditor's qualifications to confirm he or she is an 'approved auditor' under section 256 of the RAO Schedule and Regulation 4 of the RAO Regulations.

Regulation 4 defines an approved auditor as a person who is a member of CPA Australia, The Institute of Chartered Accountants in Australia or the National Institute of Accountants and holds a current Public Practice Certificate.

(d) *Additional Financial Data – Auditor's Disclaimer*

A page of additional financial data in the form of a detailed profit and loss account statement accompanies the audited report followed by a further page headed "DISCLAIMER TO THE MEMBERS of SHOP DISTRIBUTIVE ALLIED" signed by the Auditor. The disclaimer states that the auditors do not express an opinion on such financial data and give no warranty of accuracy or reliability.

The additional financial data in the detailed profit and loss account sets out many of the items of revenue and expense that are required to be disclosed in accordance with Guidelines 10 and 11 of the Registrar's Reporting Guidelines.

This approach is not consistent with the requirements of the RAO Schedule. Section 253 of the Schedule expressly requires each reporting unit to prepare a General Purpose Financial Report (GPFR), which is defined as including a profit and loss statement (s.253(2)(a)(i)). That GPFR must then be audited and the auditor must state whether, in his or her opinion, the GPFR is presented fairly in accordance with Australian Accounting Standards and the requirements of the RAO Schedule.

The Schedule does not allow for the provision of additional, unaudited financial data. The items that are disclosed in the detailed income and expenditure statement **must**, in future, be included in the GPFR which is audited.

Please bring these details to your auditor's attention to ensure that these matters are addressed in the future preparation of your financial reports. A copy of this letter will also be forwarded to your auditor.

Miscellaneous

I note that the Designated Officer's Certificate indicates the financial report was provided to members 19 days before the general meeting. Those documents should be provided at least 21 days before that meeting.

An accounting officer's certificate is not required under the current legislative prescription.

If you wish to discuss any of the matters referred to above I can be contacted on (03) 8661 7787 (Mon-Thurs).

Yours sincerely

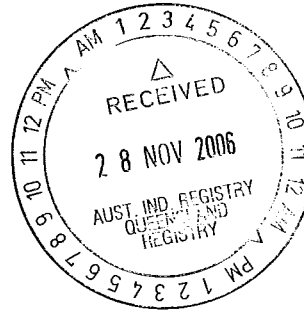


Iain Stewart
Manager, Team 3
Statutory Services Branch

4 September 2007

cc BDO Kendalls, P.A.Gallagher

FR2606/394



A.B.N. 53 585 943 107
S.D.A. House, 146 Leichhardt Street
Spring Hill, Qld. 4000
PO Box 490, Spring Hill, Qld. 4004
Telephone: 07 3832 3303 (Local)
Freecall: 1800 657 141 (Regional)
Facsimile: 07 3832 0168
Email: secretary@sdaq.asn.au
Website: <http://www.sdaq.asn.au>

Designated Officer's Certificate

s.268 of Schedule 1B Workplace Relations Act 1996

I, Christopher Ronald Ketter, being the Branch Secretary - Treasurer of the Shop Distributive & Allied Employees Association (Queensland Branch) certify:

- That the documents lodged herewith are copies of the full report referred to in s268 of the RAO Schedule; and
- That the full report was provided to members on 27 October 2006 and
- That the full report was presented to a meeting of the State Council of the reporting unit on 15 November 2006 in accordance with Section 266 of the RAO Schedule.

Signature:

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

Date:

28/11/06.



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

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2006

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

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

INDEPENDENT AUDIT REPORT TO MEMBERS

Scope

We have audited the financial report of the Shop, Distributive and Allied Employees Association (QLD Branch) for the financial year ended 30 June 2006 comprising the Certificate of Committee of Management, Certificate of State Secretary, Income Statement, Balance Sheet, Statement of Changes to Equity, Cash Flow Statement and Notes to the financial statements.

The Committee of Management is responsible for the preparation and presentation of the financial report and the information it contains. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of the union.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance 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 Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with our understanding of the union's financial position and performance as represented by the results of its operations and its cash flows.

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

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional and ethical pronouncements.

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 253 of the RAO Schedule 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

Dated at Brisbane this 28th day of September 2006.

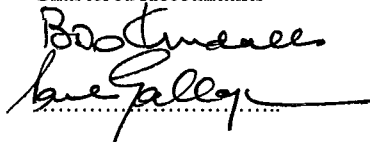
**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
(QLD BRANCH)**

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE COMMITTEE OF MANAGEMENT OF SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES
ASSOCIATION (QLD BRANCH)**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2006 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

**BDO Kendalls
Chartered Accountants**

A handwritten signature in black ink, appearing to read 'P.A. Gallagher', written over a horizontal dotted line.

**P.A. Gallagher
Partner**

Dated at Brisbane this 28th day of September 2006.

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

OPERATING REPORT

Membership

Membership of the Branch as at 30 June 2006 was 35,713.

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, Action Supermarkets, Priceline, Drake Foodmarkets 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 2006, there were 49 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 QLD Group Industry Training Advisory Board.

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. 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 Resigned as member in June 2006

The accompanying notes form part of these financial statements.

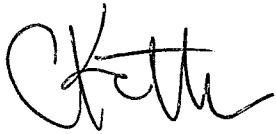
**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
(QLD BRANCH)**

OPERATING REPORT (CONT.)

Mr. B. Plath	State Council member since 1984 Representative from the Northern Districts
Mrs. T Schmidt	State Council member since 2004 Representative from the Southern & Western Districts Resigned as member in June 2006
Mrs. M Stojanovski	State Council member since 2004 Brisbane Area Representative
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
Ms. Donna Bowers	State Council member since 2006 Representative from the Northern Districts
Juanita Howard	State Council member since 2006 Representative from the Southern & Western Districts

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

Dated at Brisbane this 28th day of September 2006.



.....
Chris Ketter
Branch Secretary - Treasurer

SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
(QLD BRANCH)

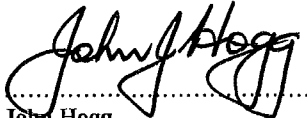
STATEMENT OF THE COMMITTEE OF MANAGEMENT

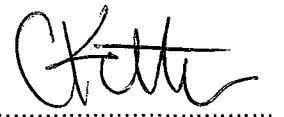
On 28 September 2006 the Committee of Management of Shop, Distributive and Allied Employees' Association (QLD Branch) passed the following resolution in relation to the general-purpose financial report (GPFR) of the union for the financial year ended 30 June 2006.

The Committee of Management declares in relation to the GPFR that in its opinion:

- a) The financial statements and notes comply with the Australian Accounting Standards;
- b) The financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- 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;
- 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;
 - 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;
 - iii) The financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO regulations;
 - iv) Where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation;
 - v) The information sought in any request of a member of the reporting unit or a Registrar duly made under Section 272 of the RAO Schedule has been furnished to the member or Registrar; and
 - vi) There has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

Signed on behalf of the Committee of Management:


.....
John Hogg
Committee of Management


.....
Chris Ketter
Committee of Management

Dated at Brisbane this 28th day of September 2006.

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

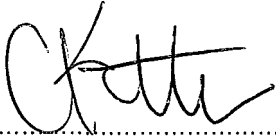
CERTIFICATE BY STATE SECRETARY

I, Christopher Ketter, being the Officer responsible for keeping the accounting records of the Queensland Branch, certify that as at 30 June 2006, the number of members of the Queensland Branch was 35,713.

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 2006.
- (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.

Dated at Brisbane this 28th day of September 2006.



.....
Chris Ketter
Branch Secretary - Treasurer

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

**INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006**

	Notes	2006 \$	2005 \$
Revenue			
- Membership income		8,055,736	7,796,444
- Revaluation of investment properties		-	3,299,332
- Other		<u>1,798,138</u>	<u>1,527,433</u>
Total revenue	3	<u>9,853,874</u>	<u>12,623,209</u>
Expenses			
- Employee benefits expense		(3,155,448)	(2,583,830)
- Depreciation and amortisation expenses		(208,254)	(198,537)
- Other expenses from ordinary activities		(5,692,229)	(5,353,116)
- Borrowing costs expense		<u>(3)</u>	<u>(42)</u>
Total expenses		<u>(9,055,934)</u>	<u>(8,135,525)</u>
Profit from ordinary activities before income tax expense (income tax revenue)		797,940	4,487,684
Income tax revenue (income tax expense) relating to ordinary activities		<u>-</u>	<u>-</u>
Net profit attributable to the organisation		<u><u>797,940</u></u>	<u><u>4,487,684</u></u>

The accompanying notes form part of these financial statements.

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

**BALANCE SHEET
AS AT 30 JUNE 2006**

	Notes	2006 \$	2005 \$
CURRENT ASSETS			
Cash and cash equivalents	6	227,582	171,324
Trade receivables	7	261,003	518,220
Stock on hand	8	120,837	48,586
Cash management account		4,676,280	3,600,732
Other current assets	9	<u>33,710</u>	<u>8,000</u>
TOTAL CURRENT ASSETS		<u>5,319,412</u>	<u>4,346,862</u>
NON-CURRENT ASSETS			
Property, plant and equipment	10	3,455,035	3,510,302
Investment properties	11	<u>12,460,000</u>	<u>12,460,000</u>
TOTAL NON-CURRENT ASSETS		<u>15,915,035</u>	<u>15,970,302</u>
TOTAL ASSETS		<u>21,234,447</u>	<u>20,317,164</u>
CURRENT LIABILITIES			
Trade and other payables	12	412,161	440,242
Provision for annual leave	13	<u>355,432</u>	<u>346,025</u>
TOTAL CURRENT LIABILITIES		<u>767,593</u>	<u>786,267</u>
NON-CURRENT LIABILITIES			
Provision for long service leave	13	<u>619,421</u>	<u>481,404</u>
TOTAL NON-CURRENT LIABILITIES		<u>619,421</u>	<u>481,404</u>
TOTAL LIABILITIES		<u>1,387,014</u>	<u>1,267,671</u>
NET ASSETS		<u>19,847,433</u>	<u>19,049,493</u>
EQUITY			
Mortality fund	14	418,536	443,536
General fund	15	17,825,252	17,002,312
Asset revaluation reserves	16	<u>1,603,645</u>	<u>1,603,645</u>
TOTAL EQUITY	17	<u>19,847,433</u>	<u>19,049,493</u>

The accompanying notes form part of these financial statements.

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

**STATEMENT OF CHANGES TO EQUITY
FOR YEAR ENDED 30 JUNE 2006**

	Notes	Mortality Fund \$	General Fund \$	Asset Revaluation Reserve \$
Balance at 1 July 2004	2	475,386	12,482,778	1,273,026
Retrospective adjustments upon change in accounting policy		-	3,299,332	330,619
Profit attributable to the organisation		-	1,188,352	-
Transfers to and from reserves		-	-	-
- Mortality fund	14	(31,850)	31,850	-
Transfers from retained earnings		-	-	-
Sub-total		<u>(31,850)</u>	<u>4,519,534</u>	<u>330,619</u>
Balance at 30 June 2005		443,536	17,002,312	1,603,645
Profit attributable to the organisation		-	-	-
Transfers to and from reserves		-	797,940	-
- Mortality fund	14	(25,000)	25,000	-
Transfers from retained earnings		-	-	-
Sub-total		<u>(25,000)</u>	<u>822,940</u>	<u>-</u>
Balance at 30 June 2006		<u>418,536</u>	<u>17,825,252</u>	<u>1,603,645</u>

The accompanying notes form part of these financial statements.

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

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2006**

	Notes	2006 \$	2005 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		9,969,245	10,115,415
Payments to suppliers and employees		(8,840,870)	(8,816,300)
Interest received		231,671	169,282
Finance costs		<u>(3)</u>	<u>(42)</u>
Net cash provided by operating activities	17(a)	<u>1,360,043</u>	<u>1,468,355</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		72,382	49,634
Payment for property, plant and equipment		(300,619)	(231,467)
Payment for investments		<u>(1,075,548)</u>	<u>(1,005,350)</u>
Net cash used in investing activities		<u>(1,303,785)</u>	<u>(1,187,183)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings		<u>-</u>	<u>(50,000)</u>
Net cash provided by financing activities		<u>-</u>	<u>(50,000)</u>
Net increase in cash held		56,258	231,172
Cash at beginning of financial year		171,324	(59,848)
Cash at end of financial year	6	<u>227,582</u>	<u>171,324</u>

The accompanying notes form part of these financial statements.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006**

Note	2006 \$	2005 \$
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NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

The 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 of Shop, Distributive and Allied Employees Association (QLD Branch) complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the union in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

First time Adoption of Australian Equivalents to International Financial Reporting Standards

Shop, Distributive and Allied Employees Association (QLD Branch) has prepared financial statements in accordance with the Australian equivalents to International Financial Reporting Standards (AIFRS) from 1 July 2005.

In accordance with the requirement of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards, adjustments to the accounts resulting from the introduction of IFRS have been applied retrospectively to 2005 comparative figures excluding cases where optional exemptions available under AASB 1 have been applied. These accounts are the first financial statements of Shop, Distributive and Allied Employees Association (QLD Branch) to be prepared in accordance with AIFRS.

Reconciliations of the transition from previous Australian GAAP to AIFRS have been included in Note 2 to this report.

Reporting Basis and Conventions

The financial report has been prepared on an accrual basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Accounting Policies

(a) Inventory

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

(b) Property, Plant and Equipment

Each class of property plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are measured on the fair value (being the amount which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction) based on periodic, but at least triennial, valuations by external valuers, less subsequent depreciation for buildings.

Plant and equipment

Plant and equipment is measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the 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.

The cost of fixed assets constructed includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

The accompanying notes form part of these financial statements.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006**

Note	2006 \$	2005 \$
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Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the union and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they occurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statements. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the assets' original cost is transferred from the revaluation reserve to retained earnings.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, are depreciated using the prime cost and diminishing value methods over their useful lives to the union commencing from the time the asset is held ready for use. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The assets' residual value and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

The depreciation rates used for each class of depreciable assets 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

The assets' carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

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 12 October 2005. 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 12 October 2005 and the buildings are depreciated as specified above.

(c) 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.

(d) 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 income statement.

Increments and decrements in the valuation of land and buildings held as investments properties are recognised in the profit and loss in the period in which they arise.

(e) Impairment of Assets

At each reporting date, the union reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of

The accompanying notes form part of these financial statements.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006**

	Note	2006 \$	2005 \$
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the asset's fair value less costs to sell and the value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the union estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(f) Employee Benefits

Provision is made for the union's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(g) Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(h) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(i) Revenue

Revenue from sale of goods is recognised upon the delivery of goods to customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Other revenue is recognised when the right to receive the revenue has been established.

All revenue is stated net of the amount of goods and services tax (GST).

Proceeds from the disposal of non-current assets are stated net of carrying amounts.

(j) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

(k) Taxation & Goods and Services Tax (GST)

The income of the union is exempt from income tax.

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(m) Comparative Figures

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006**

Note	2006 \$	2005 \$
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Critical accounting estimates and judgments

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 union.

Key estimates - impairment

The union assesses impairment at each reporting date by evaluating conditions specific to the union that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is terminated. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006**

	Note	2006 \$	2005 \$
NOTE 2: FIRST-TIME ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS			
Reconciliation of Equity at 1 July 2004			
	Previous GAAP at 1 July 2004 \$	Effect on transition to AIFRS \$	AIFRS at 1 July 2004 \$
EQUITY			
Mortality fund	475,386	-	475,386
General fund	13,524,623	(1,041,845)	12,482,778
Asset revaluation reserves	<u>231,181</u>	<u>1,041,845</u>	<u>1,273,026</u>
TOTAL EQUITY	<u>14,231,190</u>	<u>-</u>	<u>14,231,190</u>
Reconciliation of Equity at 30 June 2005			
	Previous GAAP at 30 June 2005 \$	Effect on transition to AIFRS \$	AIFRS at 30 June 2005 \$
CURRENT ASSETS			
Cash and cash equivalents	171,324	-	171,324
Trade receivables	518,220	-	518,220
Stock on hand	48,586	-	48,586
Cash management account	3,600,732	-	3,600,732
Other current assets	<u>8,000</u>	<u>-</u>	<u>8,000</u>
TOTAL CURRENT ASSETS	<u>4,346,862</u>	<u>-</u>	<u>4,346,862</u>
NON-CURRENT ASSETS			
Property, plant and equipment	15,970,302	(12,460,000)	3,510,302
Investment properties	<u>-</u>	<u>12,460,000</u>	<u>12,460,000</u>
TOTAL NON-CURRENT ASSETS	<u>15,970,302</u>	<u>-</u>	<u>15,970,302</u>
TOTAL ASSETS	<u>20,317,164</u>	<u>-</u>	<u>20,317,164</u>
CURRENT LIABILITIES			
Trade and other payables	440,242	-	440,242
Provision for annual leave	<u>346,025</u>	<u>-</u>	<u>346,025</u>
TOTAL CURRENT LIABILITIES	<u>786,267</u>	<u>-</u>	<u>786,267</u>
NON-CURRENT LIABILITIES			
Provision for long service leave	<u>481,404</u>	<u>-</u>	<u>481,404</u>
TOTAL NON-CURRENT LIABILITIES	<u>481,404</u>	<u>-</u>	<u>481,404</u>
TOTAL LIABILITIES	<u>1,267,671</u>	<u>-</u>	<u>1,267,671</u>
NET ASSETS	<u>19,049,493</u>	<u>-</u>	<u>19,049,493</u>
EQUITY			
Mortality fund	443,536	-	443,536
General fund	14,744,825	2,257,487	17,002,312
Asset revaluation reserves	<u>3,861,132</u>	<u>(2,257,487)</u>	<u>1,603,645</u>
TOTAL EQUITY	<u>19,049,493</u>	<u>-</u>	<u>19,049,493</u>

The accompanying notes form part of these financial statements.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006**

	Note	2006 \$	2005 \$
NOTE 2: FIRST-TIME ADOPTION OF AUSTRALIAN EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (CONT.)			
Reconciliation of Profit or Loss for 30 June 2005			
	Previous GAAP at 30 June 2005 \$	Effect on transition to AIFRS \$	AIFRS at 30 June 2005 \$
INCOME			
Membership income	7,796,444	-	7,796,444
Interest	169,282	-	169,282
Rental income	1,358,151	-	1,358,151
Proceeds on disposal of property, plant & equipment	49,634	(49,634)	-
Revaluation of investment properties	-	3,299,332	3,299,332
TOTAL INCOME	9,373,511	3,249,698	12,623,209
LESS EXPENSES			
Administration costs	569,458	-	569,458
Affiliation fees	1,028,255	-	1,028,255
Audit fees	34,000	-	34,000
Borrowing costs	42	-	42
Commission paid	742,033	-	742,033
Consulting/ Training	382,879	-	382,879
Depreciation	198,538	-	198,538
Federal expenses	162,272	-	162,272
Fringe benefits	64,469	-	64,469
Insurance	131,520	-	131,520
Legal costs	156,633	-	156,633
Organising expenses	244,505	-	244,505
Other	741,226	-	741,226
Payroll tax	119,344	-	119,344
Postage	220,850	-	220,850
Printing and stationery	336,421	-	336,421
Salaries and wages			
- Officials	276,215	-	276,215
- Staff	1,891,611	-	1,891,611
Scholarship bursaries	195,705	-	195,705
Shop steward expenses	372,012	-	372,012
Superannuation	232,192	-	232,192
Mortality benefits paid	31,850	-	31,850
Written down value on disposal of property, plant & equipment	53,129	(53,129)	-
Loss on disposal of property, plant & equipment	-	3,495	3,495
TOTAL EXPENSES	8,185,159	(49,634)	8,135,525
NET PROFIT/(LOSS)	1,188,352	3,299,332	4,487,684
Income tax expense	-	-	-
OPERATING PROFIT/(LOSS)	1,188,352	3,299,332	4,487,684

The accompanying notes form part of these financial statements.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006**

	Note	2006 \$	2005 \$
NOTE 3: REVENUE			
Operating activities			
- Membership income		8,055,736	7,796,444
- Revaluation of investment properties		-	3,299,332
- Other	3(a)	<u>1,798,138</u>	<u>1,527,433</u>
		<u><u>9,853,874</u></u>	<u><u>12,623,209</u></u>
(a) Other:			
- Interest from other persons		231,671	169,282
- Rental income		<u>1,566,467</u>	<u>1,358,151</u>
		<u><u>1,798,138</u></u>	<u><u>1,527,433</u></u>

NOTE 4: REQUIREMENTS OF SUBSECTION 272(5)

In accordance with the requirements of subsection 272(5) of the Schedule 1B of the Workplace Relations Act 1996, the attention of members is drawn to the provisions of subsections (1), (2) and (3) of section 272, which states 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 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 audit; and
- (3) An organisation must comply with an application made under subsection (1).

NOTE 5: AUDITORS' REMUNERATION

Remuneration of the auditor for:

- Auditing or reviewing the financial report	<u>33,000</u>	<u>34,000</u>
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NOTE 6: CASH AND CASH EQUIVALENTS

Cash on hand	227,282	171,024
Cash – other	<u>300</u>	<u>300</u>
	<u><u>227,582</u></u>	<u><u>171,324</u></u>

Reconciliation of cash

Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:

Cash and cash equivalents	<u>227,582</u>	<u>171,324</u>
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NOTE 7: TRADE RECEIVABLES

CURRENT

Membership fee receivables	<u>261,003</u>	<u>518,220</u>
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NOTE 8: INVENTORIES

CURRENT

Tickets	<u>120,837</u>	<u>48,586</u>
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**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
(QUEENSLAND BRANCH)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006**

	Note	2006 \$	2005 \$
NOTE 9: OTHER ASSETS			
CURRENT			
Other debtors		8,406	-
Prepayments		<u>25,304</u>	<u>8,000</u>
		<u>33,710</u>	<u>8,000</u>
 NOTE 10: PROPERTY, PLANT AND EQUIPMENT			
LAND & BUILDING			
At independent valuation		2,700,000	2,700,000
Less accumulated depreciation		<u>(37,030)</u>	<u>-</u>
Total land and buildings		<u>2,662,970</u>	<u>2,700,000</u>
 PLANT AND EQUIPMENT			
(b) Air conditioners			
At cost		12,782	12,782
Less accumulated depreciation		<u>(3,669)</u>	<u>(2,514)</u>
		<u>9,113</u>	<u>10,268</u>
 (b) Computer equipment			
At cost		298,396	260,250
Less accumulated depreciation		<u>(227,332)</u>	<u>(201,237)</u>
		<u>71,064</u>	<u>59,013</u>
 (c) Furniture, fixtures and fittings			
At cost		607,391	582,927
Less accumulated depreciation		<u>(524,008)</u>	<u>(511,273)</u>
		<u>83,383</u>	<u>71,654</u>
 (d) Office equipment			
At cost		275,152	267,556
Less accumulated depreciation		<u>(222,118)</u>	<u>(208,343)</u>
		<u>53,034</u>	<u>59,213</u>
 (e) Motor vehicles			
At cost		923,812	1,152,492
Less accumulated depreciation		<u>(348,340)</u>	<u>(542,338)</u>
		<u>575,472</u>	<u>610,154</u>
 (f) Microfilm			
At cost		78,272	78,272
Less accumulated depreciation		<u>(78,272)</u>	<u>(78,272)</u>
		<u>-</u>	<u>-</u>
 (g) Library			
At cost		196,657	196,657
Less accumulated depreciation		<u>(196,657)</u>	<u>(196,657)</u>
		<u>-</u>	<u>-</u>
 (h) Library & Subscriptions			
At cost		221,360	221,360
Less accumulated depreciation		<u>(221,360)</u>	<u>(221,360)</u>
		<u>-</u>	<u>-</u>

The accompanying notes form part of these financial statements.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006**

	Note	2006 \$	2005 \$
<hr/>			
(i) Lease incentives			
At cost		984,240	984,240
Less accumulated depreciation		<u>(984,240)</u>	<u>(984,240)</u>
		-	-
Total plant and equipment		<u>792,066</u>	<u>810,302</u>
Total property, plant and equipment		<u>3,455,036</u>	<u>3,510,302</u>

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

	Land & Building	Plant & Equipment	Total
Balance at the beginning of the year	2,700,000	810,302	3,510,302
Additions	-	300,619	300,619
Disposals	-	(147,631)	(147,631)
Depreciation expenses	<u>(37,030)</u>	<u>(171,224)</u>	<u>(208,254)</u>
Carrying amount at the end of the year	<u>2,662,970</u>	<u>792,066</u>	<u>3,455,036</u>

NOTE 11: INVESTMENT PROPERTIES

At independent valuation	12,460,000	12,460,000
Less accumulated depreciation	-	-
Total investment properties	<u>12,460,000</u>	<u>12,460,000</u>

NOTE 12: TRADE AND OTHER PAYABLES

CURRENT

Unsecured liabilities		
Trade creditors	173,068	200,031
PAYG tax withholding	50,972	47,657
FBT accrued	14,302	14,917
GST payable	135,079	129,414
Others creditors	<u>38,740</u>	<u>48,223</u>
	<u>412,161</u>	<u>440,242</u>

NOTE 13: EMPLOYEE ENTITLEMENT PROVISIONS

CURRENT

Provision for annual leave	355,432	346,025
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NON-CURRENT

Provision for long service leave	<u>619,421</u>	<u>481,404</u>
	<u>974,853</u>	<u>827,429</u>

NOTE 14: MORTALITY FUND

Total at the beginning of the financial year	443,536	475,386
Transfer to general fund	<u>(25,000)</u>	<u>(31,850)</u>
Total at reporting date	<u>418,536</u>	<u>443,536</u>

The accompanying notes form part of these financial statements.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006**

	Note	2006 \$	2005 \$
NOTE 15: GENERAL FUND			
Total at the beginning of the financial year		17,002,312	12,482,778
Transfer from mortality fund		25,000	31,850
Net income/(loss) for the year		<u>797,940</u>	<u>4,487,684</u>
Total at the reporting date		<u><u>17,825,252</u></u>	<u><u>17,002,312</u></u>
NOTE 16: RESERVES			
Asset revaluation reserve	(a)	<u>1,603,645</u>	<u>1,603,645</u>
(a) Asset revaluation reserve			
Movements during the financial year:			
Opening balance		1,603,645	1,603,645
		<u>-</u>	<u>-</u>
Closing balance		<u><u>1,603,645</u></u>	<u><u>1,603,645</u></u>
The asset revaluation reserve records revaluations of non-current assets.			
NOTE 17: EQUITY			
Mortality fund		418,536	443,536
General fund		17,825,252	17,002,312
Asset revaluation reserve		<u>1,603,645</u>	<u>1,603,645</u>
Total at the reporting date		<u><u>19,847,433</u></u>	<u><u>19,049,493</u></u>
NOTE 18: CASH FLOW INFORMATION			
(a) Reconciliation of cash flow from operations with profit from ordinary activities after income tax			
Profit (Loss) after income tax		797,940	1,188,353
Non-cash flows in profit			
Depreciation		208,254	198,538
Loss/(gain) on disposal of plant & equipment		75,251	3,495
Changes in assets and liabilities			
(Increase)/decrease in receivables		248,811	107,105
(Increase)/decrease in other assets		(17,304)	27,915
Increase/(decrease) in payables		(28,082)	85,693
Increase/(decrease) in provisions		147,424	(156,007)
(Increase)/decrease in stock on hand		<u>(72,251)</u>	<u>13,263</u>
Cash flows from operations		<u><u>1,360,043</u></u>	<u><u>1,468,355</u></u>
NOTE 19: NUMBER OF EMPLOYEES AT BALANCE DATE			
		49	52
NOTE 20: CONTINGENT LIABILITIES			
The union has a contingent liability of \$90,000 over its credit stand-by arrangements for autopay (2005: \$90,000).			

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2006**

	Note	2006 \$	2005 \$
NOTE 21: COMMITMENTS			
Lease Commitments Receivable			
The union has commitments receivable related to tenancy agreements in its rental properties:			
Less than one year		325,630	1,049,856
Greater than one year but less than two years		442,856	596,609
Greater than two years but less than five years		1,330,692	407,084
Greater than five years		<u>410,275</u>	<u>6,863</u>
		<u>2,509,453</u>	<u>2,060,412</u>

Lease Incentives Commitments Payable

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

Less than one year	-	56,118
Greater than one year but less than two years	-	-
Greater than two years but less than five years	-	-
Greater than five years	<u>-</u>	<u>-</u>
	<u>-</u>	<u>56,118</u>

NOTE 22: 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. 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.

Net Fair Values

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

NOTE 23: 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.

NOTE 24: UNION DETAILS

The registered office of the union is:

SDA House
146 Leichhardt Street
Spring Hill, QLD, 4004

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

**PRIVATE INFORMATION FOR THE COMMITTEE OF MANAGEMENT ON THE 2006 FINANCIAL
STATEMENTS**

**DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2006**

	2006 \$	2005 \$
INCOME		
Membership income	8,055,736	7,796,444
Interest	231,671	169,282
Rental income	1,566,467	1,358,151
Revaluation of investment properties	-	3,299,332
TOTAL INCOME	<u>9,853,874</u>	<u>12,623,209</u>
LESS EXPENSES		
Administration costs	684,864	569,458
Affiliation fees	1,113,913	1,028,255
Audit fees	33,000	34,000
Borrowing costs	3	42
Commission paid	765,289	742,033
Consulting/ Training	385,901	382,879
Depreciation	208,254	198,538
Federal expenses	120,897	162,272
Fringe benefits	51,571	64,469
Insurance	125,452	131,520
Legal costs	99,202	156,633
Organising expenses	282,499	244,505
Other	921,920	741,226
Payroll tax	137,290	119,344
Postage	275,872	220,850
Printing and stationery	235,405	336,421
Salaries and wages		
- Officials	298,119	276,215
- Staff	2,379,993	1,891,611
Scholarship bursaries	207,338	195,705
Shop steward expenses	340,425	372,012
Superannuation	288,476	232,192
Mortality benefits paid	25,000	31,850
Loss on disposals of property, plant & equipment	75,251	3,495
TOTAL EXPENSES	<u>9,055,934</u>	<u>8,135,525</u>
NET PROFIT/(LOSS)	<u>797,940</u>	<u>4,487,684</u>
Income tax expense	-	-
OPERATING PROFIT/(LOSS)	<u>797,940</u>	<u>4,487,684</u>

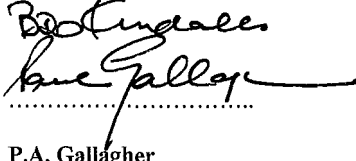
These financial statements should be read in conjunction with the attached Disclaimer.

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

**DISCLAIMER TO THE MEMBERS OF
SHOP DISTRIBUTIVE ALLIED**

The additional financial data presented on page 24 is in accordance with the books and records of the union which have been subjected to the auditing procedures applied in our statutory audit of the union for the year ended 30 June 2006. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Shop, Distributive and Allied Employees Association) in respect of such data, including any errors of omissions therein however caused.

**BDO Kendalls
Chartered Accountants**

Handwritten signatures in black ink. The top signature appears to be 'BDO Kendalls' and the bottom signature is 'P.A. Gallagher'. There is a dotted line below the bottom signature.

**P.A. Gallagher
Partner**

Dated at Brisbane this 28th day of September 2006.