



Australian Government
Australian Industrial Registry

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

By email: secretary@sdaq.asn.au

Dear Mr. Ketter

**Re: Schedule 1, Workplace Relations Act 1996
Financial Report for year ended 30 June 2007 [FR2007/378]**

I acknowledge receipt of the financial report for the financial year ended 30 June 2007 for the above branch of the Shop Distributive & Allied Employees' Association (the reporting unit). The documents were lodged with the Industrial Registry on 3 December 2007.

The report has been filed. I apologise for the delay in processing these documents.

I make the following comments to assist you in preparing financial documents in the future. No further action is required with respect to the current financial report.

1. Wage Recovery Activities

I note that the Committee of Management Statement contains several statements regarding the reporting unit's recovery of wages activities, however there does not appear to be any evidence of this activity in the supporting documents.

If recovery of wages activities did in fact take place, please ensure that all financial information associated with the activities is disclosed in future financial reports. Further information can be found on page 5 of the Industrial Registrar's Financial Reporting Guidelines, a copy of which is attached for your reference.

However, if no recovery of wages activities took place in the financial year then I suggest the following wording in the Committee of Management Statement to reflect this fact:

"(e)

(f) *in relation to recovery of wages activity:*

(i) *there has been no such activity undertaken by the reporting unit."*

2. Approved Auditor

A reporting unit's financial documents may be audited only by an 'approved auditor'. An approved auditor is defined under regulation 4 of the *Workplace Relations (Registration and Accountability of Organisations) Regulations 2003* as a person who is either a member of CPA Australia, The Institute of Chartered Accountants in Australia, or the National Institute of Accountants, *and* that person is a holder of a current Public Practice Certificate. Please ensure that future auditor's reports indicate whether the auditor satisfies these requirements.

3. Auditor's opinion

Section 257(5) of Schedule 1 of the *Workplace Relations Act 1996* sets out the matters upon which an auditor is required to form an opinion. The auditor is now required to form an opinion as to whether the financial report has been **presented fairly** in accordance with the applicable standards. The following wording would satisfy the requirements of the Schedule regarding the Auditor's opinion:

In our opinion the General Purpose Financial Report is presented fairly in accordance with the applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of Schedule 1 of the Workplace Relations Act 1996.

4. Extraneous Documents

I note that the documents as lodged with the Australian Industrial Registry on 3 December 2007 contained two documents which appear unrelated to the financial reporting process. These documents are the "Certificate by State Secretary Re Filing of Accounts" and the "Certificate by the State Secretary". These two documents are not required for the proper filing of the reporting unit's financial report and do not need to be lodged in future.

A copy of the documents has been placed on a website maintained by the Industrial Registry at <http://www.e-airc.gov.au/006Nqld>.

If you have any queries regarding this letter or any other matter, please do not hesitate to contact me on (03) 8661 7921 or by e-mail at tom.tran@air.gov.au.

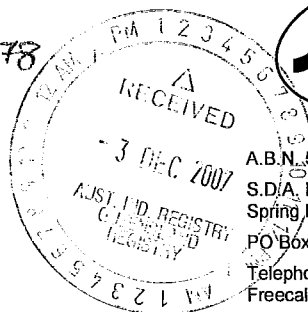
Yours sincerely,

A handwritten signature in cursive script, appearing to read 'Thomas Tran'.

Thomas Tran
Statutory Services Branch

5 February 2008

FR2007/378



3 December 2007

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

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>

Dear Sir/Madam

Re: Filing of Accounts for Year ended 30/6/2007

Please find enclosed the Certificate of Filing and other appropriate documents for our Accounts for the year ended 30 June, 2007.

I trust this meets your requirements.

Yours faithfully

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 2007, the number of members of the Queensland Branch was 36,916.

In my opinion:-

- (1) The Auditor's Report was received by the Branch on 26th September 2007.
- (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 21 November 2007.
- (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 "

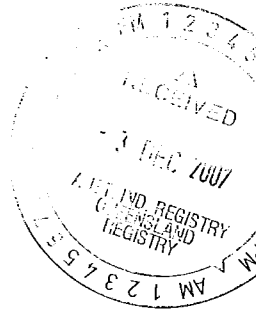
"That the accounts and accompanying documents as tabled at this meeting and circulated to members in accordance with Section 279 of the Workplace Relations Act 1996 be adopted "

"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, 3 DECEMBER 2007



Chris Ketter
Branch Secretary/Treasurer



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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:

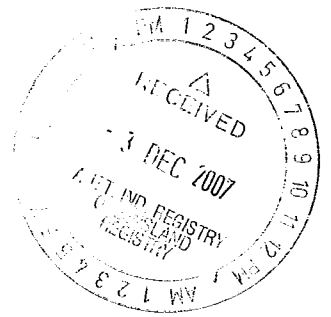
- That the documents lodged herewith are copies of the full report referred to in s268 of the RAO Schedule; and
- That the full report was provided to members on 26 September 2007 and
- That the full report was presented to a meeting of the State Council of the reporting unit on 21 November 2007 in accordance with Section 266 of the RAO Schedule.

Signature:

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

Date:

3/12/07



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

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2007**

**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 2007 comprising the Certificate of Committee of Management, Certificate of State Secretary, Income Statement, Balance Sheet, Statement of Changes to Equity, Cash Flow Statement, Notes to the financial statements and Detailed Profit and Loss Account.

~~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 Branch.~~

The financial report has been prepared for distribution to members of the Association for the purpose of fulfilling the requirements of subsections 265(1) and 265(5) of the Registration and Accountability of Organisations Schedule ("RAO") (Schedule 1 of the Workplace Relations Act 1996) in relation to the financial report and independent auditors' report.

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 Branch'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

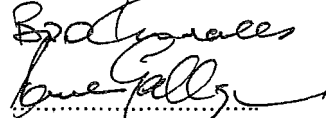
In conducting our audit, we followed applicable independence requirements of Australian professional and ethical pronouncements.

Audit Opinion

In our opinion:

1. All information and explanation that, under Section 257 of the RAO Schedule, officers or employees of the Association were required to provide, were provided;
2. The financial report of the Branch is properly drawn up in accordance with Section 253 of the RAO Schedule, applicable Accounting Standards and other mandatory professional reporting requirements in Australia so as to give a true and fair view of:
 - a) the Branch's financial position as at 30 June 2007 and its performance for the year ended on that date; and
 - b) the income and expenditure, and any surplus or deficit of the Branch for the financial year ended 30 June 2007.

BDO Kendalls (QLD)
Chartered Accountants



P.A. Gallagher

Partner
Member of the Institute of Chartered Accountant (Aust)
Registered Company Auditor

Dated at Brisbane this 26th day of September 2007

**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 2007 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 (QLD)
Chartered Accountants



P.A. Gallagher
Partner
Member of the Institute of Chartered Accountants (Aust)
Registered Company Auditor

Dated at Brisbane this 25th day of September 2007

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

OPERATING REPORT

Membership

Membership of the Branch as at 30 June 2007 was 36,916.

Persons eligible to do so under the rules of the Branch were actively encouraged to join the Branch.

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 its members.

There were no significant changes in the Branch's financial affairs during the year.

At 30 June 2007, there were 50 persons employed by the Branch.

Rights of Members to Resign

Pursuant to s174 of the Workplace Relations Act 1996, members could resign from the Branch by written notice addressed and delivered to the Secretary-Treasurer in accordance with the rule 22A of the Branch.

Superannuation Trustees

No officer or member of the Branch 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.

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

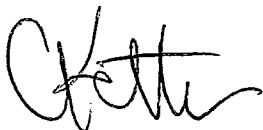
**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
(QLD BRANCH)**

OPERATING REPORT (CONT.)

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
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 25th day of September 2007.



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Chris Ketter
Branch Secretary - Treasurer

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

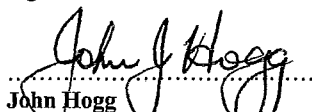
STATEMENT OF THE COMMITTEE OF MANAGEMENT

On 25th of September 2007 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 Branch for the financial year ended 30 June 2007.

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.
- f) In relation to recovery of wages activity:
 - i) The financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of the Industrial Registrar; and
 - ii) Any recovery of wages are paid directly to the workers by the employers and at no time held by the Branch, and
 - iii) No fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were received from moneys recovered from employers on behalf of workers.

Signed on behalf of the Committee of Management:


John Hogg
Committee of Management


Chris Ketter
Committee of Management

Dated at Brisbane this 25th day of September 2007

Dated at Brisbane this 25th day of September 2007

**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 2007, the number of members of the Queensland Branch was 36,916.

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 2007.
- (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 25th day of September 2007.



.....
Chris Ketter
Branch Secretary - Treasurer

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

**INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2007**

	Notes	2007 \$	2006 \$
Revenue			
- Membership income		8,459,895	8,055,736
- Other		1,851,595	1,798,138
Total revenue	2	10,311,490	9,853,874
Expenses			
- Employee benefits expense		(3,210,210)	(3,155,448)
- Depreciation and amortisation expenses		(244,932)	(208,254)
- Other expenses from ordinary activities		(5,752,941)	(5,692,229)
- Borrowing costs expense		-	(3)
Total expenses	3	(9,208,083)	(9,055,934)
Profit from ordinary activities before income tax expense (income tax revenue)		1,103,407	797,940
Income tax revenue (income tax expense) relating to ordinary activities		-	-
Net profit attributable to the organisation		1,103,407	797,940

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

**BALANCE SHEET
AS AT 30 JUNE 2007**

	Notes	2007 \$	2006 \$
CURRENT ASSETS			
Cash and cash equivalents	7	396,132	227,582
Trade receivables	8	375,512	261,003
Stock on hand	9	8,272	120,837
Cash management accounts		5,491,884	4,676,280
Other current assets	10	176,741	33,710
TOTAL CURRENT ASSETS		6,448,541	5,319,412
NON-CURRENT ASSETS			
Property, plant and equipment	11	3,574,797	3,455,035
Investment properties	12	12,460,000	12,460,000
TOTAL NON-CURRENT ASSETS		16,034,797	15,915,035
TOTAL ASSETS		22,483,338	21,234,447
CURRENT LIABILITIES			
Trade and other payables	13	559,228	412,161
Provision for annual leave	14	402,839	355,432
TOTAL CURRENT LIABILITIES		962,067	767,593
NON-CURRENT LIABILITIES			
Provision for long service leave	14	570,431	619,421
TOTAL NON-CURRENT LIABILITIES		570,431	619,421
TOTAL LIABILITIES		1,532,498	1,387,014
NET ASSETS		20,950,840	19,847,433
EQUITY			
Mortality fund	15	391,536	418,536
General fund	16	18,955,659	17,825,252
Asset revaluation reserves	17	1,603,645	1,603,645
TOTAL EQUITY	18	20,950,840	19,847,433

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

**STATEMENT OF CHANGES TO EQUITY
FOR YEAR ENDED 30 JUNE 2007**

	Notes	Mortality Fund \$	General Fund \$	Asset Revaluation Reserve \$
Balance at 1 July 2005		443,536	17,002,312	1,603,645
Profit attributable to the organisation		-	-	-
Transfers to and from reserves		-	797,940	-
- Mortality fund	15	(25,000)	25,000	-
Transfers from retained earnings		-	-	-
Sub-total		(25,000)	822,940	-
Balance at 30 June 2006		418,536	17,825,252	1,603,645
Profit attributable to the organisation		-	-	-
Transfers to and from reserves		-	1,103,407	-
- Mortality fund	15	(27,000)	27,000	-
Transfers from retained earnings		-	-	-
Sub-total		(27,000)	1,130,407	-
Balance at 30 June 2007		391,536	18,955,659	1,603,645

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

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2007**

	Notes	2007 \$	2006 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		9,971,385	9,969,245
Payments to suppliers and employees		(8,891,000)	(8,840,870)
Interest received		321,428	231,671
Finance costs		-	(3)
Net cash provided by operating activities	19	<u>1,401,813</u>	<u>1,360,043</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		185,364	72,382
Payment for property, plant and equipment		(603,025)	(300,619)
Payment for investments		(815,602)	(1,075,548)
Net cash used in investing activities		<u>(1,233,263)</u>	<u>(1,303,785)</u>
Net increase in cash held		168,550	56,258
Cash at beginning of financial year		<u>227,582</u>	<u>171,324</u>
Cash at end of financial year	7	<u><u>396,132</u></u>	<u><u>227,582</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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

The general purpose financial report has been prepared in accordance with applicable Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the Workplace Relations Act 1996.

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 Branch in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

Basis of Preparation

The accounting policies set out below have been consistently applied to all years presented.

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 been not 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.

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 Branch 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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, are depreciated using the straight line and diminishing value methods over their useful lives to the Branch 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 Branch for generation of rental income and capital appreciation. They are not occupied by or for the operations of the Branch. The investment properties were revalued at 12 October 2005. Investment properties are not depreciated.

Land & building at Leichhardt Street are occupied by and are used for the operations of the Branch. Leichhardt Street was revalued at 12 October 2005 and the building is 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 Branch 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 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 Branch estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

(f) Employee Benefits

Provisions are made for the Branch'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 Branch 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.

Critical accounting estimates and judgments

The Committee of Management evaluates 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 Branch.

Key estimates - impairment

The Branch assesses impairment at each reporting date by evaluating conditions specific to the Branch 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
(QUEENSLAND BRANCH)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

	Note	2007 \$	2006 \$
NOTE 2: REVENUE			
Operating activities			
- Membership income		8,459,895	8,055,736
- Revaluation of investment properties			
- Other	2(a)	1,851,595	1,798,138
		<u>10,311,490</u>	<u>9,853,874</u>
(a) Other:			
- Interest from other persons		321,428	231,671
- Rental income		1,530,167	1,566,467
		<u>1,851,595</u>	<u>1,798,138</u>

NOTE 3: PROFIT BEFORE INCOME TAX

Profit before income tax has been determined after:

Expenses

- Interest Expenses	-	3
Non-interest Expenses Activities		
- Depreciation of property, plant and equipment		
- Building	33,945	37,030
- Plant and equipment	210,987	171,224
Total Depreciation	<u>244,932</u>	<u>208,254</u>
- Fees and commissions	793,806	765,289
- Employee benefit expenses	3,210,210	3,155,448
- General and administration	4,959,135	4,926,940
Total non-interest expenses	<u>9,208,083</u>	<u>9,055,931</u>
Total Expenses	<u>9,208,083</u>	<u>9,055,934</u>

NOTE 4: REQUIREMENTS OF SUBSECTION 272(5)

In accordance with the requirements of subsection 272(5) of the Schedule 1 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	21,000	33,000
- Other accounting and taxation services provided by related practice of auditor	138,327	135,213
	<u>159,327</u>	<u>168,213</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

	Note	2007 \$	2006 \$
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NOTE 6: KEY MANAGEMENT PERSONNEL COMPENSATION

	Short-term Benefits	Post-employment Benefits	Other Long-term Benefits
2007			
Compensation	513,874	-	194,652
2006			
Compensation	478,535	-	157,056

NOTE 7: CASH AND CASH EQUIVALENTS

Cash on hand	395,832	227,282
Cash – other	300	300
	<u>396,132</u>	<u>227,582</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	396,132	227,582
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NOTE 8: TRADE RECEIVABLES

CURRENT

Membership fee receivables	375,512	261,003
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NOTE 9: STOCK ON HAND

CURRENT

Tickets	8,272	120,837
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NOTE 10: OTHER ASSETS

CURRENT

Other debtors	1,158	8,406
Prepayments	175,583	25,304
	<u>176,741</u>	<u>33,710</u>

NOTE 11: PROPERTY, PLANT AND EQUIPMENT

LAND & BUILDING (LEICHHARDT STREET)

At independent valuation	2,700,000	2,700,000
Less accumulated depreciation	(70,975)	(37,030)
Total land and buildings	<u>2,629,025</u>	<u>2,662,970</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

	Note	2007 \$	2006 \$
PLANT AND EQUIPMENT			
(b) Air conditioners			
At cost		12,782	12,782
Less accumulated depreciation		(4,695)	(3,669)
		<u>8,087</u>	<u>9,113</u>
(b) Computer equipment			
At cost		358,639	298,396
Less accumulated depreciation		(266,299)	(227,332)
		<u>92,340</u>	<u>71,064</u>
(c) Furniture, fixtures and fittings			
At cost		620,098	607,391
Less accumulated depreciation		(536,131)	(524,008)
		<u>83,967</u>	<u>83,383</u>
(d) Office equipment			
At cost		277,923	275,152
Less accumulated depreciation		(232,861)	(222,118)
		<u>45,062</u>	<u>53,034</u>
(e) Motor vehicles			
At cost		930,908	923,812
Less accumulated depreciation		(214,592)	(348,340)
		<u>716,316</u>	<u>575,472</u>
(f) Microfilm			
At cost		78,272	78,272
Less accumulated depreciation		(78,272)	(78,272)
		<u>-</u>	<u>-</u>
(g) Library			
At cost		196,657	196,657
Less accumulated depreciation		(196,657)	(196,657)
		<u>-</u>	<u>-</u>
(h) Library & Subscriptions			
At cost		221,360	221,360
Less accumulated depreciation		(221,360)	(221,360)
		<u>-</u>	<u>-</u>
(i) Lease incentives			
At cost		984,240	984,240
Less accumulated depreciation		(984,240)	(984,240)
		<u>-</u>	<u>-</u>
Total plant and equipment		<u>945,772</u>	<u>792,066</u>
Total property, plant and equipment		<u>3,574,797</u>	<u>3,455,036</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

	Note	2007 \$	2006 \$
Movements in property, plant & equipment during the financial year were as follows:			
	Land & Building	Plant & Equipment	Total
Balance at the beginning of the year	2,662,970	792,066	3,455,036
Additions	-	603,025	603,025
Disposals	-	(238,332)	(238,332)
Depreciation expenses	(33,945)	(210,987)	(244,932)
Carrying amount at the end of the year	2,629,025	945,772	3,574,797

NOTE 12: INVESTMENT PROPERTIES

At independent valuation	12,460,000	12,460,000
Less accumulated depreciation	-	-
Total investment properties	12,460,000	12,460,000

NOTE 13: TRADE AND OTHER PAYABLES

CURRENT

Unsecured liabilities		
Trade creditors	350,322	173,068
PAYG tax withholding	49,482	50,972
FBT accrued	15,405	14,302
GST payable	144,019	135,079
Others creditors	-	38,740
	559,228	412,161

NOTE 14: EMPLOYEE ENTITLEMENT PROVISIONS

CURRENT

Provision for annual leave	402,839	355,432
NON-CURRENT		
Provision for long service leave	570,431	619,421
	973,270	974,853

NOTE 15: MORTALITY FUND

Total at the beginning of the financial year	418,536	443,536
Transfer to general fund	(27,000)	(25,000)
Total at reporting date	391,536	418,536

NOTE 16: GENERAL FUND

Total at the beginning of the financial year	17,825,252	17,002,312
Transfer from mortality fund	27,000	25,000
Net income/(loss) for the year	1,103,407	797,940
Total at the reporting date	18,955,659	17,825,252

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

	Note	2007 \$	2006 \$
NOTE 17: 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
		-	-
Closing balance		<u>1,603,645</u>	<u>1,603,645</u>

The asset revaluation reserve records revaluations of non-current assets.

NOTE 18: EQUITY

Mortality fund	391,536	418,536
General fund	18,955,659	17,825,252
Asset revaluation reserve	<u>1,603,645</u>	<u>1,603,645</u>
Total at the reporting date	<u>20,950,840</u>	<u>19,847,433</u>

NOTE 19: CASH FLOW INFORMATION

(a) Reconciliation of cash flow from operations with profit from ordinary activities after income tax

Profit (Loss) after income tax	1,103,407	797,940
Non-cash flows in profit		
Depreciation	244,932	208,254
Loss/(gain) on disposal of plant & equipment	52,966	75,251
Changes in assets and liabilities		
(Increase)/decrease in receivables	(107,261)	248,811
(Increase)/decrease in other assets	(150,279)	(17,304)
Increase/(decrease) in payables	147,067	(28,082)
Increase/(decrease) in provisions	(1,584)	147,424
(Increase)/decrease in stock on hand	<u>112,565</u>	<u>(72,251)</u>
Cash flows from operations	<u>1,401,813</u>	<u>1,360,043</u>

NOTE 20: NUMBER OF EMPLOYEES AT BALANCE DATE

50

49

NOTE 21: CONTINGENT LIABILITIES

The Branch 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 2007**

Note	2007 \$	2006 \$
NOTE 22: COMMITMENTS		
Lease Commitments Receivable		
The Branch has commitments receivable related to tenancy agreements in its rental properties:		
Less than one year	113,432	325,630
Greater than one year but less than two years	751,931	442,856
Greater than two years but less than five years	1,907,691	1,330,692
Greater than five years	1,006,359	410,275
	<u>3,779,413</u>	<u>2,509,453</u>

NOTE 23: FINANCIAL INSTRUMENTS

Interest Rate Risk

The Branch'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 24: SEGMENT REPORTING

The Branch 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 25: BRANCH DETAILS

The registered office of the Branch 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 2007 FINANCIAL
STATEMENTS**

**DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2007**

	2007 \$	2006 \$
INCOME		
Membership income	8,459,895	8,055,736
Interest	321,428	231,671
Rental income	1,530,167	1,566,467
TOTAL INCOME	10,311,490	9,853,874
LESS EXPENSES		
Administration costs	685,255	684,864
Affiliation fees	1,330,134	1,113,913
Audit fees	21,000	33,000
Borrowing costs	-	3
Commission paid	793,806	765,289
Consulting/ Training	406,994	385,901
Depreciation	244,932	208,254
Federal expenses	70,216	120,897
Fringe benefits	62,725	51,571
Insurance	137,731	125,452
Legal costs	121,698	99,202
Organising expenses	296,444	282,499
Other (rental properties expenses)	667,220	921,920
Payroll tax	135,556	137,290
Postage	242,298	275,872
Printing and stationery	374,750	235,405
Salaries and wages		
- Officials	318,721	298,119
- Staff	2,401,935	2,379,993
Scholarship bursaries	198,810	207,338
Shop steward expenses	326,619	340,425
Superannuation	291,273	288,476
Mortality benefits paid	27,000	25,000
Loss on disposals of property, plant & equipment	52,966	75,251
TOTAL EXPENSES	9,208,083	9,055,934
NET PROFIT/(LOSS)	1,103,407	797,940
Income tax expense	-	-
OPERATING PROFIT/(LOSS)	1,103,407	797,940