



Australian Government
Australian Industrial Registry

24 December 2008

Mr Chris Ketter
Secretary
Shop, Distributive and Allied Employees Association
Queensland Branch
PO Box 490
SPRING HILL QLD 4004
By email: secretary@sdaq.asn.au

cc. Carrick Troy
BDO Kendalls (QLD)
GPO Box 457
BRISBANCE QLD 4001
By email: carrick.troy@bdo.com.au

Dear Mr Ketter

Re: Re: Financial Report for the Financial Year Ended 30 June 2008 – FR2008/315

I write to confirm receipt of correspondence from Bernard Curran of BDO Kendalls in response to my letter of 5 December 2008 regarding the financial report for the Shop, Distributive and Allied Employees Association Queensland Branch for the financial year ended 30 June 2008. An amended auditor's report and an amended designated officer's certificate were also received. These have addressed the matters raised. The financial reports for the Shop, Distributive and Allied Employees Association Queensland Branch for the financial year ended 30 June 2008 have now been filed.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Eve Anderson', with a long horizontal flourish extending to the right.

Eve Anderson

Statutory Services Team
Principal Registry

Tel: 03 8661 7929

Email: eve.anderson@airc.gov.au



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John
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19 NOV 2001
QUEENSLAND

Dear Sir/Madam

Please find enclosed the Certificate of Filing and other appropriate documents for our Accounts for the year ended 30 June, 2008.

I trust this meets your requirements.

Yours faithfully

Keith

Chris Ketter
Secretary

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**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 2008, the number of members of the Queensland Branch was 35,687.

In my opinion:-

- (1) The Auditor's Report was received by the Branch on 24th September 2008.
- (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 5 November 2008.
- (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, 19 NOVEMBER 2008



Chris Ketter
Branch Secretary/Treasurer



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

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2008**

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

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Industrial Registrar

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 2008 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

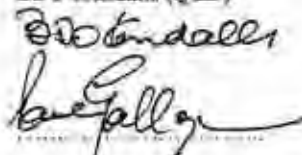
In conducting our audit, we followed applicable independence requirements of Australian professional and ethical pronouncements.

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 2008 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 2008.

BDO Kendalls (QLD)



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



Dated at Brisbane this 24th day of September 2008

**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 2008 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)



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

Dated at Brisbane this 24th day of September 2008

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

OPERATING REPORT

Membership

Membership of the Branch as at 30 June 2008 was 35,687.

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, Waddy, Freedom, Millers, Dulux, Liquorland 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 2008, 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 this 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 and Branch Secretary are members of the ALP State Administrative Committee.

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. Kener Branch Secretary - Treasurer	State Council member since 1984 Branch Secretary - Treasurer since 1996
Mr P Denahy First Assistant Secretary	State Council member since 2007 First Assistant Secretary since 2007


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

OPERATING REPORT (CONT.)

Mr. D. Wagner First Assistant Secretary	State Council member since 1988 Resigned as First Assistant Secretary November 2007
Mr. A. England	State Council member since 2002 Brisbane Area Representative
Mrs. P. Jarrett	State Council member since 1984 Brisbane Area Representative
Mrs. S. Puhangan	State Council member since 1998 Brisbane Area Representative
Mr. A. Hardy	State Council member since 1996 Brisbane Area Representative
Mr. B. Plath	State Council member since 1984 Representative from the Northern Districts
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
Ms. 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 24th day of September 2008.


Chris Ketter
Branch Secretary - Treasurer


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

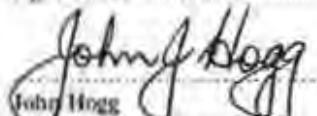
STATEMENT OF THE COMMITTEE OF MANAGEMENT

On the 24th of September 2008 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 2008.

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

Dated at Brisbane this 24th day of September 2008


Chris Ketter
Committee of Management

Dated at Brisbane this 24th day of September 2008


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**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 2008, the number of members of the Queensland Branch was 35,687.

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 2008.
- (2) The accompanying audit report, accounts and Certificate of Committee of Management are copies of the documents presented to a meeting in accordance with Section 279(6) of the Workplace Relations Act 1996.
- (3) A record has been kept of all moneys paid by or collected from members of the Queensland Branch and all moneys so paid or collected have been credited to the bank account to which those moneys are to be credited in accordance with the rules of the Queensland Branch.
- (4) Before any expenditure was incurred by the Queensland Branch approval of the incurring of the expenditure was obtained in accordance with the rules of the Queensland Branch.
- (5) No payments were made out of funds or accounts operated by the Queensland Branch in respect of compulsory levies raised by the Queensland Branch or voluntary contributions collected from members of the Queensland Branch or other funds, the operation of which is required by the rules of the Queensland Branch for purpose other than the purpose for which the fund was operated.
- (6) No loans or other financial benefits other than remuneration in respect of their full time employment with the Queensland Branch were made to persons holding office in the Queensland Branch.
- (7) The register of members of the Queensland Branch was maintained in accordance with The Workplace Relations Act 1996 as amended.

Dated at Brisbane this 24th day of September 2008.



Chris Ketter
Branch Secretary - Treasurer


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

**INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008**

	Notes	2008 \$	2007 \$
Revenue from union activities			
- Membership income		9,401,590	8,459,895
- Other		2,418,389	1,851,595
Total revenue from union activities	2	11,819,979	10,311,490
Expenses from union activities			
- Employee benefits expense		(3,042,255)	(3,210,210)
- Depreciation and amortisation expenses		(276,240)	(344,932)
- Other expenses from ordinary activities		(6,943,818)	(5,752,941)
Total expenses from union activities	3	(10,262,313)	(9,208,083)
Profit from union activities		1,557,666	1,103,407
Revaluation of investment properties (revalued from 2005)		7,090,000	-
Profit from ordinary activities before income tax expense (income tax revenue)		8,647,666	1,103,407
Income tax revenue (income tax expense) relating to ordinary activities		-	-
Net profit attributable to the organisation		8,647,666	1,103,407

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

**BALANCE SHEET
AS AT 30 JUNE 2008**

	Notes	2008 \$	2007 \$
CURRENT ASSETS			
Cash and cash equivalents	7	859,033	396,152
Trade receivables	8	341,730	375,512
Stock on hand	9	5,496	8,272
Cash management accounts		6,785,421	5,491,884
Other current assets	10	77,531	176,741
TOTAL CURRENT ASSETS		8,069,211	6,448,541
NON-CURRENT ASSETS			
Property, plant and equipment	11	4,905,863	3,574,797
Investment properties	12	19,550,000	12,460,000
TOTAL NON-CURRENT ASSETS		24,455,863	16,034,797
TOTAL ASSETS		32,525,074	22,483,338
CURRENT LIABILITIES			
Trade and other payables	13	561,441	559,228
Provision for annual leave	14	420,534	402,839
TOTAL CURRENT LIABILITIES		981,975	962,067
NON-CURRENT LIABILITIES			
Provision for long service leave	14	540,186	570,431
TOTAL NON-CURRENT LIABILITIES		540,186	570,431
TOTAL LIABILITIES		1,522,161	1,532,498
NET ASSETS		31,002,913	20,950,840
EQUITY			
Mortality fund	15	361,686	391,536
General fund	16	27,633,175	18,955,659
Asset revaluation reserves	17	3,008,053	1,603,645
TOTAL EQUITY	18	31,002,913	20,950,840


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

**STATEMENT OF CHANGES TO EQUITY
FOR YEAR ENDED 30 JUNE 2008**

	Notes	Mortality Fund \$	General Fund \$	Asset Revaluation Reserve \$
Balance at 1 July 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
Profit attributable to the organisation		-	-	-
Transfers to and from reserves		-	-	1,404,408
- Mortality fund	15	(29,850)	29,850	-
Transfers from retained earnings		-	8,647,666	-
Sub-total		(29,850)	8,677,516	1,404,408
Balance at 30 June 2008		361,686	27,633,175	3,008,053


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

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008**

	Notes	2008 \$	2007 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		11,474,863	9,971,385
Payments to suppliers and employees		(9,947,362)	(8,891,000)
Interest received		465,800	321,428
Finance costs		-	-
Net cash provided by operating activities	19	1,993,301	1,401,813
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		-	165,364
Payment for property, plant and equipment		(174,689)	(603,025)
Payment for investments		(1,355,711)	(815,602)
Net cash used in investing activities		(1,530,400)	(1,233,263)
Net increase in cash held		462,901	168,550
Cash at beginning of financial year		396,132	227,582
Cash at end of financial year	7	859,033	396,132

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SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
(QUEENSLAND BRANCH)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

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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 statement. 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 2008**

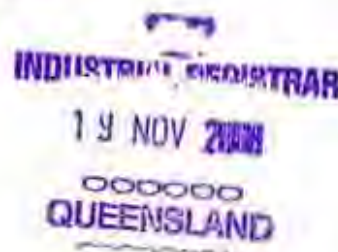
Depreciation

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 30 June 2008. 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 30 June 2008 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

Increases 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.

Increases and decrements in the valuation of land and buildings held as investments properties are recognised in the income statement 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 2008

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(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.

(l) Comparative Figures

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

(m) Financial Instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Derivatives

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

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Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed is recognised in profit or loss.

Classification and Subsequent Measurement

(i) Financial assets at fair value through profit or loss

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the entity's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the entity assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the Income Statement.

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 determined. 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 2008**

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	Note	2008 \$	2007 \$
NOTE 2: REVENUE			
Operating activities			
- Membership income		9,401,590	8,459,895
- Revaluation of investment properties		7,090,000	-
- Other	2(a)	2,418,389	1,851,595
		<u>18,909,979</u>	<u>10,311,490</u>
(a) Other:			
- Interest from other corporations		465,800	321,428
- Profit on disposal of non-current assets		15,591	-
- Rental income		1,936,998	1,530,167
		<u>2,418,389</u>	<u>1,851,595</u>

NOTE 3: PROFIT BEFORE INCOME TAX

Profit before income tax has been determined after:

Expenses

- Interest Expenses		<u>62</u>	-
Non-interest Expenses Activities			
- Depreciation of property, plant and equipment			
- Building		33,433	33,945
- Plant and equipment		242,807	210,987
Total Depreciation		<u>276,240</u>	<u>244,932</u>
- Fees and commissions		882,618	793,806
- Employee benefit expenses		3,042,255	3,210,210
- General and administration		<u>6,061,138</u>	<u>4,959,135</u>
Total non-interest expenses		<u>10,262,251</u>	<u>9,208,083</u>
Total Expenses		<u>10,262,313</u>	<u>9,208,083</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	16,000	21,000
- Other accounting and taxation services provided by related practice of auditors	147,069	138,327
	<u>163,069</u>	<u>159,327</u>

SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
(QUEENSLAND BRANCH)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

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	Note	2008 \$	2007 \$
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NOTE 6: KEY MANAGEMENT PERSONNEL COMPENSATION

	Short-term Benefits	Post-employment Benefits	Other Long-term Benefits
2008			
Compensation	616,255	-	-
2007			
Compensation	513,874	-	194,652

NOTE 7: CASH AND CASH EQUIVALENTS

Cash on hand	858,533	395,832
Cash - other	500	300
	<u>859,033</u>	<u>396,132</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>859,033</u>	<u>396,132</u>
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NOTE 8: TRADE RECEIVABLES

CURRENT

Membership fee receivables	<u>341,730</u>	<u>375,512</u>
----------------------------	----------------	----------------

NOTE 9: STOCK ON HAND

CURRENT

Tickets	<u>5,496</u>	<u>8,272</u>
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NOTE 10: OTHER ASSETS

CURRENT

Term Deposits	62,182	-
Other debtors	29	1,158
Prepayments	<u>15,320</u>	<u>175,583</u>
	<u>77,531</u>	<u>176,741</u>

NOTE 11: PROPERTY, PLANT AND EQUIPMENT

LAND & BUILDING (LEICHHARDT STREET)

At independent valuation	4,000,000	2,700,000
Less accumulated depreciation	-	(70,975)
Total land and buildings	<u>4,000,000</u>	<u>2,629,025</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

	Note	2008 \$	2007 \$
PLANT AND EQUIPMENT			
(b) Air conditioners			
At cost		12,782	12,782
Less accumulated depreciation		(5,601)	(4,695)
		<u>7,181</u>	<u>8,087</u>
(b) Computer equipment			
At cost		383,151	358,639
Less accumulated depreciation		(308,720)	(266,299)
		<u>74,431</u>	<u>92,340</u>
(c) Furniture, fixtures and fittings			
At cost		620,098	620,098
Less accumulated depreciation		(547,804)	(536,131)
		<u>72,294</u>	<u>83,967</u>
(d) Office equipment			
At cost		284,398	277,923
Less accumulated depreciation		(243,158)	(232,861)
		<u>41,240</u>	<u>45,062</u>
(e) Motor vehicles			
At cost		1,074,610	930,908
Less accumulated depreciation		(363,893)	(214,592)
		<u>710,717</u>	<u>716,316</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		220,155	221,360
Less accumulated depreciation		(220,155)	(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>905,863</u>	<u>945,772</u>
Total property, plant and equipment		<u>4,905,863</u>	<u>3,574,797</u>



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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

	Note	2008 \$	2007 \$
Movements in property, plant & equipment during the financial year were as follows:			
		Land & Building	Plant & Equipment
Balance at the beginning of the year		2,629,025	945,772
Additions		-	231,461
Disposals		-	(28,563)
Revaluation increment		1,404,408	-
Depreciation expenses		(33,433)	(242,807)
Carrying amount at the end of the year		4,000,000	905,863

NOTE 12: INVESTMENT PROPERTIES

At independent valuation	19,550,000	12,460,000
Less accumulated depreciation	-	-
Total investment properties	19,550,000	12,460,000

NOTE 13: TRADE AND OTHER PAYABLES

CURRENT

Unsecured liabilities		
Trade creditors	341,481	350,322
PAYG tax withholding	48,598	49,482
FBT accrued	15,405	15,405
GST payable	135,871	144,019
Others creditors	86	-
	561,441	559,228



NOTE 14: EMPLOYEE ENTITLEMENT PROVISIONS

CURRENT

Provision for annual leave	420,534	402,839
NON-CURRENT		
Provision for long service leave	540,186	570,431
	960,720	973,270

NOTE 15: MORTALITY FUND

Total at the beginning of the financial year	391,536	418,536
Transfer to general fund	(29,850)	(27,000)
Total at reporting date	361,686	391,536

NOTE 16: GENERAL FUND

Total at the beginning of the financial year	18,955,659	17,825,252
Transfer from mortality fund	29,850	27,000
Net income/(loss) for the year	8,647,666	1,103,407
Total at the reporting date	27,633,175	18,955,659

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

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	Note	2008 \$	2007 \$
NOTE 17: RESERVES			
Asset revaluation reserve	(a)	1,603,645	1,603,645
(a) Asset revaluation reserve			
Movements during the financial year:			
Opening balance		1,603,645	1,603,645
Gain on Revaluation of property		1,404,408	-
Closing balance		3,008,053	1,603,645

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

NOTE 18: EQUITY

Mortality fund	361,686	391,536
General fund	27,633,175	18,955,659
Asset revaluation reserve	3,008,053	1,603,645
Total at the reporting date	31,002,914	20,950,840

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	1,657,889	1,103,407
Non-cash flows in profit		
Depreciation	276,240	244,932
Loss/(gain) on disposal of plant & equipment	8,518	52,966
Changes in assets and liabilities		
(Increase)/decrease in receivables	(34,911)	(107,261)
(Increase)/decrease in other assets	160,253	(150,279)
Increase/(decrease) in payables	(77,464)	147,067
Increase/(decrease) in provisions	-	(1,584)
(Increase)/decrease in stock on hand	2,776	112,565
Cash flows from operations	1,993,301	1,401,813

NOTE 20: NUMBER OF EMPLOYEES AT BALANCE DATE

50

NOTE 21: CONTINGENT LIABILITIES

The Branch has a contingent liability of \$90,000 over its credit stand-by arrangements for autopay (2007: \$90,000).

SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
(QUEENSLAND BRANCH)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

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	Note	2008 \$	2007 \$
NOTE 22: COMMITMENTS			
Lease Commitments Receivable			
The Branch has commitments receivable related to tenancy agreements in its rental properties:			
Less than one year		306,166	113,432
Greater than one year but less than two years		913,593	751,931
Greater than two years but less than five years		996,994	1,907,691
Greater than five years		428,852	1,006,359
		<u>2,639,605</u>	<u>3,779,413</u>

NOTE 23: FINANCIAL RISK MANAGEMENT

Financial Risk Management Policies

The entity's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable.

The entity does not have any derivative instruments at 30 June 2008.

i. Treasury Risk Management

A finance committee consisting of senior committee members meet on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

ii. Financial Risk Exposures and Management

The main risks the entity is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

Foreign currency risk

The entity is not exposed to fluctuations in foreign currencies.

Liquidity risk

The entity manages liquidity risk by monitoring forecast cash flows.

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, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. The entity does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the entity.

There are no material amounts of collateral held as security at 30 June 2008.

Credit risk is managed by the entity and reviewed regularly by the finance committee. It arises from exposures to customers as well as through deposits with financial institutions.

The entity monitors the credit risk by actively assessing the rating quality and liquidity of counterparties.

— Only banks and financial institutions with an 'A' rating are utilised.

— The credit standing of counterparties is reviewed monthly for liquidity and credit risk.

The trade receivables balance at 30 June 2008 and 30 June 2007 do not include any counterparties with external credit ratings. Customers are assessed for credit worthiness using the above criteria.

Price risk

(QUEENSLAND BRANCH)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

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The entity is not exposed to any material commodity price risk.

h) **Financial Instruments Composition and Maturity Analysis**

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the balance sheet.

	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed Interest Rate Maturing		Non-interest Bearing		Total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	%	%	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets										
Cash at bank			-	-	46,040	43,170	812,493	352,662	858,533	395,832
Trade and other receivables			-	-	-	-	341,759	376,670	341,759	376,670
Investments	8%	6%	6,847,603	5,491,384	-	-	-	-	6,847,603	5,491,384
Total financial assets			6,847,603	5,491,384	46,040	43,170	1,154,252	729,332	8,047,895	6,264,386
Financial liabilities										
Trade and sundry payables			-	-	-	-	256,663	365,727	256,663	365,727
Total financial liabilities			-	-	-	-	256,663	365,727	256,663	365,727

Sensitivity analysis:

Interest rate risk

The entity has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on current year results and equity which could result from a change in this risk.

As at 30 June 2008, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant, would be as follows:

	2008	2007
	\$	\$
Change in profit		
— Increase in interest rate by 2%	136,952	109,838
— Decrease in interest rate by 2%	(136,952)	(109,838)

This sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

No sensitivity analysis has been performed for foreign exchange risk, as the entity is not exposed to fluctuations in foreign exchange.

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

NOTE 26: EVENTS OCCURRING AFTER BALANCE DATE

There were no events affecting the financial position of the Branch subsequent to 30 June 2008.



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

**PRIVATE INFORMATION FOR THE COMMITTEE OF MANAGEMENT ON THE 2008 FINANCIAL
STATEMENTS**

**DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2008**

	2008 \$	2007 \$
INCOME		
Membership income	9,401,590	8,459,895
Interest	465,800	321,428
Profit on disposal	15,591	-
Rental income	1,936,998	1,530,167
Gain on revaluation	7,090,000	-
TOTAL INCOME	18,909,979	10,311,490
LESS EXPENSES		
Administration costs	1,167,770	685,255
Affiliation fees	1,104,912	1,330,134
Audit fees	16,000	21,000
Commission paid	882,618	793,806
Consulting/ Training	381,332	406,994
Depreciation	276,240	244,932
Federal expenses	96,935	70,216
Fringe benefits	64,005	62,725
Insurance	131,186	137,731
Legal costs	145,796	121,698
Organising expenses	118,016	296,444
Other (rental properties expenses)	997,846	667,220
Payroll tax	125,377	135,556
Postage	323,733	242,298
Printing and stationery	523,454	374,750
Salaries and wages		
- Officials	328,843	318,721
- Staff	2,413,765	2,401,935
Scholarship bursaries	247,250	198,810
Shop steward expenses	379,221	326,619
Superannuation	299,646	291,273
Mortality benefits paid	29,850	27,000
Loss on disposals of property, plant & equipment	8,518	52,966
TOTAL EXPENSES	10,262,313	9,208,083
NET PROFIT/(LOSS)	8,647,666	1,103,407
Income tax expense	-	-
OPERATING PROFIT/(LOSS)	8,647,666	1,103,407



Australian Government
Australian Industrial Registry

Level 5, 11 Exhibition Street
Melbourne, VIC 3000
GPO Box 1994, Melbourne, VIC 3001
Telephone: (03) 8661 7929
Fax: (03) 9655 0410
Email: eve.anderson@airc.gov.au

Mr Chris Ketter
Secretary
Shop, Distributive and Allied Employees Association
Queensland Branch
PO Box 490
SPRING HILL QLD 4004
By email: secretary@sdaq.asn.au

cc. Carrick Troy
BDO Kendalls (QLD)
GPO Box 457
BRISBANCE QLD 4001
By email: carrick.troy@bdo.com.au

Dear Mr Ketter,

Re: Financial Report for the Financial Year Ended 30 June 2008 – FR2008/315

I acknowledge receipt of the financial report for the Shop Distributive & Allied Employees Association – Queensland Branch for the year ended 30 June 2008 which was lodged with the Registry on 19 November 2008.

The financial report has not been filed as further clarification is required. While we filed last year's financial report and the report for the financial year ending 30 June 2006, we raised certain issues in our correspondence of [5 February 2008](#) and [4 September 2007](#) to be addressed in the preparation of future financial reports. I notice that the issues raised do not seem to have been addressed. I also take this opportunity to raise other issues.

1) Auditor's Opinion

The auditor's opinion appears to deal with the requirements of superseded legislation. The current requirements are specified in [257\(5\) of the RAO Schedule \(Schedule 1 to the Workplace Relations Act 1996\)](#) and these are materially different from the superseded legislation. Subsection 257(5) requires an auditor 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.

As advised in our previous correspondence the following wording in the auditor's opinion would satisfy the requirements of the Act, (assuming the auditor is of this opinion):

"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".

If the auditor is not of this opinion, then the auditor is required to quantify the effect of non-compliance, or, if this is not practicable, the report must say why (subsection 257(6) of the RAO Schedule).

2) Auditor's Qualifications

Regulation 4 of the Workplace Relations (Registration and Accountability of Organisations) Regulations 2003 (RAO Regulations) 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 Accounts **and** holds a current Public Practice Certificate. In all likelihood the auditor is such a person however, it is our preference that this is made explicit in the auditor's report.

I write to request that you bring these matters to the attention of your auditor and request an opinion additional to the one already given such that requirements of the RAO Schedule are met. The additional opinion should also confirm that the auditor is a member of the Institute of Chartered Accountants in Australia **and** holds a current Public Practice Certificate.

3) Required and extraneous certificates - Designated Officer's Certificate

Subsection 268(c) of the RAO Schedule requires a certificate by a prescribed designated officer which states that documents lodged are copies of the documents provided to members and presented to a meeting. Attached to the financial report is a certificate by the State Secretary which appears to satisfy this requirement, except that it refers to section 279 of the *Workplace Relations Act*.

Section 279 of the *Workplace Relations Act* no longer relates to the financial reporting obligations of organisations. The relevant sections are now sections 265, 266, and 268 of the RAO Schedule to the Workplace Relations Act.

In order to ensure that legislative requirements are satisfied please provide an amended Designated Officer's Certificate. It would also be useful to state in this amended certificate the date on which the statements were circulated to members so that it is clear that required timelines were met.

The financial report also contains a Certificate by State Secretary dated 24th September 2008. As noted in our previous correspondence this document is not required and does not need to be lodged with future financial statements.

4) Committee of Management Statement - Recovery of Wages Activity

The Committee of Management Statement states that "[T]he 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", however the financial report does not include a report on recovery of wages activity. Further, the next paragraph in the Statement of the Committee of Management says that "[A]ny recovery of wages are paid directly to the workers by the employers and at no time held by the Branch..."

If a financial report on the recovery of wages activity was not prepared because wages were paid directly to workers, then the Committee of Management Statement should state this rather than stating that such a financial report was prepared.

In order to ensure that the [Reporting Guidelines](#) regarding the recovery of wages activity are satisfied please confirm in writing whether or not a financial report on the recovery of wages activity was prepared, and if not, whether this was because recovered wages were paid directly to workers.

5) General Purpose Financial Report - Affiliations

[Point 11 \(d\) of the Reporting Guidelines](#) for the preparation of the general purpose financial report requires that balances for fees and periodic subscriptions in respect of affiliation to any political party, any federation, congress, council or group of organisations, or any international body having an interest in industrial matters be disclosed in the notes unless already disclosed on the face of the profit and loss statement. I note that the Profit and Loss Account notes a total amount of affiliations paid, but does not disclose the relevant body or bodies and amounts to which affiliations have been paid.

Please confirm in writing the relevant bodies and amounts to which affiliations were paid.

6) General Purpose Financial Report - Profit and Loss Account

I note that the Profit and Loss Account is entitled "Private Information for the Committee of Management on the 2008 Financial Statements", yet the Certificate by the State Secretary re Filing of Accounts states that the accounts and accompanying statements were prepared and circulated to the members of the Branch.

If the Profit and Loss Account was not distributed to members, this should be noted in the amended Designated Officer's Certificate. Also, if this document is not distributed to members with future financial reports, then certain items of income and expenditure, including affiliations and legal costs, need to be reported in the either the income statement or the notes to the financial statements (see [Reporting Guidelines points 10 and 11](#) for the full list of items to be disclosed).

7) Operating Report – Period of Office

Regulation 159 (c) requires that the operating report state the period for which any member of the committee of management held such a position. I note that the Operating report states that Mr P Denahy was elected to State Council and to the office of First Assistant Secretary in 2007.

Please confirm in writing the date from which Mr Denahy has held each position.

Also, for future financial reports please note that the statement in the operating report relating to the rights of members to resign should refer to s174 of the RAO Schedule to the Workplace Relations Act (not s174 of the Act).

8) Notes to the financial statements

[The Reporting Guidelines \(point 14\)](#) require that either the balance sheet or the notes to the financial statements identify liabilities for employee benefits for holders of office (guideline 14 (c)) and other employee benefits (guideline 14 (d)). The notes to the financial statements do not distinguish between employee benefits for holders of office and other employees.

Please confirm in writing the total amount of employee benefits for holders of office and employee benefits for other employees.

SUMMARY

In order to finalise the financial reporting obligations for the financial year ending 30 June 2008, I request:

- An additional opinion from your auditor which gives an opinion in accordance with the requirements of subsection 257(5) of the RAO Schedule and which confirms the qualifications of the auditor;
- An amended Designated Officer's Certificate which refers to the current provisions of the RAO Schedule and which also clarifies the date that the financial report was distributed to members and whether or not the detailed Profit and Loss Account was distributed to members;
- Written advice clarifying:
 - whether or not a financial report on the recovery of wages activity was prepared, and if not, whether this was because recovered wages were paid directly to workers;
 - the relevant bodies and amounts to which affiliations were paid;
 - the date from which Mr Denahy has held the positions of State Council member and First Assistant Secretary;
 - the total amount of employee benefits for holders of office and employee benefits for other employees.

For future financial reports, please ensure that:

- The dot points above are addressed;
- All items of income and expenditure that the Reporting Guidelines (points 10 and 11) require to be disclosed are disclosed in either the income statement or the notes to the financial reports;
- The Operating Report statement regarding rights of members to resign refers to s.174 of the RAO Schedule to the Workplace Relations Act 1996
- The Certificate by State Secretary is not required.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act and the Reporting Guidelines, I can be contacted on 03 8661 7929 or by email at eve.anderson@airc.gov.au.

Yours sincerely



Eve Anderson
Statutory Services Officer
Australian Industrial Registry

Tel: 03 86617929

Email: eve.anderson@airc.gov.au

5 December 2008

19 December 2008

Ms E Anderson
Statutory Services Office
Australian Industry Registry
GPO Box 1994
MELBOURNE VIC 3001



Dear Eve

FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2008 - FR2008/315

We refer to your letter dated 5 December 2008 in regards to the filing of the 2008 Financial Report for Shop Distributive and Allied Employees Association.

We have enclosed the following amended documents:

- Independent Audit report to members, and
- Designated Officer's Certificate.

Please note that the Designated Officer's Certificate will replace the comments stated in the Certificate by State Secretary. In future years we will ensure the Certificate by State Secretary is removed from the financial report as you have advised it is no longer required to be lodged with the Australian Industrial Registry

Financial Report on the recovery of wages

Shop Distributive and Allied Employees Association has conducted recovery of wages activity but does not derive any revenue from this activity. In future financial statements we will amend the Committee of Management Statement to reflect this.

Operating Report – Period of Office

Mr Denahy has held the positions of State Council member and First Assistant Secretary from 21 November 2007.

Detailed Profit and Loss Statement

This statement did not form part of the financial report that was distributed to members. It was only provided to members present at the State Council meeting and is being lodged with the Australian Industrial Registry for information purposes only.

Financial Report Disclosure of Information

In future financial statements we will ensure the relevant disclosures are met in accordance with the Reporting Guidelines

The relevant bodies and amounts to which affiliations fees of \$1,104,912 were paid are as follows:

Shop Distributive & Allied Employees National Fund	\$696,917
Shop Distributive & Allied Employees International Fund	\$251,696
The Australian Labour Party	\$156,299

The table below sets out the information in regards to the employee benefits classified by benefits to holders of office and benefits attributable to other employees:

	Annual Leave Provision (\$)	Long Service Leave Provision (\$)
Holders of Office	163,732	142,043
Other Employees	256,802	398,143
	<u>420,534</u>	<u>540,186</u>

Should you have any questions in relation to the above matters, please contact myself or Shashini Siriwardana on (07) 3237 5999.

BDO Kendalls (QLD)



Bernard Curran
Partner

Enc

c.c Chris Ketter, SDA

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 2008 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. In our opinion the general purpose financial report is presented fairly in accordance with applicable Australian Accounting Standards and the requirement imposed by Part 3 of Chapter 8 of the RAO Schedule of the Workplace Relations Act 1996.

BDO Kendalls (QLD)



P.A. Gallagher

Partner

Member of the Institute of Chartered Accountants (Aust)

Public Practice Certificate Holder

Registered Company Auditor

Dated at Brisbane this 24th day of September 2008



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Website: <http://www.sdaq.asn.au>

DESIGNATED OFFICER'S CERTIFICATE

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

That the accompanying audit report, operating report, statement of the Committee of Management and accounts are copies of documents provided to members on 16 October 2008. These documents were presented to a meeting of the State Council of the reporting unit on 5 November 2008 in accordance with subsection 268(c) of the RAO Schedule to the Workplace Relations Act.

Chris Ketter
Branch Secretary - Treasurer

Date: 18 December 2008