



FAIR WORK  
AUSTRALIA

16 December 2011

Mr Christopher Ketter  
Secretary - Treasurer  
Shop, Distributive and Allied Employees Association, Queensland Branch

email: [secretary@sdaq.asn.au](mailto:secretary@sdaq.asn.au)

Dear Mr Ketter

**Re: Financial Report for the Shop, Distributive and Allied Employees Association, Queensland Branch for year ended 30 June 2011 – FR2011/2706**

I acknowledge receipt of the statement of loans, grants and donations for the Shop, Distributive and Allied Employees Association, Queensland Branch for the year ended 30 June 2011. The statement was lodged with Fair Work Australia on 5 December 2011.

The financial report has now been filed.

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

**Committee of Management statement - Consistency with other reporting units**

Paragraph 25 of the General Manager's Reporting guidelines (the guidelines), as made under section 255 of the Fair Work (Registered Organisations) Act 2009 states:

'The committee of management statement must include declarations by the committee of management as to whether in the opinion of the committee of management

. . .

- (e) (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;'

The Committee of Management's statement did not make reference to this item of the guidelines. Future Committee of Management statements should indicate whether or not the financial records have been kept in a consistent manner to each of the other reporting units of the organisation.

I suggest, if the records have been kept in a consistent manner to each of the organisation's reporting units, that the words 'where the organisation consists of 2 or more reporting units' be deleted.

If you wish to discuss any of the matters referred to above I can be contacted on (03) 8661 7764.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Kevin Donnellan', with a long horizontal stroke extending to the right.

Kevin Donnellan

Tribunal Services and Organisations

Fair Work Australia

Email: [kevin.donnellan@fwa.gov.au](mailto:kevin.donnellan@fwa.gov.au)



FAIR WORK  
AUSTRALIA

27 October 2011

Mr Christopher Ketter  
Secretary - Treasurer  
Shop, Distributive and Allied Employees Association, Queensland Branch

email: [secretary@sdaq.asn.au](mailto:secretary@sdaq.asn.au)

Dear Mr Ketter

**Re: Financial Report for the Shop, Distributive and Allied Employees Association, Queensland Branch for year ended 30 June 2011 – FR2011/2706**

I acknowledge receipt of the financial report for the Shop, Distributive and Allied Employees Association, Queensland Branch for the year ended 30 June 2011. The report was lodged with Fair Work Australia on 11 October 2011.

The financial report has not been filed.

The following matter requires your attention before any action can be taken to file the above report.

**Donations, Grants or Loans**

Note 13 to the financial statements discloses that grants and donations totalling \$69,000 were made. Under subsection 237(1) of the Fair Work (Registered Organisations) Act 2009 there are certain steps that need to be taken if an individual grant or donation exceeds \$1000. If an individual grant or donation exceeds \$1000 a statement showing the relevant particulars of each must be lodged with Fair Work Australia. The statement must be signed by an officer of the Branch and must show the amount of each grant and donation, the purpose for which it was made and, unless it was made to relieve a member of the organisation or their dependants from severe financial hardship, the name and address of the person to whom the grant or donation was made.

Please immediately advise Fair Work Australia of the details and ensure that there is compliance with the reporting requirements of section 237, other than with respect to the required timeframe. A [sample statement](#) is located on the Fair Work Australia website.

If you wish to discuss any of the matters referred to above I can be contacted on (03) 8661 7764.

Yours sincerely

Kevin Donnellan  
Tribunal Services and Organisations  
Fair Work Australia  
Email: [kevin.donnellan@fwa.gov.au](mailto:kevin.donnellan@fwa.gov.au)

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Fair Work Australia  
PO Box 5713  
Central Plaza  
Brisbane QLD 4001



7 October 2011

Dear Sir/Madam

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

Accompanying the Designated Officer's Certificate, we enclose for lodgement the audited Financial Report for the year ended 30 June 2011 for Shop, Distributive & Allied Employees Association (Queensland Branch).

Should you have any queries please contact myself or Kasey O'Sullivan on 07 3237 5639.

**BDO (QLD) Pty Ltd**



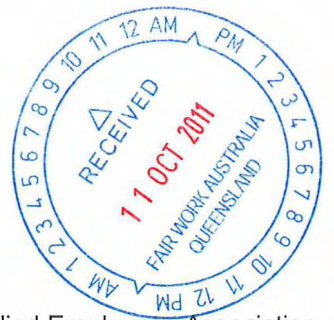
Bernard Curran  
Director

Enc

c c: Mr Chris Ketter

## Designated Officer's Certificate

Section 268 *Fair Work (Registered Organisations) Act 2009*



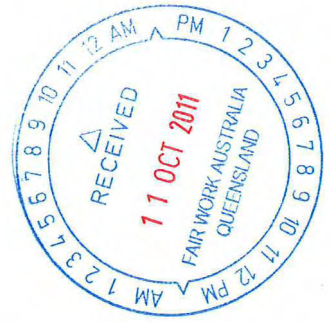
I, Christopher Ronald Ketter, being the Branch Secretary of the Shop, Distributive & Allied Employees Association (Queensland Branch) certify:

- that the documents lodged herewith are copies of the full report referred to in section 268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report (excluding the Detailed Profit & Loss Account) was provided to members on 21<sup>st</sup> day of September 2011; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 4<sup>th</sup> day of October 2011 in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.

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

.....  
**Christopher Ronald Ketter**  
Branch Secretary - Treasurer

Date: 4<sup>th</sup> day of October 2011



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

**FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2011**

**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 2011 comprising the Certificate of Committee of Management, Income Statement, Statement of Financial Position, Statement of Changes to Equity, Cash Flow Statement, and Notes to the financial statements.

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

The financial report has been prepared for the distribution to members of the Association for the purpose of fulfilling the requirements of subsections 265(1) and 265(5) of the Fair Work (Registered Organisations) Act 2009 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**

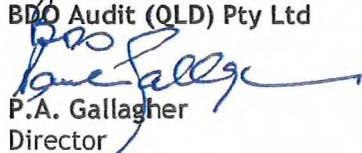
In conducting our audit, we followed applicable independence requirements of Australian professional and ethical pronouncements.

**Audit Opinion**

In our opinion:

- 1) All information and explanation that, under Section 257 of the Fair Work (Registered Organisations) Act 2009, 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 requirement imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

**BDO Audit (QLD) Pty Ltd**

  
P.A. Gallagher  
Director

Dated at Brisbane this 6<sup>th</sup> day of September 2011



**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 2011 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 Audit (QLD) Pty Ltd**

A handwritten signature in blue ink, appearing to read 'P.A. Gallagher', with a horizontal dotted line underneath it.

**P.A. Gallagher**  
Director

Dated at Brisbane this 6<sup>th</sup> day of September 2011

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

**OPERATING REPORT**

**Membership**

Membership of the Branch as at 30 June 2011 was 35,043.

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

**Principal Activities**

The principal activities of the reporting unit are preserving and enhancing the wages and working conditions of its members, and the promotion of the interests and rights of workers. In addition to industrial representation, members are also provided with a range of services and benefits.

The Branch produced a range of publications for its members.

Renovation expenditure incurred on the property at 385 St Pauls Terrace has totalled \$3,444,199 for the year ended 30 June 2011. This has been the only significant change in the Branch's financial affairs during the year.

At 30 June 2011, there were 54 persons employed by the Branch.

**Rights of Members to Resign**

Pursuant to section 174 of the Fair Work (Registered Organisations) Act 2009, 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**

The Branch Secretary is an Alternate Director of the Retail Employees' Superannuation Trust ("REST").

**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. Ketter Branch Secretary -Treasurer	State Council member since 1984 Branch Secretary -Treasurer since 1996
Mr P. Denahy First Assistant Secretary	State Council member since November 2007 First Assistant Secretary since November 2007 Resigned as First Assistant Secretary in April 2011

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

**OPERATING REPORT (CONT.)**

Mrs. P. Jarrett	State Council member since 1984 Brisbane Area Representative
Mrs. S. Pulungan	State Council member since 1998 Brisbane Area Representative
Ms. C. Oliver	State Council member since August 2009 Representative Brisbane Area
Ms. E. Berry	State Council member since June 2010 Brisbane Area Representative
Ms. M. Stanton	State Council member since June 2010 Brisbane Area Representative
Mr. B. Plath	State Council member since 1984 Representative from the Northern Districts
Ms. I. Stirrett	State Council member since June 2010 Representative from the Northern Districts
Mr. D. Johnson	State Council member since February 2010 Representative from the Southern & Western Districts
Mrs. P. Wilson	State Council member since February 2009 Appointed as Representative from the Southern & Western Districts
Mrs. M. Wilson	State Council member since February 2009 Representative from the area covered by the Shop Assistants and Storemen and Packers Award - Central Division

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

Dated at Brisbane this 6<sup>th</sup> day of September 2011



.....  
**Christopher Ronald Ketter**  
Branch Secretary - Treasurer

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


**STATEMENT OF THE COMMITTEE OF MANAGEMENT**

On the 6<sup>th</sup> day of September 2011 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 2011.

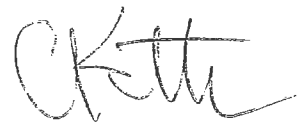
The Committee of Management declares in relation to the GPFR that in its opinion:

- 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 General Manager of Fair Work Australia;
- 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 Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009;
  - iv) The information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or Registrar;
  - v) There has been compliance with any order for inspection of financial records made by the Commission under section 273 of the Fair Work (Registered Organisations) Act 2009.
- f) In relation to recovery of wages activity:
  - i) The financial report on recovery of wages activity was not prepared because wages were paid directly to workers. No revenue is derived from this activity; and
  - ii) 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 Joseph Hogg  
Committee of Management



Christopher Ronald Ketter  
Committee of Management

Dated at Brisbane this 6<sup>th</sup> day of September 2011

Dated at Brisbane this 6<sup>th</sup> day of September 2011

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

**INCOME STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2011**

		2011 \$	2010 \$
<hr/>			
<b>INCOME</b>			
Membership income		9,892,122	9,432,402
Interest		210,452	261,748
Rental income		2,011,822	2,102,662
<b>TOTAL INCOME</b>		<u>12,114,396</u>	<u>11,796,812</u>
<b>LESS EXPENSES</b>			
Administration costs	2	856,120	715,088
Affiliation fees	3	1,263,532	1,239,903
Audit fees	5	30,000	30,000
Commission paid (Stores)		913,385	876,605
Consulting/ Training		424,439	478,499
Depreciation		272,065	256,293
Federal expenses		131,818	94,544
Fringe benefits		103,082	89,594
Insurance		152,496	147,065
Legal costs		337,783	208,083
Organising expenses		447,796	434,684
Other (rental properties expenses)		1,390,425	885,212
Payroll tax		182,192	168,552
Postage		228,045	332,789
Printing and stationery		331,680	398,098
Salaries and wages			
- Officials		362,708	283,737
- Staff		3,114,976	3,054,533
Scholarship bursaries		178,410	310,950
Shop steward expenses		459,431	534,564
Superannuation		458,399	412,212
Loss on disposals of property, plant & equipment		73,824	21,068
<b>TOTAL EXPENSES</b>		<u>11,712,606</u>	<u>10,972,073</u>
<b>OPERATING PROFIT/(LOSS)</b>		<u>401,790</u>	<u>824,739</u>

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

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2011**

	Notes	2011 \$	2010 \$
<b>Operating Profit for the year</b>		401,790	824,739
<b>Other Comprehensive Income:</b>			
Net gain/(loss) on revaluation of property, plant and equipment		(350,377)	-
Net gain/(loss) on disposal of Ross St		-	(335,407)
Other comprehensive income for the year		(350,377)	(335,407)
<b>Total other comprehensive income/(loss) for the year</b>		(350,377)	(335,407)
<b>Total comprehensive income attributable to the organisation</b>		51,413	489,332

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

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2011**

	Notes	2011 \$	2010 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	7	59,578	553,726
Trade receivables	8	638,421	621,163
Stock on hand	9	4,911	4,591
Cash management accounts	10	1,892,748	4,026,389
Other current assets	11	411,564	247,552
<b>TOTAL CURRENT ASSETS</b>		<b>3,007,222</b>	<b>5,453,421</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	12	4,016,171	3,835,332
Investment properties	13	24,522,199	21,428,000
<b>TOTAL NON-CURRENT ASSETS</b>		<b>28,538,370</b>	<b>25,263,332</b>
<b>TOTAL ASSETS</b>		<b>31,545,592</b>	<b>30,716,753</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14	1,233,749	528,661
Provision for annual leave	15	481,160	440,471
Other Current Liabilities	16	5,158	29,058
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,719,667</b>	<b>998,190</b>
<b>NON-CURRENT LIABILITIES</b>			
Provision for long service leave	15	811,261	761,773
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>811,261</b>	<b>761,773</b>
<b>TOTAL LIABILITIES</b>		<b>2,531,328</b>	<b>1,759,963</b>
<b>NET ASSETS</b>		<b>29,014,264</b>	<b>28,956,790</b>
<b>EQUITY</b>			
Mortality fund	17	234,936	276,886
General fund	18	26,690,328	26,638,915
Asset revaluation reserves	19	2,089,000	2,040,989
<b>TOTAL EQUITY</b>	20	<b>29,014,264</b>	<b>28,956,790</b>

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

**STATEMENT OF CHANGES TO EQUITY  
FOR YEAR ENDED 30 JUNE 2011**

	Notes	Mortality Fund \$	General Fund \$	Asset Revaluation Reserve \$
<b>Balance at 30 June 2008</b>		<b>361,686</b>	<b>27,633,175</b>	<b>3,008,053</b>
Profit/(loss) attributable to the organisation		-	(1,483,592)	-
Transfers to and from reserves		-	-	(967,064)
- Mortality fund		(33,800)	-	-
Transfers from retained earnings		-	-	-
Sub-total		(33,800)	(1,483,592)	(967,064)
<b>Balance at 30 June 2009</b>		<b>327,886</b>	<b>26,149,583</b>	<b>2,040,989</b>
Profit/(loss) attributable to the organisation		-	489,332	-
Transfers to and from reserves		-	-	-
- Mortality fund		(51,000)	-	-
Transfers from retained earnings		-	-	-
Sub-total		(51,000)	489,332	-
<b>Balance at 30 June 2010</b>		<b>276,886</b>	<b>26,638,915</b>	<b>2,040,989</b>
Profit/(loss) attributable to the organisation		-	51,413	-
Transfers to and from reserves		-	-	48,011
- Mortality fund		(41,950)	-	-
Transfers from retained earnings		-	-	-
Sub-total		(41,950)	51,413	48,011
<b>Balance at 30 June 2011</b>		<b>234,936</b>	<b>26,690,328</b>	<b>2,089,000</b>



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

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2011**

	Notes	2011 \$	2010 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from customers		11,820,409	11,562,682
Payments to suppliers and employees		(10,759,743)	(10,832,923)
Interest received		238,761	270,404
Finance costs		(4,300)	-
Net cash provided by operating activities	21	<u>1,295,127</u>	<u>1,000,163</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		193,734	64,904
Payment for property, plant and equipment		(672,451)	(284,672)
Payment for investments		(3,444,199)	(6,903,000)
Proceeds from investments		2,133,641	6,313,493
Net cash used in investing activities		<u>(1,789,275)</u>	<u>(809,275)</u>
Net decrease in cash held		(494,148)	190,888
Cash at beginning of financial year		<u>553,726</u>	<u>362,838</u>
Cash at end of financial year	7	<u><u>59,578</u></u>	<u><u>553,726</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2011**

**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 Fair Work (Registered Organisations) Act 2009.

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.

**(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.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2011**

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.

*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:

Motor Vehicles	18.75% - 25%	Diminishing value
Computer Equipment	20% - 66.67%	Diminishing value
Furniture Fittings & Equipment	11.25% - 66.67%	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, (except for 31 Hope Street, Spring Hill) were revalued at 30 June 2011. Investment properties are not depreciated.

Land & building at Leichhardt Street, Spring Hill are occupied by and are used for the operations of the Branch. Leichhardt Street was revalued at director's valuation on 30 June 2011, based on the sale contract for the building which settlement date is 1 September 2011.

The property at 385 St Pauls Terrace, Fortitude Valley will be used for the operations of the Branch from 25 July 2011. Depreciation on the building will commence in the 2012 financial year.

**(c) 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 income statement in the period in which they arise.

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**(d) 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.

**(e) 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.

**(f) 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.

**(g) 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.

**(h) Revenue**

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.

**(i) 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.

**(j) 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.

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**(j) Taxation & Goods and Services Tax (GST) (continued)**

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.

**(k) Comparative Figures**

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

**(l) 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.

**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.

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**(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 terminated. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

	Note	2011 \$	2010 \$
<b>NOTE 2: ADMINISTRATION EXPENSES</b>			
Advertising Costs		8,498	341
Bank Charges		14,601	34,580
Building Expenses - Leichhardt Street		124,418	102,929
Donations		69,000	1,600
General Expenses		169,134	247,804
Information Technology costs		176,218	19,085
Interest Expense		609	78
Meeting Expenses		27,895	40,869
Repairs & Maintenance		109,571	103,831
Telephone		153,918	161,088
Training		2,260	883
Total administration expenses		856,120	715,088

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**NOTE 3: AFFILIATION FEES**

Shop Distributive & Allied Employees National Fund	777,800	740,700
Shop Distributive & Allied Employees International Fund	233,340	222,210
The Australian Labor Party	183,232	233,461
The Union Shopper Inc	69,160	43,532
Total Affiliation Fees	1,263,532	1,239,903

**NOTE 4: REQUIREMENTS OF SUBSECTION 272(5)**

In accordance with the requirements of subsection 272(5) of the Fair Work (Registered Organisations) Act 2009, 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 a reporting unit, or the General Manager, may apply to the reporting unit for specified prescribed information in relation to the reporting unit 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 unit; and

A reporting unit must comply with an application made under subsection (1).

**NOTE 5: AUDITORS' REMUNERATION**

	2011	2010
Remuneration of the auditor for:	\$	\$
- Auditing or reviewing the financial report	30,000	30,000
- Other accounting and taxation services provided by related practice of auditor	176,664	172,949
	206,664	202,949

**NOTE 6: KEY MANAGEMENT PERSONNEL COMPENSATION**

	Short-term Benefits	Post-employment Benefits	Other Long-term Benefits
<b>2011</b>			
Compensation	634,765	206,909	-
<b>2010</b>			
Compensation	619,515	185,805	-

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**NOTES TO THE FINANCIAL STATEMENTS  
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	Note	2011 \$	2010 \$
<b>NOTE 7: CASH AND CASH EQUIVALENTS</b>			
Cash on hand		5,535	502,437
Members Equity Bank Account		53,543	50,789
Cash - other		500	500
		<u>59,578</u>	<u>553,726</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>59,578</u>	<u>553,726</u>
<b>NOTE 8: TRADE RECEIVABLES</b>			
CURRENT			
Membership fee receivables		<u>638,421</u>	<u>621,163</u>
<b>NOTE 9: STOCK ON HAND</b>			
CURRENT			
Tickets		<u>4,911</u>	<u>4,591</u>
<b>NOTE 10: CASH MANAGEMENT ACCOUNTS</b>			
CURRENT			
Queensland Credit Union - Action		-	98,205
Queensland Credit Union - Moneymaker		1,892,748	407,499
Queensland Credit Union - Term Deposit		-	2,500,000
Bank of Queensland - Term Deposit		-	1,020,685
		<u>1,892,748</u>	<u>4,026,389</u>
<b>NOTE 11: OTHER ASSETS</b>			
CURRENT			
Accrued Interest		-	28,309
Rental Property Debtors		23,318	39,826
Prepayments		<u>388,246</u>	<u>179,417</u>
		<u>411,564</u>	<u>247,552</u>
<b>NOTE 12: PROPERTY, PLANT AND EQUIPMENT</b>			
<b>LAND &amp; BUILDING (LEICHHARDT STREET)</b>			
At Directors valuation		3,000,000	3,000,000
Less accumulated depreciation		-	(32,440)
Total land and buildings		<u>3,000,000</u>	<u>2,967,560</u>



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	Note	2011	2010
<b>PLANT AND EQUIPMENT</b>		<b>\$</b>	<b>\$</b>
(b) Air conditioners			
At cost		12,781	12,781
Less accumulated depreciation		<u>(7,763)</u>	<u>(7,127)</u>
		5,018	5,654
(b) Computer equipment			
At cost		338,139	482,357
Less accumulated depreciation		<u>(211,707)</u>	<u>(379,042)</u>
		126,432	103,315
(c) Furniture, fixtures and fittings			
At cost		393,035	637,125
Less accumulated depreciation		<u>(354,450)</u>	<u>(571,371)</u>
		38,585	65,754
(d) Office equipment			
At cost		153,141	300,911
Less accumulated depreciation		<u>(92,171)</u>	<u>(264,414)</u>
		60,970	36,497
(e) Motor vehicles			
At cost		1,158,844	1,110,577
Less accumulated depreciation		<u>(373,678)</u>	<u>(454,025)</u>
		785,166	656,552
(f) Microfilm			
At cost		-	78,272
Less accumulated depreciation		<u>-</u>	<u>(78,272)</u>
		-	-
(g) Library			
At cost		-	196,657
Less accumulated depreciation		<u>-</u>	<u>(196,657)</u>
		-	-
(h) Library & Subscriptions			
At cost		-	220,155
Less accumulated depreciation		<u>-</u>	<u>(220,155)</u>
		-	-
(i) Lease incentives			
At cost		-	984,240
Less accumulated depreciation		<u>-</u>	<u>(984,240)</u>
		-	-
Total plant and equipment		<u>1,016,171</u>	<u>867,772</u>
Total property, plant and equipment		<u>4,016,171</u>	<u>3,835,332</u>

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION  
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**NOTES TO THE FINANCIAL STATEMENTS  
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Movements in property, plant & equipment during the financial year were as follows:

	Land & Building	Plant & Equipment	Total
Balance at the beginning of the year	2,967,560	867,772	3,835,332
Additions	-	656,069	656,069
Disposals	-	(267,558)	(267,558)
Revaluation increment/(decrement)	64,393	-	64,393
Depreciation expenses	(31,953)	(240,112)	(272,065)
Carrying amount at the end of the year	3,000,000	1,016,171	4,016,171

2011  
\$

2010  
\$

**NOTE 13: INVESTMENT PROPERTIES**

At Directors valuation	14,175,000	17,450,000
Additions at cost	10,347,199	6,903,000
Disposals	-	(2,925,000)
Total investment properties	24,522,199	21,428,000

**NOTE 14: TRADE AND OTHER PAYABLES**

**CURRENT**

Unsecured liabilities

Trade creditors	103,339	61,190
Accrued Expenses	1,198,417	244,251
PAYG tax withholding	52,204	54,831
GST payable/(refundable)	(120,211)	168,389
	1,233,749	528,661

**NOTE 15: EMPLOYEE ENTITLEMENT PROVISIONS**

**CURRENT**

Provision for annual leave

- Holders of office	134,594	112,114
- Other employees	346,566	328,357
	481,160	440,471

**NON-CURRENT**

Provision for long service leave

- Holders of office	237,428	178,059
- Other employees	573,834	583,714
	811,262	761,773
	1,292,422	1,202,244

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**NOTES TO THE FINANCIAL STATEMENTS  
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	2011 \$	2010 \$
<b>NOTE 16: OTHER CURRENT LIABILITIES</b>		
Prepaid Rent	5,158	29,058
	<u>5,158</u>	<u>29,058</u>
<b>NOTE 17: MORTALITY FUND</b>		
Total at the beginning of the financial year	276,886	327,886
Mortality Funds Paid	(41,950)	(51,000)
Total at reporting date	<u>234,936</u>	<u>276,886</u>
<b>NOTE 18: GENERAL FUND</b>		
Total at the beginning of the financial year	26,638,915	26,149,583
Net income/(loss) for the year	51,413	489,332
Total at the reporting date	<u>26,690,328</u>	<u>26,638,915</u>
<b>NOTE 19: RESERVES</b>		
Asset revaluation reserve	19(a) 2,089,000	2,040,989
(a) Asset revaluation reserve		
Movements during the financial year:		
Opening balance	2,040,989	2,040,989
Gain/(loss) on Revaluation of property	48,011	-
Closing balance	<u>2,089,000</u>	<u>2,040,989</u>
The asset revaluation reserve records revaluations of non-current assets.		
<b>NOTE 20: EQUITY</b>		
Mortality fund	234,936	276,886
General fund	26,690,328	26,638,915
Asset revaluation reserve	2,089,000	2,040,989
Total at the reporting date	<u>29,014,264</u>	<u>28,956,790</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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2011  
\$

2010  
\$

**NOTE 21: CASH FLOW INFORMATION**

(a) Reconciliation of cash flow from operations with Net profit attributable to the organization:

Profit (Loss)	51,413	489,332
Non-cash flows in profit		
Depreciation	272,065	256,293
Loss/(gain) on disposal of property, plant & equipment	73,824	356,475
Loss/(gain) on revaluation of property	350,000	-
Changes in assets and liabilities		
(Increase)/decrease in receivables	(17,258)	(36,425)
(Increase)/decrease in stock on hand	(320)	980
(Increase)/decrease in other assets	(164,012)	(172,592)
Increase/(decrease) in payables	705,088	11,075
Increase/(decrease) in employee provisions	90,177	116,967
Increase/(decrease) in prepaid rent	(23,900)	29,058
Increase/(decrease) in mortality fund	(41,950)	(51,000)
Cash flows from operations	1,295,127	1,000,163

**NOTE 22: NUMBER OF EMPLOYEES AT BALANCE DATE**

54

55

**NOTE 23: CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS**

The Branch has a contingent liability of \$340,000 over its credit stand-by arrangements for autopay (2010: \$250,000).

The Branch established a \$1,500,000 Line of Credit with Commonwealth Bank in February 2011. This was established as a safeguard to fund capital expenditure on 385 St Pauls Terrace, whilst 146 Leichhardt Street remained on the market for sale. To date, the facility has not been drawn upon.

**NOTE 24: COMMITMENTS**

**Lease Commitments Receivable**

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

Less than one year	864,255	514,253
Greater than one year but less than two years	513,620	917,126
Greater than two years but less than five years	589,009	1,059,227
Greater than five years	1,904	-
	<u>1,968,788</u>	<u>2,490,607</u>

**Members Benefit Booklets Commitments Payable**

The Branch has commitments payable related to members benefits booklets agreement:

Less than one year	184,525	74,250
Greater than one year but less than two years	-	167,751
Greater than two years but less than five years	-	-
Greater than five years	-	-
	<u>184,525</u>	<u>242,001</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2011**

**NOTE 25: FINANCIAL RISK MANAGEMENT**

**a. Financial Risk Management Policies**

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

The entity does not have any derivative instruments at 30 June 2011.

**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 2011.

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 2011 and 30 June 2010 do not include any counterparties with external credit ratings. Customers are assessed for credit worthiness using the above criteria.

**Price risk**

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

**b. 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.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 25 FINANCIAL RISK MANAGEMENT (continued)**

	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed Interest Rate Maturing		Non-interest Bearing		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	%	%	\$	\$	\$	\$	\$	\$	\$	\$
<b>Financial assets</b>										
Cash at bank			-	-	53,543	50,789	5,535	502,937	59,078	553,726
Trade and other receivables			-	-	-	-	661,739	660,990	661,739	660,990
Investments	5%	4%	-	-	1,892,748	4,026,389	-	-	1,892,748	4,026,389
Other & Stock			-	-	-	-	416,475	212,316	416,475	212,316
<b>Total financial assets</b>			-	-	1,946,291	4,077,178	1,083,749	1,376,243	3,030,040	5,453,421
<b>Financial liabilities</b>										
Trade and sundry payables			-	-	-	-	1,233,749	528,661	1,233,749	528,661
Business Facility					1,500,000	-	-	-	1,500,000	-
<b>Total financial liabilities</b>			-	-	1,500,000	-	1,328,476	528,661	528,661	528,661

**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 2011, 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:

	2011	2010
	\$	\$
<b>Change in profit</b>		
— Increase in interest rate by 2%	38,926	81,544
— Decrease in interest rate by 2%	(38,926)	(81,544)

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.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2011**

**NOTE 26: BRANCH DETAILS**

The registered office of the Branch is:  
SDA House  
146 Leichhardt Street  
Spring Hill , QLD , 4004

**NOTE 27: PARENT ENTITY**

SDAEA National Office is this Branch's parent entity.

**NOTE 28: EVENTS OCCURRING AFTER BALANCE DATE**

The branch purchased an investment property, 385-391 St Pauls Terrace, Spring Hill in the 2010 financial year. In November 2010, the property was vacated and refurbishment commenced so the property could be converted to the Branch's head office. The Branch moved into the new premises on 25 July 2011. Final renovations are yet to be completed.

A contract was entered into on 29 July 2011 to sell the property at 146 Leichhardt Street, Spring Hill. It is anticipated this contract will be completed on 1 September 2011. Consideration for the property is \$3,000,000 plus GST.

The branch has entered into a settlement agreement with a tenant regarding a dispute involving the Branch's investment properties. Funds will be received after the balance sheet date and have not been recorded in the financial year 30 June 2011. Only limited information can be disclosed due to the confidentiality of the agreement.