



21 March 2014

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

Sent by email: secretary@sdaq.asn.au

Dear Mr Ketter

Shop, Distributive and Allied Employees Association, Queensland Branch - Financial Report for year ended 30 June 2013 - (FR2013/293)

I refer to the financial report of the Shop, Distributive and Allied Employees Association, Queensland Branch (the reporting unit). The documents were lodged with the Fair Work Commission on 28 October 2013. The financial report has now been filed.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 30 June 2014 may be subject to an advanced compliance review.

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 2013 report lodged but the Fair Work Commission will confirm these matters have been addressed prior to filing next year's report.

Disclosure of employee expenses/benefits to office holders and other employees

The financial statements have disclosed wages separately for officers and employees, and superannuation, annual leave, long service leave and other employee expenses for 'key management officers', and have disclosed annual and long service leave *provisions* for both officers and employees but do not separately disclose superannuation, annual leave, long service leave or other employee *expenses* for employees'. The Reporting Guidelines¹ require that all employee and officer expense benefits, not merely wages, are reported separately.²

Activities under Reporting Guideline not disclosed

Paragraphs 14, 16, 18, 20, 22, 24, 26, 33 and 38 of the Reporting Guidelines state that if activities identified in the paragraphs to which they relate have not occurred in the reporting period, a statement to this effect must be included in the notes to the GPFR.

¹ Issued 26 June 2013, applying to all financial reports ending 30 June 2013 onwards

² Paragraphs 17(f), 17(g)

Auditor's report: declaration regarding going concern

Paragraph 45 of the reporting guidelines requires an auditor to include in the auditor's statement a declaration that as part of the audit of the financial statement they have concluded that management's use of the going concern basis of accounting in the preparation of the reporting unit's financial statements is appropriate. This declaration was not included in the auditor's statement.

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, I may be contacted on (02) 6723 7237 or by email at stephen.kellett@fwc.gov.au.

Yours sincerely

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

Stephen Kellett

Senior Adviser, Regulatory Compliance Branch

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 23rd day of September 2013; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 15th day of October 2013 in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.



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

Date: 28th October 2013

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

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013**

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

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INDEPENDENT AUDIT REPORT TO MEMBERS

To the Committee of Management of Shop Distributive and Allied Employees Association (QLD Branch)

Report on the Financial Report

We have audited the accompanying financial report of the Shop Distributive and Allied Employees Association (QLD Branch) which comprises the Statement of Committee of Management, Income Statement, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes to Equity, Cash Flow Statement and notes to the financial statements.

The Committee Managements' Responsibility for the Financial Report

The Committee of Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Fair Work (Registered Organisations) Act 2009 and for such internal control as the Committee of Management determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

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.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by The Committee of Management, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

Opinion

In our opinion the financial report presents fairly, in all material respects, the financial position of Shop Distributive and Allied Employees Association (QLD Branch) as at 30 June 2013, and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards and requirement imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

BDO Audit Pty Ltd

A handwritten signature in blue ink, appearing to read 'P A Gallagher', is written over the printed name.

P A Gallagher

Director

Dated at Brisbane this 3rd day of September 2013



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SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION (QLD BRANCH)

DECLARATION OF INDEPENDENCE BY PA GALLAGHER TO THE COMMITTEE MANAGEMENT OF SHOP DISTRIBUTIVE & ALLIED EMPLOYEES ASSOCIATION (QLD BRANCH)

As lead auditor of Shop Distributive and Allied Employees Association (QLD Branch) for the financial year ended 30 June 2013, I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in blue ink, appearing to read 'P A Gallagher', is written over the printed name.

P A Gallagher

Director

BDO Audit Pty Ltd

Dated at Brisbane this 3rd day of September 2013

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

OPERATING REPORT

Membership

Membership of the Branch as at 30 June 2013 was 34,684.

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.

The investment properties in Toowong are currently under re-development.

At 30 June 2013, 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 C. Gazenbeek First Assistant Secretary	State Council member since October 2011 First Assistant Secretary since October 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 Brisbane Area Representative
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
Mr. B. 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
Ms. B. Flood	State Council member since July 2012 Representative from the Northern Districts

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

Dated at Brisbane this 3rd day of September 2013



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Christopher Ronald Ketter
Branch Secretary - Treasurer

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

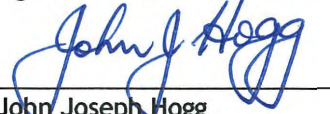
STATEMENT OF THE COMMITTEE OF MANAGEMENT

On the 3rd day of September 2013 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 2013.

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 3rd day of September 2013

Dated at Brisbane this 3rd day of September 2013

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

**INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2013**

	Notes	2013 \$	2012 \$
INCOME			
Membership income		10,185,128	10,260,454
Interest		23,380	14,614
Other Income	2	115,363	15,598
Rental income		1,652,358	1,743,387
TOTAL INCOME		11,976,229	12,034,053
LESS EXPENSES			
Administration costs	3	934,398	961,822
ACTU costs		37,179	10,206
Affiliation fees	4	1,328,084	802,788
Audit fees	6	35,650	32,000
Commission paid (Stores)		943,475	950,788
Consulting/ Training		397,787	382,813
Depreciation		432,672	566,545
Federal expenses		91,083	146,756
Fringe benefits		99,048	91,824
Insurance		207,565	161,478
Legal costs		224,636	454,614
Loss on disposal of investment property		-	64,455
Loss on disposals of property, plant & equipment		12,588	199,377
Organising expenses		418,280	468,792
Other (rental properties expenses)		877,089	956,150
Payroll tax		195,107	210,590
Postage		200,920	215,291
Printing and stationery		286,948	320,939
Salaries and wages			
- Officials		535,932	528,870
- Staff		3,382,919	3,204,940
Scholarship bursaries		138,530	214,530
Shop steward expenses		471,369	480,096
Superannuation		425,212	488,322
TOTAL EXPENSES		11,676,471	11,913,986
OPERATING PROFIT		299,758	120,067

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013**

	Notes	2013 \$	2012 \$
Operating Profit for the year		299,758	120,067
Other Comprehensive Income/(Loss):			
Net gain/(loss) on revaluation of property, plant and equipment		<u>(1,183,278)</u>	<u>-</u>
Other comprehensive income/(loss) for the year		<u>-</u>	<u>-</u>
Total other comprehensive income/(loss) for the year		<u>(1,183,278)</u>	<u>-</u>
Total comprehensive income attributable to the organisation		<u>(883,520)</u>	<u>120,067</u>

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

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013**

	Notes	2013 \$	2012 \$
CURRENT ASSETS			
Cash and cash equivalents	8	476,350	288,245
Trade receivables	9	599,410	633,710
Tickets on hand	10	4,643	3,738
Cash management accounts	11	424,249	451,343
Other current assets	12	961,246	1,111,490
TOTAL CURRENT ASSETS		2,465,898	2,488,526
NON-CURRENT ASSETS			
Property, plant and equipment	13	10,700,481	12,145,885
Investment properties	14	17,020,614	16,528,434
TOTAL NON-CURRENT ASSETS		27,721,095	28,674,319
TOTAL ASSETS		30,186,993	31,162,845
CURRENT LIABILITIES			
Trade and other payables	15	478,123	640,874
Provision for employee benefits	16	1,442,985	1,312,327
Other Current Liabilities	17	2,305	9,185
TOTAL CURRENT LIABILITIES		1,923,413	1,962,386
NON-CURRENT LIABILITIES			
Trade and other payables	15	-	5,944
Provision for long service leave	16	87,170	98,985
TOTAL NON-CURRENT LIABILITIES		87,170	104,929
TOTAL LIABILITIES		2,010,583	2,067,315
NET ASSETS		28,176,410	29,095,530
EQUITY			
Mortality fund	18	160,536	196,136
General fund	19	28,015,874	28,899,394
Asset revaluation reserves	20	-	-
TOTAL EQUITY	21	28,176,410	29,095,530

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

**STATEMENT OF CHANGES TO EQUITY
FOR YEAR ENDED 30 JUNE 2013**

	Notes	Mortality Fund \$	General Fund \$	Asset Revaluation Reserve \$
Balance at 30 June 2011		234,936	26,690,327	2,089,000
Profit/(loss) attributable to the organisation		-	120,067	-
Transfers to and from reserves				
- Asset Revaluation Reserve			2,089,000	(2,089,000)
- Mortality fund		(38,800)	-	-
Transfers from retained earnings		-	-	-
Sub-total		(38,800)	2,209,067	(2,089,000)
Balance at 30 June 2012		196,136	28,899,394	-
Profit/(loss) attributable to the organisation		-	299,758	-
Other Comprehensive Income for the year		-	(1,183,278)	-
Transfers to and from reserves				
- Asset Revaluation Reserve		-	-	-
- Mortality fund		(35,600)	-	-
Transfers from retained earnings		-	-	-
Sub-total		(35,600)	(883,520)	-
Balance at 30 June 2013		160,536	28,015,874	-

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013**

	Notes	2013 \$	2012 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		11,870,880	11,139,453
Payments to suppliers and employees		(11,173,299)	(10,497,313)
Interest received		23,380	14,614
Other receipts		115,363	15,598
Other payments		-	(40,616)
Net cash provided by operating activities	22	836,324	631,736
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		70,592	18,182
Payment for property, plant and equipment		(253,725)	(2,364,271)
Payment for investment properties		(492,180)	(3,028,434)
Proceeds from investment properties		-	3,530,049
Proceeds from investments		27,094	1,441,405
Net cash provided by investing activities		(648,219)	(403,069)
Net increase in cash held		188,105	228,667
Cash at beginning of financial year		288,245	59,578
Cash at end of financial year	8	476,350	288,245

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

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 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.

New, revised or amending Accounting Standards and Interpretations adopted

The incorporated association has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Any significant impact on the accounting policies of the incorporated association from the adoption of these Accounting Standards and Interpretations are disclosed below. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the incorporated association.

The following Accounting Standards and Interpretations are most relevant to the incorporated association:

AASB 2011-9 Amendments to Australian Accounting Standards - Presentation of Items of Other Comprehensive Income

The incorporated association has applied AASB 2011-9 amendments from 1 July 2012. The amendments requires grouping together of items within other comprehensive income on the basis of whether they will eventually be 'recycled' to the profit or loss (reclassification adjustments). The change provides clarity about the nature of items presented as other comprehensive income and the related tax presentation. The amendments also introduced the term 'Statement of profit or loss and other comprehensive income' clarifying that there are two discrete sections, the profit or loss section (or separate statement of profit or loss) and other comprehensive income section.

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) Tickets on hand

Tickets on hand 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.

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	25% - 35%	Diminishing value
Computer Equipment	20% - 66.67%	Diminishing value
Furniture Fittings & Equipment	6.67% - 50%	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 2011. Investment properties are not depreciated.

The property at 385 St Pauls Terrace, Fortitude Valley was recorded as an investment property in the 2011 financial year, however from 25 July 2011 it was used for the operations of the Branch. The building was depreciated from 1 July 2012. As the building was revalued at 30 June 2013, depreciation for 2012 financial year was added back as a result.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

(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.

(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 have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

(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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

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

The income of the Branch is exempt from income tax.

Revenue, 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 exclusive 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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

(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 2: OTHER INCOME

Wage Entitlement

Special Event Income

Government Paid Parental Leave

	2013 \$	2012 \$
	102,337	3,000
	2,000	2,000
	11,026	10,598
	<u>115,363</u>	<u>15,598</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

	Note	2013 \$	2012 \$
NOTE 3: ADMINISTRATION EXPENSES			
Advertising Costs		81,000	67,457
Bank Charges		10,462	9,583
Building Expenses - Head office		175,007	219,831
Donations		2,150	1,636
General Expenses		172,887	255,754
Information Technology costs		181,788	131,196
Interest Expense		1,240	11,117
Meeting Expenses		32,812	27,634
Photocopier Expenses		104,511	84,977
Telephone		172,541	152,637
Training		-	-
Total administration expenses		<u>934,398</u>	<u>961,822</u>

NOTE 4: AFFILIATION FEES

Shop Distributive & Allied Employees National Fund	(a)	836,445	408,124
Shop Distributive & Allied Employees International Fund	(a)	250,934	122,437
The Australian Labor Party		190,487	184,305
The Union Shopper Inc		50,218	87,922
Total Affiliation Fees		<u>1,328,084</u>	<u>802,788</u>

- (a) The recognition of the SDA Affiliation fees was changed in the 2012 financial year to reflect the fees paid over a calendar year. In the past the fees have been recorded over a financial year. In the 2011 financial year the SDA Affiliation Fees were overstated in expenses by \$505,570 and were understated in prepayments by \$505,570. Consequently in the 2012 financial year there was no brought forward prepayment to release, hence the large movement shown above.

NOTE 5: 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).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

NOTE 7: KEY MANAGEMENT PERSONNEL

Category	Count
1	1
2	1
3	1
4	1
5	1
6	1
7	1
8	1
9	1
10	1
11	1
12	1
13	1
14	1
15	1
16	1
17	1
18	1
19	1
20	1
21	1
22	1
23	1
24	1
25	1
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80	1
81	1
82	1
83	1
84	1
85	1
86	1
87	1
88	1
89	1
90	1
91	1
92	1
93	1
94	1
95	1
96	1
97	1
98	1
99	1
100	1

	2013 \$	2012 \$
Short-term employee benefits	310,542	309,847
Post-employment benefits	32,013	31,104
Other long-term benefits	6,528	13,029
Total	349,083	353,980

[illegible]

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013[illegible]

2013	2012
\$	\$

Cash on hand
Members Equity Bank Account
Cash - other

417,501	231,652
58,349	56,093
500	500
<u>476,350</u>	<u>288,245</u>

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	476,350	288,245
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Membership fee receivables

599,410 633,710

Tickets

4,643 3,738

Queensland Credit Union - Action

813 450,867

Queensland Credit Union - Moneymaker

423,436 476

424,249	451,343
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**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

		2013 \$	2012 \$
NOTE 12: OTHER ASSETS			
CURRENT		33,032	20,945
Rental Property Debtors		928,214	1,090,545
Prepayments		961,246	1,111,490
NOTE 13: PROPERTY, PLANT AND EQUIPMENT			
LAND & BUILDING (385 ST PAULS TERRACE)	(a)		
At Directors valuation		9,000,000	10,264,530
Less accumulated depreciation		-	(86,585)
Total land and buildings		9,000,000	10,177,945
PLANT AND EQUIPMENT	(a)		
Air conditioners			
At cost		194,771	194,771
Less accumulated depreciation		(35,521)	(17,827)
		159,250	176,944
Computer equipment	(a)		
At cost		139,323	134,723
Less accumulated depreciation		(102,689)	(64,268)
		36,634	70,455
Furniture, fixtures and fittings	(a)		
At cost		1,010,651	999,292
Less accumulated depreciation		(307,239)	(162,422)
		703,412	836,870
Office equipment	(a)		
At cost		273,875	270,104
Less accumulated depreciation		(95,393)	(50,490)
		178,482	219,614
Motor vehicles			
At cost		1,100,266	1,102,852
Less accumulated depreciation		(477,563)	(438,795)
		622,703	664,057
Total plant and equipment		1,700,481	1,967,940
Total property, plant and equipment		10,700,481	12,145,885

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
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FOR THE YEAR ENDED 30 JUNE 2013**

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

	Land & Building \$	Plant & Equipment \$	Total \$
Balance at the beginning of the year	10,177,945	1,967,940	12,145,885
Additions	5,333	248,392	253,725
Disposals	-	(83,179)	(83,179)
Revaluation increment/(decrement)	(1,183,278)	-	(1,183,278)
Depreciation expenses	-	(432,672)	(432,672)
Carrying amount at the end of the year	<u>9,000,000</u>	<u>1,700,481</u>	<u>10,700,481</u>

- (a) The 385 St Pauls Terrace was recorded in the 2011 financial year as an investment property and became the Branch head office on the 25 July 2011. The property is recorded as land and buildings and split into other asset classes where appropriate in the 2012 financial year. At 30 June 2013 the building was revalued and the loss on revaluation has been recorded in other comprehensive income.

	2013 \$	2012 \$
NOTE 14: INVESTMENT PROPERTIES		
At Directors valuation	16,528,434	24,522,199
Additions at cost	492,180	3,028,434
Disposals	-	(675,000)
Transfer to Land & Buildings and Plant & Equipment	13(a) -	(10,347,199)
Total investment properties	<u>17,020,614</u>	<u>16,528,434</u>

NOTE 15: TRADE AND OTHER PAYABLES

CURRENT

Unsecured liabilities

Trade creditors	31,859	34,179
Accrued Expenses	189,932	172,792
PAYG tax withholding	66,055	118,909
GST payable/(refundable)	190,384	238,434
Superannuation	203	71,221
Employee Deductions	(310)	5,339
	<u>478,123</u>	<u>640,874</u>

NON-CURRENT

Bonds Received	-	5,944
	<u>-</u>	<u>5,944</u>
	<u>478,123</u>	<u>646,818</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

	2013 \$	2012 \$
NOTE 16: EMPLOYEE ENTITLEMENT PROVISIONS		
CURRENT		
Provision for annual leave		
- Holders of office	116,844	127,633
- Other employees	461,551	428,770
Provision for long service leave		
- Holders of office	241,725	226,827
- Other employees	533,209	529,097
Provision for wage increase	89,656	-
	<u>1,442,985</u>	<u>1,312,327</u>
NON-CURRENT		
Provision for long service leave		
- Holders of office	-	-
- Other employees	87,170	98,985
	<u>87,170</u>	<u>98,985</u>
	<u>1,530,155</u>	<u>1,411,312</u>
NOTE 17: OTHER CURRENT LIABILITIES		
Prepaid Rent	2,005	9,185
Credit Facility	300	-
	<u>2,305</u>	<u>9,185</u>
NOTE 18: MORTALITY FUND		
Total at the beginning of the financial year	196,136	234,936
Mortality Funds Paid	(35,600)	(38,800)
Total at reporting date	<u>160,536</u>	<u>196,136</u>
NOTE 19: GENERAL FUND		
Total at the beginning of the financial year	28,899,394	26,690,327
Net income/(loss) for the year	(883,520)	2,209,067
Total at the reporting date	<u>28,015,874</u>	<u>28,899,394</u>
NOTE 20: RESERVES		
Asset revaluation reserve	(a) -	-
(a) Asset revaluation reserve		
Movements during the financial year:		
Opening balance	-	2,089,000
Gain/(loss) on Revaluation of property	-	-
Transfer to General Fund	-	(2,089,000)
Closing balance	<u>-</u>	<u>-</u>

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

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

**NOTES TO THE FINANCIAL STATEMENTS
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	2013 \$	2012 \$
NOTE 21: EQUITY		
Mortality fund	160,536	196,136
General fund	28,015,874	28,899,394
Asset revaluation reserve	-	-
Total at the reporting date	<u>28,176,410</u>	<u>29,095,530</u>

NOTE 22: CASH FLOW INFORMATION

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

Profit/(Loss) for the year	299,758	120,067
Non-cash flows in profit		
Depreciation	432,672	566,545
Loss/(gain) on disposal of property, plant & equipment	12,588	199,377
Loss/(gain) on disposal of investment properties	-	64,455
Changes in assets and liabilities		
(Increase)/decrease in receivables	34,300	7,084
(Increase)/decrease in tickets on hand	(905)	1,173
(Increase)/decrease in other assets	162,331	(514,608)
Increase/(decrease) in payables	(162,751)	21,021
Increase/(decrease) in employee provisions	118,843	201,395
(Increase)/decrease in prepaid rent	(24,912)	4,027
Increase/(decrease) in mortality fund	(35,600)	(38,800)
Cash flows from operations	<u>836,324</u>	<u>631,736</u>

NOTE 23: NUMBER OF EMPLOYEES AT BALANCE DATE

54	56
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NOTE 24: CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

The Branch has a contingent liability of \$340,000 over its credit stand-by arrangements for autopay (2012: \$340,000).

The Branch has a \$1,500,000 Line of Credit with Commonwealth Bank. The facility was drawn down during the year and closing balance at 30 June 2013 is \$300.

NOTE 25: COMMITMENTS

Lease Commitments Receivable

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

Less than one year	1,441,164	1,146,993
Greater than one year but less than two years	803,836	974,639
Greater than two years but less than five years	850,542	651,130
Greater than five years	28,307	-
	<u>3,123,849</u>	<u>2,772,762</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

NOTE 25: COMMITMENTS (cont.)

Commitments Payable

The Branch has no commitments payable related to media publishing agreement and maintenance agreement as this agreement was not renewed in 2013 (2012: members benefit book):

Less than one year	-	51,598
Greater than one year but less than two years	-	-
Greater than two years but less than five years	-	-
Greater than five years	-	-
	-	<u>51,598</u>

NOTE 26: 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 2013.

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 2013.

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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

NOTE 26 FINANCIAL RISK MANAGEMENT (continued)

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.

	Floating Interest Rate		Fixed Interest Rate Maturing		Non-interest Bearing		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets								
Cash at bank	-	-	58,349	56,093	417,501	231,652	475,850	287,745
Trade and other receivables	-	-	-	-	632,442	654,655	632,442	654,655
Investments	-	-	424,249	451,343	-	-	424,249	451,343
Other & Stock	-	-	-	-	932,857	1,094,283	932,857	1,094,283
Total financial assets	-	-	482,598	507,436	1,982,800	1,980,590	2,465,398	2,488,026
Financial liabilities								
Trade and sundry payables	-	-	-	-	478,231	564,314	478,231	564,314
Business Facility	-	-	1,500,000	1,500,000	-	-	1,500,000	1,500,000
Total financial liabilities	-	-	1,500,000	1,500,000	478,231	564,314	1,978,231	2,064,314

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 2013, 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:

	2013	2012
	\$	\$
Change in profit		
Increase in interest rate by 2%	9,652	10,149
Decrease in interest rate by 2%	(9,652)	(10,149)

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 2013**

NOTE 27: BRANCH DETAILS

The registered office of the Branch is:

SDA House

385 St Pauls Terrace

Fortitude Valley , QLD , 4006

NOTE 28: PARENT ENTITY

SDAEA National Office is this Branch's parent entity.

NOTE 29: EVENTS OCCURRING AFTER BALANCE DATE

On 6 July 2012 a special meeting of the State Council was held and it was moved that the Special Meeting of State Council note the decision of the Union of Employees and endorse the decision to proceed with the redevelopment of 48 Jephson Street and 52 Jephson Street, Toowong and to finalise a Call Option agreement with Property Solutions which safeguards the interest of the Union. As part of the agreement, the Union will apply for a Development Application on the Toowong Properties. The Development Application costs to date are \$492,180. Property Solutions are assisting the Union with lease negotiations with current tenants located at the Toowong properties. It is anticipated that the properties will be disposed in accordance with the Call Option. The Call Option expires July 12, 2014.