FAIR WORK COMMISSION

16 December 2015

Mr Christopher Gazenbeek
Secretary, Queensland Branch
Shop, Distributive and Allied Employees Association

Sent via email: secretary@sdaq.asn.au

Dear Mr Gazenbeek,

Re: Lodgement of Financial Statements and Accounts – Shop, Distributive and Allied Employees Association, Queensland Branch - for year ended 30 June 2015 (FR2015/207)

I refer to the financial report for the Queensland Branch of the Shop, Distributive and Allied Employees Association. The report was lodged with the Fair Work Commission on 2 December 2015.

The financial report has been 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 2016 may be subject to an advanced compliance review. You are not required to take any further action in respect of the report lodged, but I make the following comments to assist you when you next prepare a financial report.

Disclosure of grants or donations

Reporting Guideline 16(e) requires that where grants or donations have been paid, the total amounts paid are to be disclosed as follows:

(i) grants that were $1,000 or less;
(ii) grants that exceeded $1,000;
(iii) donations that were less than $1,000; and
(iv) donations that exceeded $1,000

Note 7(a) discloses the respective amounts paid in donations but does not make a disclosure in respect of grants expense. Where no grants are paid, Reporting Guideline 17 requires a statement to that effect to be made in the notes to the financial report.[1]

Reporting Requirements

On the FWC website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a

[1] Or a nil balance as per the Model financial statements. This omission appears to have been inadvertently overlooked in respect of the previous year's report.

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model set of financial statements can also be found. The FWC recommends reporting units use this model as it will assist in ensuring compliance with the *Fair Work (Registered Organisations) Act 2009*, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via this link.

If you require further information on the financial reporting requirements of the Act, I may be contacted on (02) 6746 3283 or 0429 462 979 or by email at stephen.kellett@fwc.gov.au

Yours sincerely

Stephen Kellett
Senior Adviser
Regulatory Compliance Branch

SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
(QLD BRANCH)

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

DESIGNATED OFFICER'S CERTIFICATE
FOR THE PERIOD ENDED 30 JUNE 2015

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

- that the documents lodged herewith are copies of the full report for the Shop, Distributive & Allied Employees Association (Queensland Branch) for the period ended 30 June 2015 referred to in section 268 of the *Fair Work (Registered* Organisations) Act 2009; and
- that the full report (excluding the Detailed Income Statement) was provided to members of the reporting unit on 18th day of September 2015; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 18th day of November 2015 in accordance with section 266 of the *Fair Work (Registered Organisations)* Act 2009.

....
Christopher Gazenbeek
Secretary - Treasurer

Date: 30th November 2015

SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION (QLD BRANCH)

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2015

SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
(QLD BRANCH)

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Level 10, 12 Creek St
Brisbane QLD 4000
GPO Box 457, Brisbane QLD 4001
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Shop, Distributive and Allied Employees Association (QLD Branch)

Report on the Financial Report

We have audited the accompanying financial report of Shop, Distributive and Allied Employees Association (QLD Branch), which comprises the statement of financial position as at 30 June 2015, the statement of comprehensive income, the statement of other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Committee of Management's assertion statement.

Committee of Management's 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 the reporting guidelines of the General Manager, 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 and fair presentation of the financial report 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.

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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 2015, and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards and the Fair Work *(Registered Organisations) Act 2009* and the reporting guidelines of the General Manager.

Report on recovery of wages activity

We have audited the recovery of wages activity financial report included in Shop, Distributive and Allied Employees Association (QLD Branch)'s report for the year ended 30 June 2015.

The Committee of Management are responsible for the preparation and fair presentation of the recovery of wages activity financial report in accordance with the reporting guidelines of the General Manager. Our responsibility is to express an opinion on the wages activity financial report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the recovery of wages activity financial report presents fairly, in all material respects the recovery of wages activity of Shop, Distributive and Allied Employees Association (QLD Branch) for the year ended 30 June 2015 in accordance with the guidelines of the General Manager, including:

a. any fees charged to, or reimbursements of expenses claimed from, members and others for recovery of wages activity; and
b. any donations or other contributions deducted from recovered money.

Use of Going Concern Assumption

As part of our audit of the financial report, we have concluded that managements use of the going concern assumption as set out in Note 38 in the preparation of the financial statements is appropriate. Because not all future events or conditions can be predicted, this statement is not a guarantee as to the entity's ability to continue as a going concern.

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Declaration by the auditor

I, Paul Gallagher, declare the following:

1) I am a registered auditor;
2) I am a member of the Institute of Chartered Accountants in Australia; and
3) I hold a current Public Practice Certificate

BDO Audit Pty Ltd

BDO

P A Gallagher

Director

Brisbane, 4 September 2015

SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
(QLD BRANCH)

OPERATING REPORT
FOR THE PERIOD ENDED 30 JUNE 2015

The committee presents its report on the reporting unit for the financial year ended 30 June 2015.

Review of principal activities

The principal activity of the Branch is to preserve and enhance the wages and working conditions of its members, and promote 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.

There were no significant changes in the nature of the Branch's principal activities during the reporting period.

Significant Changes in Financial Affairs

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

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

There are no officers or employees of the branch who are superannuation fund trustees or director of a company that is a superannuation fund trustee.

Affiliations & Directorships

The Branch is affiliated with the Australian Labor Party ("ALP"). Delegates were credentialed to the State meetings of the ALP.

Membership

Membership of the Branch as at 30 June 2015 was 31,199.

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

Employees

At 30 June 2015, there were 64 persons employed by the Branch.

Committee of Management

The members of the State Council of the Branch at any time during or since the end of the financial year were:

Name	*State Council*
Mr 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

SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
(QLD BRANCH)

OPERATING REPORT
FOR THE PERIOD ENDED 30 JUNE 2015

Mr C. Gazenbeek Branch Secretary - Treasurer	State Council member since October 2011 First Assistant Secretary since October 2011 Branch Secretary – Treasurer since 26 July 2014
Mr. J. Power Assistant Secretary	State Council member since November 2014 Assistant Secretary since November 2014
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. M. Wedgwood	State Council member since July 2014 Brisbane Area Representative
Ms. M. Stanton	State Council member since June 2010 Brisbane Area Representative
Ms. B. Flood	State Council member since July 2012 Representative from the Northern Districts
Ms. T. Williams	State Council member since July 2014 Representative from the Northern Districts
Ms. S. McLean	State Council member since July 2014 Representative from the Southern & Western Districts
Mrs. P. Wilson	State Council member since February 2009 Representative from the Southern & Western Districts
Mrs. R. Welch	State Council member since July 2014 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 4th day of September 2015

Chris Gazenbeek

....

Christopher Gazenbeek
Branch Secretary - Treasurer

SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
(QLD BRANCH)

COMMITTEE OF MANAGEMENT STATEMENT
FOR THE PERIOD ENDED 30 JUNE 2015

On the 1st day of September 2015 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 year ended 30 June 2015.

The Committee of Management declares in relation to the General Purpose Financial Report ("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 Commission;

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 that the reporting unit will be able to pay its debts as and when they become due and payable; and

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; and

   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; and

   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; and

   iv) Where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and

   v) Where information has been sought in any request by a member of the reporting unit or a General Manager duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been provided to the member or General Manager of Fair Work Commission; and

   vi) Where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the Fair Work (Registered Organisations) Act 2009, there has been compliance.

f) In relation to recovery of wages activity; no revenue has been derived from undertaking recovery of wages activity during the reporting period.

This declaration is made in accordance with a resolution of the Committee of Management.
Signed on behalf of the Committee of Management:

John Joseph Hogg
Branch President

Dated at Brisbane this 4th day of September 2015

Christopher Gazenbeek
Branch Secretary - Treasurer

Dated at Brisbane this 4th day of September 2015

SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
(QLD BRANCH)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 $	2014 $
INCOME			
Membership income		9,835,868	10,508,216
Interest		63,354	36,099
Other Income	3	79,372	72,685
Rental income		1,631,362	1,710,859
TOTAL INCOME		11,609,956	12,327,859
LESS EXPENSES			
Administration costs	7	1,053,704	973,561
ACTU costs		57,281	35,798
Affiliation fees	9	1,233,270	1,262,621
Audit fees	10	36,074	35,350
Considerations paid to employers for payroll deductions		913,972	976,021
Consulting/ Training		385,680	322,171
Depreciation		383,520	427,362
Federal Meeting expenses	8	115,661	88,441
Fringe benefits		87,123	80,183
Insurance		208,419	210,979
Legal costs	11	240,716	219,956
Loss on disposal of investment property		-	-
Loss on disposals of property, plant & equipment		146,053	32,243
Organising expenses		475,106	390,163
Other (rental properties expenses)		961,922	903,774
Payroll tax		182,845	187,607
Postage		267,910	182,943
Printing and stationery		243,138	146,239
Provision for Long Service Leave		(25,551)	(49,934)
Salaries and wages			
- Officials	13	236,525	687,831
- Staff	13	3,325,345	2,672,285
Scholarship bursaries		153,000	153,820
Shop steward expenses		315,832	535,300
Superannuation	13	431,513	406,055
TOTAL EXPENSES		11,429,059	10,880,769
OPERATING PROFIT		180,897	1,447,090

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
(QLD BRANCH)

STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 $	2014 $
Operating Profit for the year		**180,897**	**1,447,090**
Other Comprehensive Income/(Loss):			
Net gain/(loss) on revaluation of property, plant and equipment		**-**	**271,566**
Other comprehensive income/(loss) for the year		**-**	**-**
Total other comprehensive income/(loss) for the year		**-**	**271,566**
Total comprehensive income attributable to the organisation		**180,897**	**1,718,656**

The above Statement of Other Comprehensive Income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

	Notes	2015 $	2014 $
CURRENT ASSETS			
Cash and cash equivalents	15	412,823	406,385
Trade and other receivables	16	290,121	500,946
Tickets on hand	17	21,876	6,290
Cash management accounts	18	2,495,665	1,918,422
Other current assets	19	1,130,172	978,809
TOTAL CURRENT ASSETS		4,350,657	3,810,852
NON-CURRENT ASSETS			
Property, plant and equipment	20	10,068,346	10,391,346
Investment properties	21	17,299,998	17,292,690
TOTAL NON-CURRENT ASSETS		27,368,344	27,684,036
TOTAL ASSETS		31,719,001	31,494,888
CURRENT LIABILITIES			
Trade and other payables	22	460,747	455,716
Provision for employee benefits	23	1,168,407	1,054,747
Other Current Liabilities	24	22,522	12,893
TOTAL CURRENT LIABILITIES		1,651,676	1,523,356
NON-CURRENT LIABILITIES			
Trade and other payables	22	-	-
Provision for long service leave	23	60,962	108,466
TOTAL NON-CURRENT LIABILITIES		60,962	108,466
TOTAL LIABILITIES		1,712,638	1,631,822
NET ASSETS		30,006,363	29,863,066
EQUITY			
Mortality fund	25	90,936	128,536
General fund	26	29,915,427	29,734,530
Asset revaluation reserves		-	-
TOTAL EQUITY	27	30,006,363	29,863,066

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY
FOR YEAR ENDED 30 JUNE 2015

	Mortality Fund	General Fund	Asset Revaluation Reserve	Total
	$	$	$	$
Balance at 1 July 2012	**196,136**	**28,899,394**	**-**	**29,095,530**
Profit/(loss) attributable to the organisation	-	299,758	-	299,758
Transfers to and from reserves	-	(1,183,278)	-	(1,183,278)
- Asset Revaluation Reserve	-	-	-	-
- Mortality fund	(35,600)	-	-	(35,600)
Transfers from retained earnings	-	-	-	-
Sub-total	(35,600)	(883,520)	-	(919,120)
Balance at 30 June 2013	**160,536**	**28,015,874**	**-**	**28,176,410**
Profit/(loss) attributable to the organisation	-	1,447,090	-	1,447,090
Other Comprehensive Income for the year	-	271,566	-	271,566
Transfers to and from reserves				
- Asset Revaluation Reserve	-	-	-	-
- Mortality fund	(32,000)	-	-	(32,000)
Transfers from retained earnings	-	-	-	-
Sub-total	(32,000)	1,718,656	-	1,686,656
Balance at 30 June 2014	**128,536**	**29,734,530**	**-**	**29,863,066**
Profit/(loss) attributable to the organisation	-	180,897	-	180,897
Other Comprehensive Income for the year	-	-	-	-
Transfers to and from reserves				
- Asset Revaluation Reserve	-	-	-	-
- Mortality fund	(37,600)	-	-	(37,600)
Transfers from retained earnings	-	-	-	-
Sub-total	(37,600)	180,897	-	143,297
Balance at 30 June 2015	**90,936**	**29,915,427**	**-**	**30,006,363**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 $	2014 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		11,621,794	12,310,144
Payments to suppliers and employees		(10,929,338)	(10,811,427)
Interest received		63,354	36,099
Other receipts		79,372	72,685
Interest and other costs of finance paid		(20)	(312)
Other payments		(37,600)	(32,000)
Net cash provided by operating activities	28	797,562	1,575,189
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		-	79,606
Payment for property, plant and equipment		(206,573)	(214,133)
Payment for investment properties		(7,308)	(510)
Payment for other non-current assets		-	(15,943)
Payments for investments		(577,243)	(1,494,174)
Net cash provided by investing activities		(791,124)	(1,645,154)
Net decrease in cash held		6,438	(69,965)
Cash at beginning of financial year		406,385	476,350
Cash at end of financial year	15	412,823	406,385

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

RECOVERY OF WAGES ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 $	2014 $
Cash assets in respect of recovered money at beginning of year		-	-
RECEIPTS			
Amounts recovered from employers in respect of wages		-	-
Interest received on recovered monies		-	-
TOTAL RECEIPTS		-	-
LESS PAYMENTS			
Deductions of amounts due in respect of membership for:			
- Less than 12 months		-	-
- Greater than 12 months		-	-
Deductions of donations or other contributions to accounts or funds for:			
- The reporting unit		-	-
- Other reporting unit of the organisation		-	-
- Other entity		-	-
Deductions of fees or reimbursement of expenses		-	-
Payments to workers in respect of recovered money		-	-
TOTAL PAYMENTS		-	-
Cash assets in respect of recovered money at end of year		-	-
Number of workers to which the monies recovered relates		-	-
Aggregate Payables to workers attributable to recovered monies but not yet distributed			
Payable balance		-	-
Number of Workers the payable relates to		-	-
Funds or Account operated for recovery of wages			
Account Name		-	-

The above Recovery of Wages Activity should be read in conjunction with the accompanying notes.

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.

Basis of Preparation

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the Fair Work (Registered Organisation) Act 2009. For the purpose of preparing the general purpose financial statements, the Shop, Distributive and Allied Employees Association (QLD Branch) is a not-for-profit entity.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

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.

Comparative amounts

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

Significant accounting judgements and estimates

The following accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Measurement of fair values

A number of the branch’s accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The branch has an established control framework with respect to the measurement of fair values. Significant fair value measurements are overseen and reviewed regularly, including unobservable inputs and valuation adjustments. If third party information is used to measure fair values, the branch assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of AASBs, including the level in the fair value hierarchy in which such valuations should be classified. Significant valuation issues are reviewed by the branch’s Audit and Risk Committee.

When measuring the fair value of an asset or a liability, the branch uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The branch recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes: Note 20: Property, Plant & Equipment and Note 21: Investment property.

New Australian Accounting Standards

The branch 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.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the branch.

No accounting standard has been adopted earlier than the application date stated in the standard.

Future Australian Accounting Standards Requirements

The following new standards, amendments to standards and interpretations have been identified as those that may affect the branch on initial application. They have not been applied in preparing these financial statements.

i) AASB 15 Revenue from Contracts with Customers (applicable for reporting periods beginning on or after 1 January 2018); and

ii) AASB 9 Financial Instruments (applicable for reporting periods beginning on or after 1 January 2018).

The branch has yet to determine what impact, if any, that these standards will have on the financial statements of the branch.

Accounting Policies

(a) Revenue

Revenue is measured at the fair value of the consideration received or receivable. All revenue is stated net of the amount of goods and services tax (GST).

Revenue from subscriptions is accounted for on an accrual basis and is recorded as revenue in the year to which it relates.

Revenue from the sale of goods is recognised when, the risks and rewards of ownership have been transferred to the buyer, the branch retains no managerial involvement or effective control over the goods, the revenue and transaction costs incurred can be reliably measured, and it is probable that the economic benefits associated with the transaction will flow to the branch. Proceeds from the disposal of non-current assets are stated net of carrying amounts.

Donation income is recognised when it is received.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

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

(b) Employee Benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability, plus related on-costs.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the reporting unit in respect of services provided by employees up to reporting date.

(c) 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.

All other borrowing costs are recognised in profit and loss in the period in which they are incurred.

(d) Cash and Cash Equivalents

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the consolidated statement of financial position.

(e) Tickets on hand

Tickets on hand are measured at the lower of cost and net realisable value.

(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) Financial Instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the branch becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Classification and Subsequent Measurement

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

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

Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

(ii) Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

(iii) Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity dates that the reporting unit has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

(iv) Available-for-sale financial assets

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

(v) Financial liabilities at fair value through profit or loss

Financial liabilities 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 liabilities is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy.

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

(vi) Other Financial Liabilities

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

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 branch 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.

(h) Contingent liabilities and contingent assets

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

(i) 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

Following initial recognition at cost, land and buildings are carried at fair value (being the amount which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction) less subsequent accumulated depreciation and accumulated impairment losses. Revaluations by external valuers are performed with periodically, but at least triennial, such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

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.

Revaluations

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.

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 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%	Diminishing value
Computer Equipment	50% - 66.67%	Diminishing value
Computer Software	25% - 40%	Straight line
Furniture, Fixtures & Fittings	6.67% - 50%	Diminishing value
Office Equipment	20% - 40%	Diminishing value
Land & Buildings	2.5%	Straight line

Derecognition

An item of land, buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

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.

When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.

(j) Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit and loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

A portion of land & buildings are investment properties that are held by the Branch for the abovementioned purposes, and they are not occupied by or for the operations of the Branch. The investment properties were revalued at 30 June 2014. Investment properties are not depreciated.

(k) 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 it recoverable amounts 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 estimate the recoverable amount of the cash generating unit to which the asset belongs.

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

The income of the Branch is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:
- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

(m) Acquisition of assets and or liabilities that do not constitute a business combination

The branch has not acquired any assets or liabilities transferred to the branch for no consideration for the purposes of amalgamation under Part 2 of Chapter 3 of the Fair Work (Registered Organisations) Act 2009; a restructure of the branches of the Queensland branch; a determination by the General Manager under subsections 245(1) of the Fair Work (Registered Organisations) Act 2009; or a revocation by the General Manager under subsection 249(1) of the Fair Work (Registered Organisations) Act 2009.

If any assets and liabilities were acquired for no consideration they are recognised at the date of transfer.

NOTE 2: 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 reads as follows:

Information to be provided to members or General Manager:

(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

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

	2015 $	2014 $
NOTE 3: OTHER INCOME		
Wage Entitlement	**75,526**	**61,488**
Special Event Income	**-**	**-**
Government Paid Parental Leave	**3,846**	**11,197**
	79,372	**72,685**

	2015 $	2014 $
NOTE 4: CAPITATION FEES		
Capitation Fees Received	**-**	**-**
	-	**-**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

		2015 $	2014 $
NOTE 5: LEVIES RECEIVED			
Compulsory Levies / Voluntary Levy / Appeals		-	-
		-	-
NOTE 6: GRANTS OR DONATIONS RECEIVED			
Grants		-	-
Donations		-	-
		-	-
NOTE 7: ADMINISTRATION EXPENSES			
Advertising Costs		19,051	39,243
Bank Charges		12,042	12,052
Building Expenses – Head office		200,108	206,956
Compulsory levies		-	-
Donations	(a)	1,650	43,827
General Expenses		267,424	189,273
Information Technology costs		267,394	185,038
Interest Expense		366	31
Conference & Meeting Expenses		43,834	36,438
Photocopier Expenses		134,832	129,633
Telephone		107,003	131,070
Total administration expenses		1,053,704	973,561
NOTE 7(a): DONATIONS PAID			
- Total paid that were $1,000 or less		-	500
- Total Paid that exceeded $1,000		1,650	43,327
		1,650	43,827
NOTE 8: FEDERAL EXPENSES			
- Conference & Meeting Expenses		75,213	54,590
- Fees & Allowances - Meeting & Conferences		40,448	33,851
		115,661	88,441
NOTE 9: AFFILIATION FEES			
Shop Distributive & Allied Employees National Fund		853,357	838,087
Shop Distributive & Allied Employees International Fund		128,003	188,415
The Australian Labor Party		205,459	148,450
The Union Shopper Inc		46,451	87,669
Total Affiliation Fees		1,233,270	1,262,621

	2015 $	2014 $
NOTE 10: AUDITORS' REMUNERATION		
Remuneration of the auditor for:		
- Auditing or reviewing the financial report	36,074	35,000
- Other accounting and taxation services provided by related practice of auditor	186,216	164,772
	222,284	199,772
NOTE 11: LEGAL COSTS		
- Litigation	31,916	26,150
- Other Legal Matters	208,800	193,806
	240,716	219,956
NOTE 12: CAPITATION FEES		
Capitation Fees Paid	-	-
	-	-
NOTE 13: EMPLOYEE EXPENSES		
Holders of Office:		
- Wages and Salaries	218,678	495,186
- Leave and Other Entitlements	17,848	192,645
- Separation and Redundancies	-	-
- Other Employee Expenses	-	-
	236,526	687,831
Employees other than Office Holders:		
- Wages and Salaries	3,087,529	2,461,152
- Leave and Other Entitlements	237,816	211,133
- Separation and Redundancies	-	-
- Other Employee Expenses	-	-
	3,325,345	2,672,285
Total Employee Expenses	3,561,871	3,360,116
Superannuation – Holders of Office	34,895	69,297
Superannuation – Employees other than Office Holders	396,618	336,758
Total Superannuation Expenses	431,513	406,055
NOTE 14: OTHER EXPENSES		
Penalties – via RO Act or RO Regulations	-	-
	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

		2015 $	2014 $
NOTE 15: CASH AND CASH EQUIVALENTS			
Cash on hand		412,323	345,673
Members Equity Bank Account		-	60,212
Cash – other		500	500
		412,823	406,385
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		412,823	406,385
NOTE 16: TRADE AND OTHER RECEIVABLES			
CURRENT			
Membership fee receivables	(a)	290,121	500,946
Receivables from other reporting units		-	-
Less Provision for Doubtful Debts		-	-
		290,121	500,946

(a) Membership fee receivables represents the net amount after the amount payable to employers as consideration for payroll deductions of membership subscriptions estimated to be $32,236 (2014: $55,661)

	2015 $	2014 $
NOTE 17: TICKETS ON HAND		
CURRENT		
Tickets	21,876	6,290
NOTE 18: CASH MANAGEMENT ACCOUNTS		
CURRENT		
Queensland Credit Union – Action	-	813
Queensland Credit Union – Moneymaker	2,495,665	1,917,609
	2,495,665	1,918,422
NOTE 19: OTHER ASSETS		
CURRENT		
Rental Property Debtors	92,711	51,966
Prepayments	1,037,461	926,843
	1,130,172	978,809
NOTE 20: PROPERTY, PLANT AND EQUIPMENT		
LAND & BUILDING (385 ST PAULS TERRACE)		
At Fair Value	9,015,943	9,015,943
Less accumulated depreciation	(155,686)	(77,730)
Total land and buildings	8,860,257	8,938,213

	2015 $	2014 $
NOTE 20: PROPERTY, PLANT AND EQUIPMENT (CONT.)		
PLANT AND EQUIPMENT		
Air conditioners		
At cost	80,198	194,771
Less accumulated depreciation	(1,560)	(51,446)
	78,638	143,325
Computer equipment		
At cost	169,542	168,188
Less accumulated depreciation	(147,793)	(130,332)
	21,749	37,856
Furniture, fixtures and fittings		
At cost	1,010,650	1,010,650
Less accumulated depreciation	(510,779)	(420,525)
	499,871	590,125
Office equipment		
At cost	284,153	277,168
Less accumulated depreciation	(163,612)	(132,094)
	120,541	145,074
Motor vehicles		
At cost	871,994	930,678
Less accumulated depreciation	(384,704)	(393,925)
	487,290	536,753
Total plant and equipment	1,208,089	1,453,133
Total property, plant and equipment	10,068,346	10,391,346

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

	Land & Building $	Plant & Equipment $	Total $
Balance at the beginning of the year	8,938,213	1,453,133	10,391,346
Additions	-	273,981	273,981
Disposals	-	(213,461)	(213,461)
Revaluation increment/(decrement)	-	-	-
Depreciation expenses	(77,956)	(305,564)	(383,520)
Carrying amount at the end of the year	8,860,257	1,208,089	10,068,346

Measurement of fair value

	Level 1	Level 2	Level 3
Assets Measured at Fair Value			
385 St Pauls Terrace, Fortitude Valley	-	-	8,860,257
			8,860,257

NOTE 20: PROPERTY, PLANT AND EQUIPMENT (CONT.)

Measurement of fair value

(i) Fair value hierarchy

The fair value of land and buildings was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuers provide the fair value of the branch's head office property at least every three years.

The fair value measurement for the investment properties of $9,000,000 was determined at 30 June 2013 by T Gasiewski, Director and certified practicing valuer of CBRE, a registered independent appraiser having an appropriate recognised professional qualification in Australian Property Institute and recent experience in the location and category of the property being valued. The fair value measurements have been categorized as follows based on the inputs to the valuation technique used (see Note 1).

(iii) Level 3 fair value – valuation techniques and significant unobservable inputs

The following shows the valuation technique used in measuring the fair value of land and buildings, as well as the significant unobservable inputs used.

Primary Valuation technique

Capitalisation approach

The valuation model involves estimating the potential sustainable Gross Rental Income at passing and market rates and other income (e.g. car parking) of a similar property from which annual outgoings are deducted to derive the Net Income on a fully leased basis. This Net Income is then capitalised at an appropriate rate derived from analysis of comparable sales evidence. Adjustments to the capitalised value are then made for items including profit rent/shortfall derived from passing rents which are above or below market, letting up allowance over vacant areas including foregone rental and outgoings over the assumed letting up period and outstanding lease incentives including rent free periods and capital expenditure and refurbishments and make good allowances.

Secondary Valuation technique

Discount Cash Flow approach

The valuation model involves estimating the long term return that is likely to be derived from a property with a combination of both rental and capital growth over an assumed investment horizon. Assumptions used include a target or pre-selected internal rate of return, rental growth, occupancy, sale price of the property at the end of the investment horizon, potential capital expenditure, costs associate with the initial purchase of the property, and also its disposal at the end of the investment period.

(a) Significant unobservable inputs

Full tenancy area – 1,767m2
Tenancy terms – 2 years
Passing rent/m2 - $450
Market rent/m2 - $450
Other income/m2 - $81
Outgoings/m2 - $114
Capitalised value – 8.25%
Passing capital adjustments - $15
Market capital adjustments - $15

(b) Inter-relationship between key unobservable inputs and fair value measurement

The higher the discount rate, yield and expected vacancy rate, the lower the fair value.
The higher the rental growth rate, the higher the fair value.

If land and buildings were measured using the cost model, the carrying amounts would be as follows:

	2015 $	2014 $
Cost	10,285,806	10,285,806
Less accumulated depreciation	(166,629)	(88,673)
Net Carrying amount	10,119,177	10,197,133

NOTE 20: PROPERTY, PLANT AND EQUIPMENT (CONT.)

The revalued land and buildings consist of 1,474 sqm of land, Multi Purpose Building, and 40 car parking bays. Management determined that these constitute one class of asset under AASB 13, based on the nature, characteristics and risks of the property. Management have also reviewed the valuation conducted on 30 June 2013, and have determined that the valuation is true and fair for the financial year ended 30 June 2015.

	2015 $	2014 $
NOTE 21: INVESTMENT PROPERTIES		
At Fair Value	17,292,690	17,020,614
Additions at cost	7,308	510
Disposals	-	-
Revaluation increment/(decrement)	-	271,566
Total investment properties	17,299,998	17,292,690

Movements in the investment properties during the financial year were as follows:

	67 St Pauls Tce $	48-52 Jephson St $	Total $
Balance at the beginning of the year	8,500,000	8,792,690	17,292,690
Additions	-	7,308	7,308
Disposals	-	-	-
Fair Value Adjustment (see below)	-	-	-
Carrying amount at the end of the year	8,500,000	8,799,998	17,299,998

Measurement of fair value

	Level 1	Level 2	Level 3
Assets Measured at Fair Value			
67 St Pauls Terrace, Fortitude Valley	-	-	8,500,000
48 Jephson St, Toowong	-	4,134,939	-
52 Jephson St, Toowong	-	4,665,059	-
	-	8,799,998	8,500,000

(j) Fair value hierarchy

The fair value of investment properties was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuers provide the fair value of the branch's investment property at least every three years.

The fair value measurement for the investment properties of $16,800,000 was determined at 30 June 2014 by T Gasiewski, Director and certified practicing valuer of CBRE, a registered independent appraiser having an appropriate recognised professional qualification in Australian Property Institute and recent experience in the location and category of the property being valued. The fair value measurements have been categorized as follows based on the inputs to the valuation technique used (see Note 1).

NOTE 21: INVESTMENT PROPERTIES (CONT.)

Measurement of fair value (cont.)

(ii) Level 2 fair value – valuation techniques and significant observable inputs

The following shows the valuation technique used in measuring the fair value of investment properties, as well as the significant observable inputs used.

Valuation technique

Direct Comparison approach

The valuation model involves assessing the value based on a direct comparison of dollar rates per square meter of land area, against current market data of similar properties. This approach takes into account market evidence, nature and condition of the property, location and development potential.

(a) Significant unobservable inputs

Land Area – 2,077 m2

Adopted rate/m2 range - $3,500 - $4,500 (weighted average $4,000)

(b) Inter-relationship between key unobservable inputs and fair value measurement

The higher the discount rate, yield and expected vacancy rate, the lower the fair value.

The higher the rental growth rate, the higher the fair value.

(iii) Level 3 fair value – valuation techniques and significant unobservable inputs

The following shows the valuation technique used in measuring the fair value of investment properties, as well as the significant unobservable inputs used.

Primary Valuation technique

Capitalisation approach

The valuation model involves estimating the potential sustainable Gross Rental Income at passing and market rates and other income (e.g. car parking) of a similar property from which annual outgoings as well as adjustments for vacancies are deducted to derive the Net Income. This Net Income is then capitalised at an appropriate rate derived from analysis of comparable sales evidence. Adjustments to the capitalised value are then made for items including profit rent/shortfall derived from passing rents which are above or below market, letting up allowance over vacant areas including foregone rental and outgoings over the assumed letting up period and outstanding lease incentives including rent free periods and capital expenditure and refurbishments and make good allowances.

Secondary Valuation technique

Discount Cash Flow approach

The valuation model involves estimating the long term return that is likely to be derived from a property with a combination of both rental and capital growth over an assumed investment horizon. Assumptions used include a target or pre-selected rate of return, rental growth, occupancy, sale price of the property at the end of the investment horizon, potential capital expenditure, costs associate with the initial purchase of the property, and also its disposal at the end of the investment period.

NOTE 21: INVESTMENT PROPERTIES (CONT.)

Measurement of fair value (cont.)

(a) Significant unobservable inputs

Full tenancy area – 2,612m2

Vacancy area – 368m2

Tenancy terms – 3 years

Passing rent/m2 - $433

Market rent/m2 - $424

Other income/m2 - $51

Outgoings/m2 - $161

Vacancy/m2 - $448

Capitalised value – 9%

Passing capital adjustments - $1,034

Market capital adjustments - $930

(b) Inter-relationship between key unobservable inputs and fair value measurement

The higher the discount rate, yield and expected vacancy rate, the lower the fair value.

The higher the rental growth rate, the higher the fair value.

	2015 $	2014 $
NOTE 22: TRADE AND OTHER PAYABLES		
CURRENT		
Unsecured liabilities		
Trade creditors	55,185	32,419
Payables to other reporting units	-	-
Accrued Expenses	183,516	146,371
PAYG tax withholding	59,928	78,469
GST payable/(refundable)	162,119	198,647
Legal Costs	-	-
Superannuation	-	-
Employee Deductions	-	(190)
	460,747	455,716

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

	2015 $	2014 $
NOTE 23: EMPLOYEE ENTITLEMENT PROVISIONS		
CURRENT		
Holders of Office:		
- Provision for Annual Leave	26,079	65,226
- Provision for Long Service Leave	119,370	126,539
- Provision for Separation & Redundancies	-	-
- Provision for Other Employee Provisions	-	-
	145,449	191,765
Employees other than Office Holders:		
- Provision for Annual Leave	454,654	433,322
- Provision for Long Service Leave	568,304	429,660
- Provision for Separation & Redundancies	-	-
- Provision for Other Employee Provisions	-	-
	1,022,958	862,983
Provision for wage increase	-	-
	1,168,407	1,054,747
NON-CURRENT		
Holders of Office:		
- Provision for Long Service Leave	-	-
Employees other than Office Holders:		
- Provision for Long Service Leave	60,962	108,466
- Provision for Separation & Redundancies	-	-
- Provision for Other Employee Provisions	-	-
	1,229,369	1,163,213

	2015	2014
NOTE 24: OTHER CURRENT LIABILITIES		
Prepaid Rent	22,554	12,905
Credit Facility	(32)	(12)
	22,522	12,893
NOTE 25: MORTALITY FUND		
Total at the beginning of the financial year	128,536	160,536
Mortality Funds Paid	(37,600)	(32,000)
Total at reporting date	90,936	128,536
NOTE 26: GENERAL FUND		
Total at the beginning of the financial year	29,734,530	28,015,874
Net income/(loss) for the year	180,897	1,718,656
Total at the reporting date	29,915,427	29,734,530

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

	2015 $	2014 $
NOTE 27: EQUITY		
Mortality fund	90,936	128,536
General fund	29,915,427	29,734,530
Asset revaluation reserve	-	-
Total at the reporting date	30,006,363	29,863,066

NOTE 28: CASH FLOW RECONCILIATION

	2015 $	2014 $
(a) Reconciliation of cash flow from operations with Net profit attributable to the organization:		
Profit/(Loss) for the year	180,897	1,718,656
Non-cash flows in profit		
Depreciation	383,520	427,362
Loss/(gain) on disposal of property, plant & equipment	146,053	32,243
Loss/(gain) on investment properties	-	(271,566)
(Increase)/decrease in receivables	158,716	87,155
(Increase)/decrease in tickets on hand	(15,585)	(1,647)
(Increase)/decrease in other assets	(110,618)	1,371
Increase/(decrease) in payables	(20,940)	13,611
Increase/(decrease) in employee provisions	66,345	(367,024)
Increase/(decrease) in prepaid rent	9,649	10,900
Increase/(decrease) in other liabilities	37,145	(43,562)
Increase/(decrease) in line of credit	(20)	(312)
Increase/(decrease) in mortality fund	(37,600)	(32,000)
Cash flows from operations	797,562	1,575,189

NOTE 28 (a): CASH FLOW INFORMATION

	2015 $	2014 $
Cash inflows		
SDA National	-	52,249
Total Cash inflows	-	52,249
Cash outflows		
SDA National	1,061,393	1,117,793
Total Cash outflows	1,061,393	1,117,793

NOTE 29: CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

The Branch has a contingent liability of $340,000 over its credit stand-by arrangements for autopay (2014: $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 2015 is $32.

	2015	2014
	$	$

NOTE 30: COMMITMENTS

Lease Commitments Receivable

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

	2015 $	2014 $
Less than one year	617,462	1,117,627
Greater than one year but less than two years	203,398	663,182
Greater than two years but less than five years	89,350	571,212
Greater than five years	-	-
	910,210	2,352,021

Commitments Payable

The Branch has commitments payable related to maintenance contracts for the head office:

	2015 $	2014 $
Less than one year	31,848	80,348
Greater than one year but less than two years	18,096	-
Greater than two years but less than five years	54,288	-
Greater than five years	-	-
	104,232	80,348

NOTE 31: RELATED PARTY TRANSACTIONS

SDA National

	2015 $	2014 $
Affiliation Fees paid to	996,548	966,173
Revenue received from	-	(52,249)
Expenses paid to		
- ACTU IR Campaign Levy	34,524	35,798
- ALP Election Donation	-	41,512
- 100% Pay Week of Action	11,209	13,284
- Intranet	15,796	5,829
Employment Expenses Incurred on behalf of	-	52,249
Expenses Reimbursed	3,316	2,948
	1,061,393	1,065,544

The branch has not received any other financial support from another reporting unit of the organization.

NOTE 32: NUMBER OF EMPLOYEES AT BALANCE DATE 64

NOTE 33: KEY MANAGEMENT PERSONNEL

[redacted]

[redacted] [redacted]
[redacted] [redacted]
[redacted] [redacted]
[redacted] [redacted]

Key management personnel compensation to the Officers comprised:

	2015 $	2014 $
Short-term employee benefits	321,734	358,210
Post-employment benefits	27,295	48,860
Other long-term benefits	15,136	(40,830)
Total	364,165	366,240

NOTE 33: KEY MANAGEMENT PERSONNEL (CONT.)

	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]				
[redacted]				
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
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[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
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[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
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[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
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[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
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[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
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[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

NOTE 34: 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 2015.

i. Treasury Risk Management

A finance committee consisting of senior committee members meets 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

Liquidity risk is the risk that the Branch may encounter difficulties raising funds to meet commitments associated with financial instruments. 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 is no material amounts of collateral held as security at 30 June 2015.

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.

NOTE 34: FINANCIAL RISK MANAGEMENT (CONT.)

b. Financial Instruments Composition and Sensitivity 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	
	2015	2014	2015	2014	2015	2014	2015	2014
	$	$	$	$	$	$	$	$
Financial assets								
Cash at bank	-	-	-	60,212	412,323	345,673	412,323	405,885
Trade and other receivables	-	-	-	-	382,832	552,911	382,832	552,911
Investments	-	-	2,495,665	1,918,423	-	-	2,495,665	1,918,423
Other & Stock	-	-	-	-	1,059,336	933,133	1,059,336	933,133
Total financial assets	-	-	2,495,665	1,978,635	1,854,491	1,831,717	4,350,156	3,810,352
Financial liabilities								
Trade and sundry payables	-	-	-	-	460,747	455,905	460,747	455,905
Business Facility			(32)	(12)		-	(32)	(12)
Total financial liabilities	-	-	(32)	(12)	460,747	455,905	460,714	455,893

Sensitivity analysis:

Interest rate risk

The branch 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 2015, 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:

	2015	2014
	$	$
Change in profit		
— Increase in interest rate by 2%	49,913	39,573
— Decrease in interest rate by 2%	(49,913)	(39,573)

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 branch is not exposed to fluctuations in foreign exchange.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 34: FINANCIAL RISK MANAGEMENT (CONT.)

c. Financing arrangements

The following financing facilities were available to the Branch at the end of the reporting period:

	2015	2014
	$	$
Bank Overdraft		
Total facilities:	**1,500,000**	**1,500,000**
Used at the end of the reporting period	**-**	**-**
Unused at the end of the reporting period	**1,500,000**	**1,500,000**

NOTE 35: BRANCH DETAILS

The registered office of the Branch is:
SDA House
385 St Pauls Terrace
Fortitude Valley, QLD 4006

NOTE 36: PARENT ENTITY

SDAEA National Office is this Branch's parent entity.

NOTE 37: EVENTS OCCURRING AFTER BALANCE DATE

The following events occurred after 30 June 2015 and prior to the signing of the financial statements;

The sale of 48 Jephson Street and 52 Jephson Street, Toowong, was finalized and the settlement occurred on 31 July 2015. The total price of $11,500,000 less the deposit of $575,000 held in trust and adjustments for other settlement costs was paid at settlement, and the branch received a deposit of $11,224,306 on 31 July.

The event described above has significantly increased the cash funds held by Shop, Distributive and Allied Employees Association (Queensland Branch).

NOTE 38: GOING CONCERN

The branch's ability to operate as a going concern is not reliant on any agreed financial support of another reporting unit, nor has another reporting unit agreed to provide financial support.