



24 November 2016

Mr Christopher Gazenbeek  
Secretary/Treasurer  
Shop, Distributive and Allied Employees Association, Queensland Branch  
185 St Paul's Terrace  
FORTITUDE VALLEY QLD 4006

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

Dear Mr Gazenbeek

**Shop, Distributive and Allied Employees Association Queensland Branch Financial Report for the year ended 30 June 2016 - [FR2016/146]**

I acknowledge receipt of the financial report for the year ended 30 June 2016 for the Shop, Distributive and Allied Employees Association Queensland Branch (**the reporting unit**). The financial report was lodged with the Fair Work Commission (**FWC**) on 22 November 2016.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged

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 2017 may be subject to an advanced compliance review.

**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 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 RO Act, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

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 (03) 8656 4681 or by email at [joanne.fenwick@fwc.gov.au](mailto:joanne.fenwick@fwc.gov.au).

Yours sincerely

Joanne Fenwick  
Financial Reporting Specialist  
Regulatory Compliance Branch

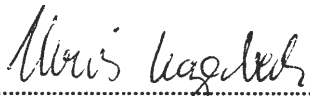
SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION  
(QLD BRANCH)

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

**DESIGNATED OFFICER'S CERTIFICATE  
FOR THE PERIOD ENDED 30 JUNE 2016**

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 2016 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 23<sup>rd</sup> day of September 2016; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 9th day of November 2015 in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.



.....  
Christopher Gazenbeek  
Secretary - Treasurer

Date: 9<sup>th</sup> November 2016



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

**FINANCIAL REPORT**

**FOR THE YEAR ENDED 30 JUNE 2016**

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

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## INDEPENDENT AUDITOR'S REPORT

To 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 2016, the statement of 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 Committee of Management 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 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.



## **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 2016, 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 2016.

The Committee of Management is 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 2016 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 39 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.



### Declaration by the auditor

I, Tim Mann, 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**

A handwritten signature in black ink, appearing to read 'T R Mann'. Above the signature, the letters 'BDO' are written in a similar cursive style.

**T R Mann**  
Director

Brisbane, 13 September 2016

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

**OPERATING REPORT  
FOR THE YEAR ENDED 30 JUNE 2016**

The committee presents its report on the reporting unit for the financial year ended 30 June 2016.

**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.

Throughout the year under the guidance of the National Association, the branch has assisted in carrying out the policies and objectives of the National Association; including the defence of penalty rates, and protecting the workers' rights to other employee entitlements.

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 2016 was 32,020.

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

**Employees**

At 30 June 2016, there were 65 full time equivalent employees 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:

<i>Name</i>	<i>State Council</i>
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
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



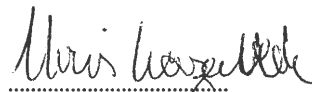
**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION  
(QLD BRANCH)**

**OPERATING REPORT  
FOR THE YEAR ENDED 30 JUNE 2016**

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 13<sup>th</sup> day of September 2016



.....  
Christopher Gazenbeek  
Branch Secretary - Treasurer

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

**COMMITTEE OF MANAGEMENT STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2016**

On the 13<sup>th</sup> day of September 2016 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 2016.

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:



**Ellen Michele Beswick**  
Branch Vice President



**Christopher Gazerbeek**  
Branch Secretary - Treasurer

Dated at Brisbane this 13<sup>th</sup> day of September 2016

Dated at Brisbane this 13<sup>th</sup> day of September 2016

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

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2016**

	Notes	2016 \$	2015 \$
<b>INCOME</b>			
Membership subscriptions		10,917,407	9,835,868
Interest		314,297	63,354
Other Income	3	434	79,372
Gain on disposal of investment property		2,192,551	-
Rental income		938,968	1,631,362
<b>TOTAL INCOME</b>		<b>14,363,657</b>	<b>11,609,956</b>
<b>LESS EXPENSES</b>			
Administration costs	7	1,368,653	1,053,704
ACTU costs		15,651	57,281
Affiliation fees	8	1,178,032	1,233,270
Audit fees	9	36,017	36,074
Considerations paid to employers for payroll deductions		1,016,559	913,972
Consulting/ Training		526,653	385,680
Depreciation		268,311	383,520
Federal Meeting expenses	10	126,258	115,661
Fringe benefits		99,499	87,123
Insurance		181,604	208,419
Legal costs	11	162,030	240,716
Loss on revaluation of investment property		1,381,069	-
Loss on disposal of property, plant & equipment		-	146,053
Organisation expenses		664,877	475,106
Other (rental properties expenses)		739,315	961,922
Payroll tax		192,885	182,845
Postage		227,807	267,910
Printing and stationery		274,307	243,138
Provision for Long Service Leave		(53,255)	(25,551)
Salaries and wages			
-Officials	13	306,188	236,526
-Staff	13	3,691,875	3,325,345
Scholarship bursaries		157,790	153,000
Shop steward expenses		337,839	315,832
Superannuation	13	436,898	431,513
<b>TOTAL EXPENSES</b>		<b>13,336,862</b>	<b>11,429,059</b>
<b>PROFIT</b>		<b>1,026,795</b>	<b>180,897</b>
<b>Other Comprehensive Income</b>			
Other comprehensive income for the year		-	-
Total other comprehensive income for the year		-	-
<b>Total comprehensive income attributable to the organisation</b>		<b>1,026,795</b>	<b>180,897</b>

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 FINANCIAL POSITION  
AS AT 30 JUNE 2016**

	Notes	2016 \$	2015 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	15	634,638	412,823
Trade and other receivables	16	427,713	290,121
Tickets on hand	17	21,373	21,876
Cash management accounts	18	7,713,761	2,495,665
Other current assets	19	1,049,005	1,130,172
Assets classified as held for sale	20	7,500,000	-
<b>TOTAL CURRENT ASSETS</b>		<u>17,346,490</u>	<u>4,350,657</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	21	9,440,111	10,068,346
Investment properties	22	6,100,000	17,299,998
<b>TOTAL NON-CURRENT ASSETS</b>		<u>15,540,111</u>	<u>27,368,344</u>
<b>TOTAL ASSETS</b>		<u>32,886,601</u>	<u>31,719,001</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	23	590,326	460,747
Provision for employee benefits	24	1,223,240	1,168,407
Other Current Liabilities	25	-	22,522
<b>TOTAL CURRENT LIABILITIES</b>		<u>1,813,566</u>	<u>1,651,676</u>
<b>NON-CURRENT LIABILITIES</b>			
Provision for long service leave	24	61,877	60,962
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>61,877</u>	<u>60,962</u>
<b>TOTAL LIABILITIES</b>		<u>1,875,443</u>	<u>1,712,638</u>
<b>NET ASSETS</b>		<u>31,011,158</u>	<u>30,006,363</u>
<b>EQUITY</b>			
Mortality fund	26	68,936	90,936
General fund	27	30,942,222	29,915,427
Asset revaluation reserves		-	-
<b>TOTAL EQUITY</b>		<u>31,011,158</u>	<u>30,006,363</u>

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

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

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2016**

	Mortality Fund \$	General Fund \$	Asset Revaluation Reserve \$	Total \$
<b>Balance at 30 June 2014</b>	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				
- Mortality fund	(37,600)	-	-	(37,600)
Sub-total	(37,600)	180,897	-	143,297
<b>Balance at 30 June 2015</b>	90,936	29,915,427	-	30,006,363
Profit/(loss) attributable to the organisation	-	1,026,795	-	1,026,795
Other Comprehensive Income for the year	-	-	-	-
Transfers to and from reserves				
- Mortality fund	(22,000)	-	-	(22,000)
Sub-total	(22,000)	1,026,795	-	1,004,795
<b>Balance at 30 June 2016</b>	68,936	30,942,222	-	31,011,158

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

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

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2016**

	Notes	2016 \$	2015 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		11,419,052	11,621,794
Payments to suppliers and employees		(11,129,144)	(10,929,338)
Interest received		300,165	63,354
Other receipts		434	79,372
Interest and other costs of finance paid		-	(20)
Other payments		(22,000)	(37,600)
Net cash provided by operating activities	29	<u>568,507</u>	<u>797,562</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		436,367	-
Proceeds from sale of investment property		10,992,549	-
Payments for property, plant and equipment		(76,443)	(206,573)
Payment for investment properties		(6,481,069)	(7,308)
Proceeds for investments		(5,218,096)	(577,243)
Net cash used in investing activities		<u>(346,692)</u>	<u>(791,124)</u>
Net increase in cash held		221,815	6,438
Cash at beginning of financial year		<u>412,823</u>	<u>406,385</u>
Cash at end of financial year	15	<u><u>634,638</u></u>	<u><u>412,823</u></u>

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

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

**RECOVERY OF WAGES ACTIVITY  
FOR THE YEAR ENDED 30 JUNE 2016**

	Notes	2016 \$	2015 \$
Cash assets in respect of recovered money at beginning of year		-	-
<b>RECEIPTS</b>			
Amounts recovered from employers in respect of wages		-	-
Interest received on recovered monies		-	-
<b>TOTAL RECEIPTS</b>		-	-
<b>LESS PAYMENTS</b>			
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		-	-
<b>TOTAL PAYMENTS</b>		-	-
Cash assets in respect of recovered money at end of year		-	-
Number of workers to which the monies recovered relates		-	-
<b>Aggregate Payables to workers attributable to recovered monies but not yet distributed</b>			
Payable balance		-	-
Number of Workers the payable relates to		-	-
<b>Funds or Account operated for recovery of wages</b>			
Account Name		-	-

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

**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 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 21: Property, Plant & Equipment and Note 22: Investment property.



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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

**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);
- ii) AASB 9 Financial Instruments (applicable for reporting periods beginning on or after 1 January 2018); and
- iii) AASB 16 Leases (applicable for reporting periods beginning on or after 1 January 2019).

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.

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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.

Cash management accounts are term deposits with a maturity of greater than 90 days from acquisition.

**(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.

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**(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.

**(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 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.

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**(i) Property, Plant and Equipment (con't.)**

*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 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 profit or loss.

*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:

Plant & equipment	10 - 30%	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.

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**(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.

**(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 its 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) Non-Current Assets held for sale**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs of disposal.

**(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.

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**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).

	2016 \$	2015 \$
<b>NOTE 3: OTHER INCOME</b>		
Wage Entitlement	434	75,526
Special Event Income	-	-
Government Paid Parental Leave	-	3,846
	434	79,372
 <b>NOTE 4: CAPITATION FEES</b>		
Capitation Fees Received	-	-
 <b>NOTE 5: LEVIES RECEIVED</b>		
Compulsory Levies / Voluntary Levy / Appeals	-	-
 <b>NOTE 6: GRANTS OR DONATIONS RECEIVED</b>		
Grants	-	-
Donations	-	-
	-	-
 <b>NOTE 7: ADMINISTRATION EXPENSES</b>		
Advertising Costs	25,000	19,051
Bank Charges	13,935	12,042
Building Expenses - Head office	221,834	200,108
Compulsory levies	-	-
Grants and Donations	51,655	1,650
General Expenses	501,030	267,424
Information Technology costs	240,515	267,394
Interest Expense	-	366
Conference & Meeting Expenses	42,325	43,834
Photocopier Expenses	162,917	134,832
Telephone	109,442	107,003
<b>Total administration expenses</b>	<b>1,368,653</b>	<b>1,053,704</b>

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	2016 \$	2015 \$
<b>NOTE 7(a): GRANTS &amp; DONATIONS PAID</b>		
Donations		
- Total paid that were \$1,000 or less	300	-
- Total paid that exceeded \$1,000	51,355	1,650
Grants		
- Total paid that were \$1,000 or less	-	-
- Total paid that exceeded \$1,000	-	-
	<u>51,655</u>	<u>1,650</u>
<b>NOTE 8: AFFILIATION FEES</b>		
Shop Distributive & Allied Employees National Fund	838,823	853,357
Shop Distributive & Allied Employees International Fund	125,823	128,003
The Australian Labor Party	195,386	205,459
The Union Shopper Inc	18,000	46,451
<b>Total Affiliation Fees</b>	<u>1,178,032</u>	<u>1,233,270</u>
<b>NOTE 9: AUDITORS' REMUNERATION</b>		
Remuneration of the auditor for:		
-Auditing or reviewing the financial report	36,017	36,074
- Other accounting and taxation services provided by related practice of auditor	300,095	186,216
	<u>336,112</u>	<u>222,290</u>
<b>NOTE 10: FEDERAL EXPENSES</b>		
- Conference & Meeting Expenses	87,213	75,213
- Fees & Allowances - Meeting & Conferences	39,045	40,448
	<u>126,258</u>	<u>115,661</u>
<b>NOTE 11: LEGAL COSTS</b>		
- Litigation	-	31,916
- Other Legal Matters	162,030	208,800
	<u>162,030</u>	<u>240,716</u>
<b>NOTE 12: CAPITATION FEES</b>		
Capitation Fees Paid	-	-
	<u>-</u>	<u>-</u>
<b>NOTE 13: EMPLOYEE EXPENSES</b>		
Holders of Office:		
- Wages and Salaries	259,139	218,678
- Leave and Other Entitlements	47,049	17,848
- Separation and Redundancies	-	-
- Other Employee Expenses	-	-
	<u>306,188</u>	<u>236,526</u>
Employees other than Office Holders:		
- Wages and Salaries	3,474,992	3,087,529
- Leave and Other Entitlements	216,883	237,816
- Separation and Redundancies	-	-
- Other Employee Expenses	-	-
	<u>3,691,875</u>	<u>3,325,345</u>
<b>Total Employee Expenses</b>	<u>3,998,063</u>	<u>3,561,871</u>
Superannuation - Holders of Office	32,874	34,895
Superannuation - Employees other than Office Holders	404,024	396,618
<b>Total Superannuation Expenses</b>	<u>436,898</u>	<u>431,513</u>

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	<u>2016</u>	<u>2015</u>
	\$	\$
<b>NOTE 14: OTHER EXPENSES</b>		
Penalties - via RO Act or RO Regulations	-	-
	-	-
<b>NOTE 15: CASH AND CASH EQUIVALENTS</b>		
Cash on hand	634,138	412,323
Cash - other	500	500
	<u>634,638</u>	<u>412,823</u>
Reconciliation of cash		
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:		
Cash and cash equivalents	<u>634,638</u>	<u>412,823</u>
<b>NOTE 16: TRADE AND OTHER RECEIVABLES</b>		
<b>CURRENT</b>		
Membership fee receivables	(a) 427,713	290,121
Receivables from other reporting units	32 -	-
Less Provision for Doubtful Debts	-	-
	<u>427,713</u>	<u>290,121</u>
<i>Membership fee receivables represents the net amount after the amount payable to employers as consideration for payroll deductions of membership subscriptions estimated to be \$47,524 (2015: \$32,236)</i>		
The branch is not owed any other amounts from other reporting units of the organization.		
<b>NOTE 17: TICKETS ON HAND</b>		
<b>CURRENT</b>		
Tickets	21,373	21,876
<b>NOTE 18: CASH MANAGEMENT ACCOUNTS</b>		
<b>CURRENT</b>		
Queensland Credit Union - Moneymaker	2,112,883	2,495,665
Members Equity - Term Deposit	1,500,000	-
National Bank - Term Deposit	4,100,878	-
	<u>7,713,761</u>	<u>2,495,665</u>
<b>NOTE 19: OTHER ASSETS</b>		
<b>CURRENT</b>		
Rental Property Debtors	171,257	92,711
Accrued Interest	14,132	-
Prepayments	863,583	1,037,461
Credit Facility receivable	33	-
	<u>1,049,005</u>	<u>1,130,172</u>
<b>NOTE 20: ASSETS CLASSIFIED HELD FOR SALE</b>		
<b>CURRENT</b>		
Investment Property	(a) <u>7,500,000</u>	-
	<u>7,500,000</u>	-

(a) *These assets represent the investment property located at 67 St Pauls Terrace, Fortitude Valley. There is a sale contract currently on the property, executed 21 December 2015, with settlement to occur 30 days after certain conditions have been satisfied.*



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**NOTES TO THE FINANCIAL STATEMENTS  
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	<u>2016</u>	<u>2015</u>
	\$	\$
<b>NOTE 21: PROPERTY, PLANT AND EQUIPMENT</b>		
<b>LAND &amp; BUILDING (385 ST PAULS TERRACE)</b>		
At Fair Value	9,015,943	9,015,943
Less accumulated depreciation	(233,642)	(155,686)
<b>Total land and buildings</b>	<u>8,782,301</u>	<u>8,860,257</u>
<b>PLANT AND EQUIPMENT</b>		
At cost	1,620,986	2,416,537
Less accumulated depreciation	(963,176)	(1,208,448)
<b>Total plant &amp; equipment</b>	<u>657,810</u>	<u>1,208,089</u>
<b>Total property, plant and equipment</b>	<u>9,440,111</u>	<u>10,068,346</u>

Movements in property, plant & equipment during the financial year ended 30 June 2016 were as follows:

	<u>Land &amp; Building</u>	<u>Plant &amp; Equipment</u>	<u>Total</u>
	\$	\$	\$
Balance at the beginning of the year	8,860,257	1,208,089	10,068,346
Additions	-	76,443	76,443
Disposals	-	(436,367)	(436,367)
Revaluation increment/(decrement)	-	-	-
Depreciation expenses	(77,956)	(190,355)	(268,311)
<b>Carrying amount at the end of the year</b>	<u>8,782,301</u>	<u>657,810</u>	<u>9,440,111</u>

Movements in property, plant & equipment during the financial year ended 30 June 2015 were as follows:

	<u>Land &amp; Building</u>	<u>Plant &amp; Equipment</u>	<u>Total</u>
	\$	\$	\$
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)
<b>Carrying amount at the end of the year</b>	<u>8,860,257</u>	<u>1,208,089</u>	<u>10,068,346</u>

**Measurement of fair value at 30 June 2016**

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<b>Assets Measured at Fair Value</b>			
385 St Pauls Terrace, Fortitude Valley	-	-	8,782,301
	-	-	8,782,301

**(i) Measurement of fair value**

**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 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. Management are currently in the process of engaging a valuer to complete an updated valuation. The fair value measurements have been categorized as follows based on the inputs to the valuation technique used (see Note 1).

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**NOTE 21: PROPERTY, PLANT AND EQUIPMENT (CONT.)**

**(ii) Level 3 fair value - valuation techniques and significant unobservable inputs**

The following table sets out the valuation techniques used to measure fair value within Level 3, including details of the significant unobservable inputs used and the relationship between unobservable inputs and fair value.

Description	Valuation Approach	Unobservable inputs	Range of inputs	Relationship between unobservable inputs and fair value
Land & buildings	Income approach based on estimated rental value of a similar property. Discount rates, terminal yields, expected vacancy rates and rental growth rates are estimated by an external valuer or management based on comparable transactions and industry data.	Discount rate	9.5%	The higher the discount rate, terminal yield and expected vacancy rate, the lower the fair value.
		Terminal yield	8.5%	
		Expected vacancy rate	(weighted average 0%)	
		Rental growth rate	3.2%	The higher the rental growth, the higher the fair value.

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

	2016 \$	2015 \$
Cost	10,285,806	10,285,806
Less accumulated depreciation	(233,642)	(166,629)
Net Carrying amount	<u>10,052,164</u>	<u>10,119,177</u>

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 based on the nature, characteristics and risks of the property. Management have also reviewed the valuation previously conducted and have determined that the valuation is true and fair for the financial year ended 30 June 2016.

	2016 \$	2015 \$
<b>NOTE 22: INVESTMENT PROPERTIES</b>		
At Fair Value	17,299,998	17,292,690
Additions at cost	6,481,069	7,308
Disposals	(8,799,998)	-
Transfer to Assets held for sale	(7,500,000)	-
Revaluation increment/(decrement)	(1,381,069)	-
Total investment properties	<u>6,100,000</u>	<u>17,299,998</u>

Movements in the investment properties during the financial year ended 30 June 2016 were as follows:

	Eagle Farm \$	67 St Pauls Tce \$	48-52 Jephson St \$	Total \$
Balance at the beginning of the year	-	8,500,000	8,799,998	17,299,998
Additions	6,481,069	-	-	6,481,069
Disposals	-	-	(8,799,998)	(8,799,998)
Fair Value Adjustment (see below)	(381,069)	(1,000,000)	-	(1,381,069)
Transfer to Assets held for sale	-	(7,500,000)	-	(7,500,000)
Carrying amount at the end of the year	<u>6,100,000</u>	<u>-</u>	<u>-</u>	<u>6,100,000</u>

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**NOTE 22: INVESTMENT PROPERTIES (CONT.)**

Movements in the investment properties during the financial year ended 30 June 2015 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	<u>8,500,000</u>	<u>8,799,998</u>	<u>17,299,998</u>

**Measurement of fair value at 30 June 2016**

Assets Measured at Fair Value	Level 1	Level 2	Level 3
48 Harvey St, Eagle Farm	-	-	3,350,000
52 Cullen St, Eagle Farm	-	-	2,750,000
	<u>-</u>	<u>-</u>	<u>6,100,000</u>

**(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. In 2015 the fair value measurement for the investment properties was determined based on valuations completed as 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. In 2016 the the fair value measurement for the investment properties was determined based on a directors valuation using the price the properties were acquired for in a arms length transaction.

**(ii) Level 3 fair value - valuation techniques and significant unobservable inputs**

The following table sets out the valuation techniques used to measure fair value within Level 3, including details of the significant unobservable inputs used and the relationship between unobservable inputs and fair value.

The fair value measurements have been categorized as follows based on the inputs to the valuation technique used (see Note 1).

Description	Valuation Approach	Unobservable inputs	Range of inputs	Relationship between unobservable inputs and fair value
Investment Properties	Income approach based on estimated rental value of a similar property. Discount rates, terminal yields, expected vacancy rates and rental growth rates are estimated by an external valuer or management based on comparable transactions and industry data.	Discount rate	8.5%	The higher the discount rate the lower the fair value.
		Rental growth rate	3.0%	The higher the rental growth, the higher the fair value.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

	2016 \$	2015 \$
<b>NOTE 23: TRADE AND OTHER PAYABLES</b>		
<b>CURRENT</b>		
Unsecured liabilities		
Trade creditors	58,342	55,184
Payables to other reporting units	32 -	-
Accrued Expenses	274,561	183,516
PAYG tax withholding	84,338	59,928
GST payable/(refundable)	173,301	162,119
Legal Costs	-	-
Superannuation	-	-
Employee Deductions	(216)	-
	590,326	460,747
The branch does not owe any other amounts to another reporting unit of the organization .		
<b>NOTE 24: EMPLOYEE ENTITLEMENT PROVISIONS</b>		
<b>CURRENT</b>		
Holders of Office:		
Provision for Annual Leave	21,146	26,079
Provision for Long Service Leave	111,360	119,370
Provision for Separation & Redundancies	-	-
Provision for Other Employee Provisions	-	-
	132,506	145,449
Employees other than Office Holders:		
Provision for Annual Leave	496,897	454,654
Provision for Long Service Leave	593,837	568,304
Provision for Separation & Redundancies	-	-
Provision for Other Employee Provisions	-	-
	1,090,734	1,022,958
Provision for wage increase	-	-
	1,223,240	1,168,407
<b>NON-CURRENT</b>		
Holders of Office:		
Provision for Long Service Leave	-	-
	-	-
Employees other than Office Holders:		
Provision for Long Service Leave	61,876	60,962
Provision for Separation & Redundancies	-	-
Provision for Other Employee Provisions	-	-
	61,876	60,962
Total Employee Entitlements	1,285,116	1,229,369
<b>NOTE 25: OTHER CURRENT LIABILITIES</b>		
Prepaid Rent	-	22,522
	-	22,522

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

	2016 \$	2015 \$
<b>NOTE 26: MORTALITY FUND</b>		
Total at the beginning of the financial year	90,936	128,536
Mortality Funds Paid	(22,000)	(37,600)
Total at reporting date	<u>68,936</u>	<u>90,936</u>

<b>NOTE 27: GENERAL FUND</b>		
Total at the beginning of the financial year	29,915,427	29,734,530
Net income/(loss) for the year	1,026,795	180,897
Total at the reporting date	<u>30,942,222</u>	<u>29,915,427</u>

**NOTE 29: CASH FLOW RECONCILIATION**

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

Profit/(Loss) for the year	1,026,795	180,897
Non-cash flows in profit		
Depreciation	268,311	383,520
Loss/(gain) on disposal of property, plant & equipment	-	146,053
Loss/(gain) on disposal of investment properties	(2,192,551)	-
Loss/(gain) on revaluation investment properties	1,381,069	-
(Increase)/decrease in receivables	(230,297)	158,716
(Increase)/decrease in tickets on hand	503	(15,585)
(Increase)/decrease in other assets	173,878	(110,618)
Increase/(decrease) in payables	38,528	(20,940)
Increase/(decrease) in employee provisions	55,748	66,345
Increase/(decrease) in prepaid rent	(22,522)	9,649
Increase/(decrease) in other liabilities	91,045	37,145
Increase/(decrease) in line of credit	-	(20)
Increase/(decrease) in mortality fund	(22,000)	(37,600)
Cash flows from operations	<u>568,507</u>	<u>797,562</u>

**Note 29 (a) : Cash Flows to SDA National**

<b>Cash inflows</b>			
SDA national	32	-	-
<b>Total Cash inflows</b>		<u>-</u>	<u>-</u>
<b>Cash outflows</b>			
SDA National	32	1,027,957	1,061,393
<b>Total Cash outflows</b>		<u>1,027,957</u>	<u>1,061,393</u>

**NOTE 30: CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS**

The Branch has a contingent liability of \$340,000 over its credit stand-by arrangements for autopay (2015: \$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 2016 is \$33.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

	2016 \$	2015 \$
<b>NOTE 31: COMMITMENTS</b>		
<b>Lease Commitments Receivable</b>		
Some of the investment properties are leased to tenants under long-term operating leases with rentals payable monthly. Minimum lease payments receivable on leases of investment properties are as follows:		
Less than one year	639,372	617,462
Greater than one year but less than two years	389,244	203,398
Greater than two years but less than five years	292,200	89,350
Greater than five years	-	-
	1,320,816	910,210
<b>Commitments Payable</b>		
The Branch has commitments payable related to maintenance contracts for the head office:		
Less than one year	31,848	31,848
Greater than one year but less than two years	18,096	18,096
Greater than two years but less than five years	36,093	54,288
Greater than five years	-	-
	86,037	104,232

**NOTE 32: RELATED PARTY TRANSACTIONS**

The following table provides the total amount of transactions that have been entered into with related parties for the period.

Revenue Received from SDA National	-	-	
Affiliation Fees paid to SDA National	932,744	996,548	
Expenses paid to SDA National			
• ACTU IR Campaign Levy	31,302	34,524	
• ALP Election Donation	38,341	-	
• 100% Pay Week of Action	9,358	11,209	
• Intranet	16,103	15,796	
• Other	109	3,316	
Amounts owed by SDA National	16	-	
Amounts owed to SDA National	23	-	
Loans from/to SDA National			
Assets transferred from/to SDA National			
	1,027,957	1,061,393	

The SDA National Association is a related party of the branch. The National Association helps and guides the affiliated Branches to carry out the policy of the Association and/or all or any of the objects of the Association.

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

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 30 June 2016, the branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2015: \$Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

**NOTE 33: NUMBER OF EMPLOYEES AT BALANCE DATE**

**67**

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

**NOTE 34: KEY MANAGEMENT PERSONNEL**


Key management personnel compensation to the Officers comprised:

	2016	2015
	\$	\$
Short-term employee benefit	410,057	321,734
Post-employment benefits	31,573	27,295
Other long-term benefits	14,372	15,136
<b>Total</b>	456,002	364,165


There are no other transactions with key management personnel and their close family members.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

**NOTE 35: 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 2016.

**i. Treasury Risk Management**

A audit and risk 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 Risks Exposure Management**

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

**(a) Foreign currency risk**

The entity is not exposed to fluctuations in foreign currencies.

**(b) 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.

**(c) 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 table below. 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 2016.

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.

**b. Financial Instruments Composition and Sensitivity Analysis**

**Credit Risk Analysis:**

The following illustrates the Branches exposure to credit risk at the end of the reporting period:

<b>CURRENT</b>			
Cash and cash equivalents	15	634,638	412,823
Trade and other receivables	16	449,086	311,997
Cash Management Accounts	18	7,713,761	2,495,665
Other current assets	19	1,049,005	1,130,172
		9,846,490	4,350,657

None of the above receivables are past due (2015: nil) and based on historic default rates and the minimal credit risk, the branch believes no impairment allowance is necessary. The other financial assets are all bank bills and term deposits issued and the branch believes that no impairment allowance is necessary. At 30 June 2016 the branch does not have any collective impairments on it's cash and cash equivalents, recievables or other financial assets (2015: nil).



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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

**NOTE 35: FINANCIAL RISK MANAGEMENT (CONT.)**

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 rates		Fixed Interest Rate Maturing		Non-interest Bearing		Total	
	2016 \$	2015 \$	2016 \$	2015 \$	2016 \$	2015 \$	2016 \$	2015 \$
<b>Financial assets</b>								
Cash and Cash Equivalents	-	-	-	-	634,638	412,823	634,638	412,823
Other receivables	-	-	-	-	1,498,091	1,442,201	1,498,091	1,442,201
Financial Assets at fair value through profit or loss	-	-	-	-	-	-	-	-
Financial Assets held to maturity	2,112,883	2,495,665	5,600,878	-	-	-	7,713,761	2,495,665
<b>Total financial assets</b>	<b>2,112,883</b>	<b>2,495,665</b>	<b>5,600,878</b>	<b>-</b>	<b>2,132,729</b>	<b>1,855,024</b>	<b>9,846,490</b>	<b>4,350,689</b>
<b>Financial liabilities</b>								
Other payables	-	-	-	-	590,326	460,747	590,326	460,747
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>590,326</b>	<b>460,747</b>	<b>590,326</b>	<b>460,747</b>

Management of the reporting unit assessed that all of its financial instruments approximate their carrying amounts largely due to the short term maturities of these instruments.

The financial assets held to maturity represent term deposits held for for approximately 180 days or more, with stated interest rates of 2.86% to 3% (2015: 3%).

**Sensitivity analysis:**

**(d) 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 2016, 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:

	2016 \$	2015 \$
<b>Change in profit</b>		
- Increase in interest rate by 2%	112,018	49,913
- Decrease in interest rate by 2%	(112,018)	(49,913)

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.

**Financing arrangements**

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

	2016 \$	2015 \$
<b>Bank Overdraft</b>		
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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2016**

**NOTE 36: BRANCH DETAILS**

The registered office of the Branch is:

SDA House

385 St Pauls Terrace

Fortitude Valley, QLD 4006

**NOTE 37: PARENT ENTITY**

SDAEA National Office is this Branch's parent entity.

**NOTE 38: EVENTS OCCURRING AFTER BALANCE DATE**

No matter or circumstance has arisen since 30 June 2016 that has significantly affected, or may significantly affect the Branch's operations, the results of those operations, or the incorporated association's state of affairs in future financial years.

**NOTE 39: GOING CONCERN**

The branch is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis (as noted in the Committee of Management Statement). The branch has not agreed to provide financial support to ensure another reporting unit or affiliate has the ability to continue as a going concern



15 July 2016

Mr Christopher Gazenbeek  
Secretary  
Shop, Distributive and Allied Employees Association-Queensland Branch  
By email: [secretary@sdaq.asn.au](mailto:secretary@sdaq.asn.au)

Dear Mr Gazenbeek,

**Re: Lodgement of Financial Report - [FR2016/146]  
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

The financial year of the Shop, Distributive and Allied Employees Association-Queensland Branch (the reporting unit) ended on 30 June 2016.

This is a courtesy letter to remind you of the obligation to prepare and lodge the financial report for the reporting unit by the due date under s.268 of the RO Act, that being within 14 days after the meeting referred to in s.266 of the RO Act.

### **Timelines**

The RO Act sets out a particular chronological order in which financial documents and statements must be prepared, audited, provided to members and presented to a meeting. For your assistance, the attached *Timeline/Planner* summarises these requirements.

### **Fact sheets, guidance notes and model statements**

Fact sheets and guidance notes in relation to financial reporting under the RO Act are provided on the Fair Work Commission website. This includes a model set of financial statements which have been developed by the FWC. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards. The model statement, Reporting Guidelines and other resources can be accessed through our website under [Financial Reporting](#) in the Compliance and Governance section.

### **Loans, grants and donations: our focus this year**

Also you are reminded of the obligation to prepare and lodge a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 for the reporting unit during its financial year. Section 237 requires this statement to be lodged with the FWC within 90 days of the end of the reporting unit's financial year, that is on or before 28 September 2016. A sample statement of loans, grants or donations is available at [sample documents](#).

Over the past year we have noted issues in organisations' financial reports relating to timelines and how loans, grants and donations are reported. We will be focusing closely on these areas this year. Please find attached below fact sheets relating to these requirements or alternatively visit our website for information regarding [financial reporting timelines](#) and [loans, grants and donations](#).

It is requested that the financial report and any Statement of Loans, Grant or Donations be lodged electronically by emailing [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au).

11 Exhibition Street  
Melbourne VIC 3000  
GPO Box 1994  
Melbourne VIC 3001

Telephone : (03) 8661 7777  
Email : [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au)  
Internet : [www.fwc.gov.au](http://www.fwc.gov.au)

## Civil penalties may apply

**It should be noted that s.268 is a civil penalty provision.** Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$54,000 for a body corporate and \$10,800 for an individual per contravention) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

## Contact

Should you wish to seek any clarification in relation to the above, email [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au).

Yours sincerely,

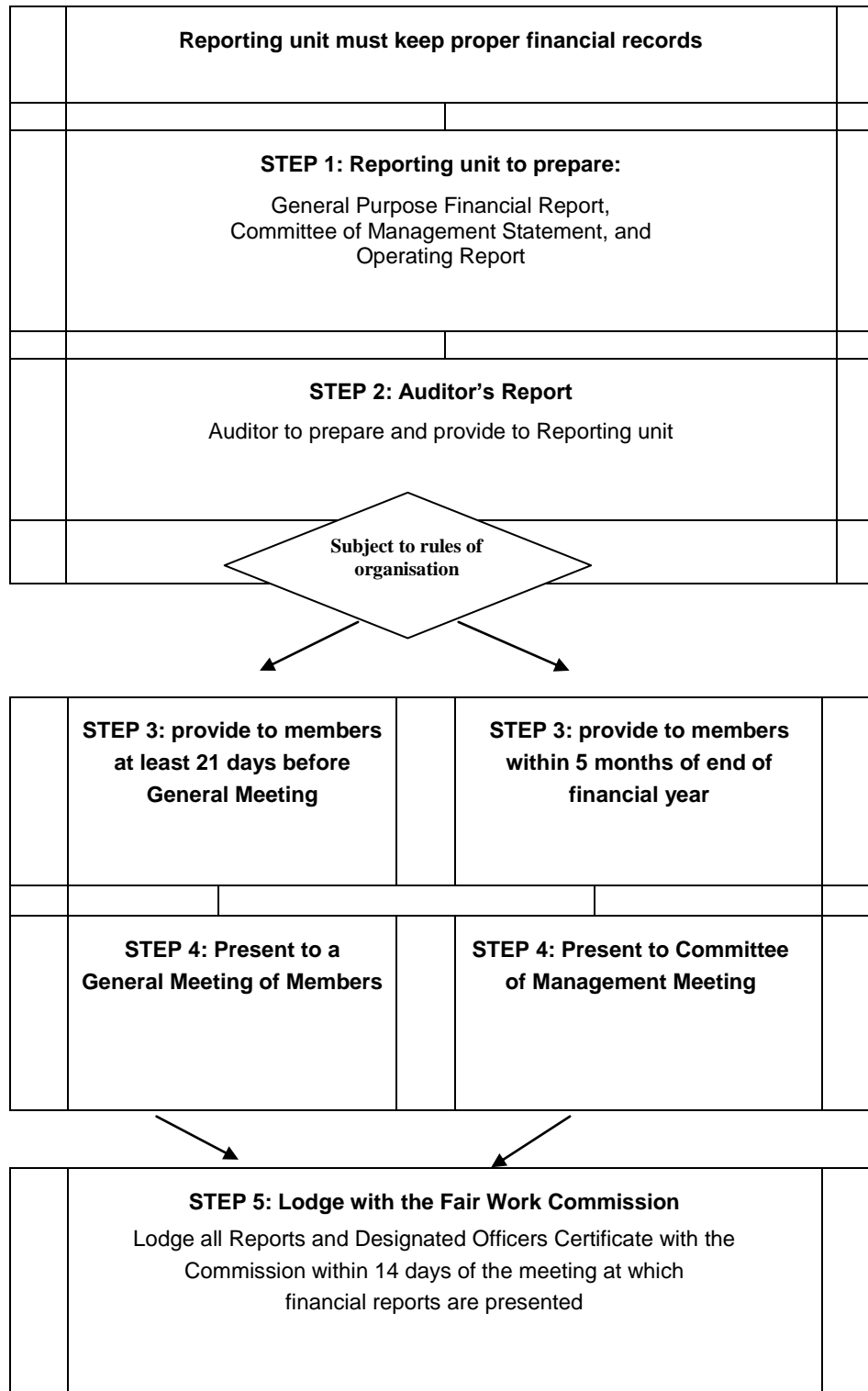


Annastasia Kyriakidis  
Adviser  
Regulatory Compliance Branch

# Financial reporting timelines

Financial reports are to be lodged with the Fair Work Commission (the Commission) within 14 days of the meeting at which the financial reports have been presented, by completing the steps as outlined below.

See Fact sheet—Financial reporting for an explanation of each of these steps.



# Fact Sheet - Loans, Grants & Donations

## The Loans, Grants & Donations Requirements

The *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires an organisation or branch to lodge a loans, grants and donations statement (the statement) within **90 days** of the ending of the financial year.

Under the General Manager's Reporting Guidelines, a reporting unit's General Purpose Financial Report (the financial report) must break down the amounts of grants and donations (see below). The figures in the financial report will be compared to the loans, grants and donations statement.

## The Loans, Grants & Donations Statement

Section 237 of the RO Act applies to every loan, grant and donation made by an organisation or branch during the financial year that exceed \$1000. The following information must be supplied to the Commission for each relevant loan, grant or donation:

the amount,

the purpose,

the security (if it is a loan),

the name and address of the person to whom it was made,\* and







the arrangements for repaying the loan.\*

\*The last two items are not required if the loan, grant or donation was made to relieve a member of the organisation (or their dependent) from severe financial hardship.

The statement must be lodged within 90 days of the end of the financial year and the Commission has a [Template Loans, Grants and Donations Statement](#) on its website. The Commission encourages branches and organisations to lodge the statement even if all of the figures are NIL.

## Common misconceptions

Over the years, staff of the Commission have noted that there are some common misunderstandings made in relation to the Statement. They include:

Misconception	Requirement
 Only reporting units must lodge the Statement.	 All branches and organisations, regardless of whether they lodge a financial report, must lodge the statement within 90 days of the end of the financial year. An organisation cannot lodge a single statement to cover all of its branches.
 Employees can sign the Statement.	 The statement must be signed by an elected officer of the relevant branch.
 Statements can be lodged with the financial report.	 The deadline for the statement is much shorter (90 days) and if it is lodged with the financial report it is likely to be late.

## Grants & Donations within the Financial Report

Item 16(e) of the [General Manager's Reporting Guidelines](#) requires the reporting unit to separate the line items relating to grants and donations into grants or donations that were \$1000 or less and those that exceeded \$1000.

As such, the note in the financial report relating to grants and donations will have four lines.

In the [Commission's Model Statements](#) the note appears as follows:

### Note 4E: Grants or donations\*

Grants:	2016	2015
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
<b>Total grants or donations</b>	<b>-</b>	<b>-</b>

Item 17 of the General Manager's Reporting Guidelines requires that these line items appear in the financial report even if the figures are NIL.

### Implications for filing the Financial Report

During their review of the 2016 financial report staff of the Commission will confirm that the figures in the financial report match the disclosures made in the statement. Any inconsistencies in these figures will be raised with the organisation or branch for explanation and action.

This may involve lodging an amended loans, grants or donations statement. Any failure to lodge a loans, grants or donations statement or lodging a statement that is false or misleading can attract civil penalties under the RO Act.

If a reporting unit did not fully comply with these requirements in their 2015 financial report, its filing letter will have included a statement reminding the reporting unit of its obligations.

It is strongly recommended that all reporting units review their filing letters from the previous financial year to ensure any targeted concerns are addressed in their latest financial report. Failure to address these individual concerns may mean that a financial report cannot be filed.

Previous financial reports and filing letters are available from the [Commission's website](#).

### Further information

If you have any further questions relating to the loan, grant and donation disclosure requirements in the statement or the financial report, please contact the Regulatory Compliance Branch on [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au)