



21 November 2017

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

By e-mail: secretary@sdaq.asn.au

Dear Mr Gazenbeek

**Shop, Distributive and Allied Employees Association, Queensland Branch
Financial Report for the year ended 30 June 2017 - FR2017/96**

I acknowledge receipt of the financial report for the year ended 30 June 2017 for the Shop, Distributive and Allied Employees Association, Queensland Branch (SDA-QLD). The financial report was lodged with the Registered Organisations Commission (ROC) on 15 November 2017. The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

Whilst the 2017 report has been filed the following should be addressed in the preparation of the next financial report.

1. Reference to legislation

It is noted that Note 2 to the financial statements refers to outdated wording in the *Fair Work (Registered Organisations) Act 2009*. The references to 'General Manager' should be to 'Commissioner'.

2. Auditor's Statement

Declaration relating to management use of going concern basis of accounting

Item 39 of the Reporting Guidelines requires that the Auditor's Statement include a declaration, that as part of the audit of the financial statements, they have concluded that management's use of the going concern basis of accounting in the preparation of the financial statement is appropriate.

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) 9603 0707 or by email at ken.morgan@roc.gov.au

Yours faithfully

A handwritten signature in black ink, appearing to read 'K. Morgan', with a stylized flourish at the end.

KEN MORGAN
Financial Reporting Advisor
Registered Organisations Commission

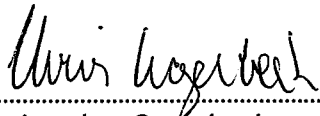
SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
(QLD BRANCH)

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

**DESIGNATED OFFICER'S CERTIFICATE
FOR THE PERIOD ENDED 30 JUNE 2017**

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 2017 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 22nd day of September 2017; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 15th day of November 2017 in accordance with section 266(3) of the *Fair Work (Registered Organisations) Act 2009*.



.....
Christopher Gazenbeek
Secretary - Treasurer

Date: 15th November 2017



SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
(QLD BRANCH)

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2017

SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
(QLD BRANCH)

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Shop, Distributive and Allied Employees Association (QLD Branch) (the reporting unit), which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the Committee of Management Statement.

In our opinion the accompanying financial report of Shop, Distributive and Allied Employees Association (QLD Branch), presents fairly, in all material respects the reporting unit's financial position as at 30 June 2017 and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and Part 3 of the *Fair Work (Registered Organisations) Act 2009*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the reporting unit in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other information

The Committee of Management are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the reporting unit's operating report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Committee of Management for the Financial Report

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

In preparing the financial report, the Committee of Management are responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible entities either intends to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

Report on the Recovery of Wages Activity financial report

Opinion on the recovery of wages activity financial report

We have audited the recovery of wages activity financial report of Shop, Distributive and Allied Employees Association (QLD Branch) for the year ended 30 June 2017.

In our opinion, the recovery of wages activity financial report presents fairly, in all material respects all information required by the reporting guidelines of the General Manager, including:

- (i) Any fees charged to, or reimbursements of expenses claimed from, members and others for recovery of wages activity; and
- (ii) Any donations or other contributions deducted from recovered money.



Responsibilities

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 recovery of wages activity financial report, based on our audit conducted in accordance with Australian Auditing Standards.

Declaration by the auditor

I, T R Mann, declare that I am an approved auditor, a member of the Institute of Chartered Accountants in Australia and 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 light, cursive style.

T R Mann
Director

Brisbane, 12 September 2017

Registration number (as registered by the RO Commissioner under the Act): AA2017/48

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

**OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2017**

The committee presents its report on the reporting unit for the financial year ended 30 June 2017.

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 year.

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 2017 was 31,002.

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

Employees

At 30 June 2017, there were 47 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

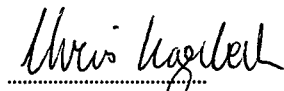
SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
(QLD BRANCH)

OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2017

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. K. Burgess	State Council member since 9th November 2016 Brisbane Area Representative
Ms. M. Stanton	State Council member since June 2010 Ceased to be representative on the 9th November 2016
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 12th day of September 2017


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Christopher Gzenbeek
Branch Secretary - Treasurer

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

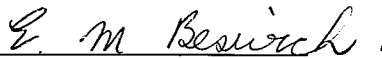
**COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017**

On the 12th day of September 2017 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 2017.

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 any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act);
- (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 RO Act; 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 Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and
 - vi) Where any order for inspection of financial records has been made by the Registered Organisations Commission under section 273 of the RO Act, there has been compliance.
- (f) In relation to recovery of wages activity; no revenue has been derived from undertaking recovery of wages.

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 Gazenbeek
Branch Secretary - Treasurer

Dated at Brisbane this 12th day of September 2017

Dated at Brisbane this 12th day of September 2017

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017**

	Notes	2017 \$	2016 \$
INCOME			
Membership Subscriptions		10,548,093	10,917,407
Interest		134,157	314,297
Other Income	3	77,417	434
Gain/(Loss) on disposal of depreciable assets		(19,723)	-
Gain/(Loss) on disposal of investment property		-	2,192,551
Rental Income		873,896	938,968
TOTAL INCOME		<u>11,613,840</u>	<u>14,363,657</u>
LESS EXPENSES			
Administration costs	7	1,186,734	1,368,652
ACTU costs		17,145	15,651
Affiliation fees	8	1,164,796	1,178,032
Audit fees	9	36,232	36,017
Considerations paid to employers for payroll deductions		980,458	1,016,559
Consulting / Training		374,452	526,653
Depreciation		222,029	268,311
Federal meeting expenses	10	141,746	126,258
Fringe benefits		76,048	99,499
Insurance		235,154	181,604
Legal costs	11	233,234	162,030
Loss on revaluation of investment property		-	1,381,069
Organisation expenses		732,925	664,877
Other (rental properties expenses)		495,332	739,315
Payroll tax		188,613	192,885
Postage		131,037	227,807
Printing and stationery		276,368	274,307
Provision for long service leave		(186,325)	(53,255)
Salaries and wages	13	3,946,482	3,998,063
Scholarship bursaries		66,146	157,790
Shop steward expenses		314,714	337,839
Superannuation	13	465,372	436,898
TOTAL EXPENSES		<u>11,098,692</u>	<u>13,336,861</u>
Surplus (deficit) for the year		<u>515,148</u>	<u>1,026,796</u>
Other Comprehensive Income			
Items that may be subsequently reclassified to profit or loss			
Net gain on available for sale investments		96,121	-
Total comprehensive income attributable to the organisation		<u>611,269</u>	<u>1,026,796</u>

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 2017**

	Notes	2017 \$	2016 \$
CURRENT ASSETS			
Cash and cash equivalents	16	512,255	634,638
Trade and other receivables	17	376,617	427,713
Tickets on hand	18	14,619	21,373
Cash management accounts	19	3,380,840	7,713,760
Other current assets	20	827,133	1,049,005
Assets classified as held for sale	21	7,500,000	7,500,000
TOTAL CURRENT ASSETS		<u>12,611,464</u>	<u>17,346,489</u>
NON-CURRENT ASSETS			
Financial assets	22	5,145,779	-
Property, plant and equipment	23	9,324,438	9,440,111
Investment properties	24	6,100,000	6,100,000
TOTAL NON-CURRENT ASSETS		<u>20,570,217</u>	<u>15,540,111</u>
Rounding			
TOTAL ASSETS		<u>33,181,681</u>	<u>32,886,600</u>
CURRENT LIABILITIES			
Trade and other payables	25	500,395	590,329
Provision for employee benefits	26	1,026,909	1,223,239
Other Current Liabilities	27	29,767	-
TOTAL CURRENT LIABILITIES		<u>1,557,071</u>	<u>1,813,568</u>
NON-CURRENT LIABILITIES			
Provision for long service leave	26	71,882	61,877
TOTAL NON-CURRENT LIABILITIES		<u>71,882</u>	<u>61,877</u>
TOTAL LIABILITIES		<u>1,628,953</u>	<u>1,875,445</u>
Rounding			
NET ASSETS		<u>31,552,728</u>	<u>31,011,158</u>
EQUITY			
Mortality fund	28	(364)	68,936
General fund	29	31,456,971	30,942,223
Asset revaluation reserves	30	96,121	-
TOTAL EQUITY		<u>31,552,728</u>	<u>31,011,158</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 2017**

	Mortality Fund \$	General Fund \$	Asset Revaluation Reserve \$	Total \$
Balance at 30 June 2015	90,936	29,915,427	-	30,006,363
Profit/(loss) attributable to the organisation	-	1,026,796	-	1,026,796
Other Comprehensive Income for the year	-	-	-	-
Transfers to and from reserves				
- Auxiliary Fund Payment	-	-	-	-
- Colonial Fund	-	-	-	-
- Mortality Fund	(22,000)	-	-	(22,000)
Sub-total	(22,000)	1,026,796	-	1,004,796
Balance at 30 June 2016	68,936	30,942,223	-	31,011,159
Profit/(loss) attributable to the organisation	-	515,148	-	515,148
Other Comprehensive Income for the year	-	-	96,121	96,121
Transfers to and from reserves				
-Auxiliary Fund Payment	-	(400)	-	(400)
- Colonial Fund	-	-	-	96,121
- Mortality Fund	(69,300)	-	-	(69,300)
Sub-total	(69,300)	514,748	96,121	541,569
Balance at 30 June 2017	(364)	31,456,971	96,121	31,552,728

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 2017**

	Notes	2017 \$	2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		11,786,126	11,419,052
Payments to suppliers and employees		(11,144,281)	(11,128,710)
Interest received		148,289	300,165
Net cash provided by operating activities	31	<u>790,134</u>	<u>590,507</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
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		(126,080)	(76,443)
Payment for investment properties		-	(6,481,069)
Proceeds for investments		5,351,823	-
Payment for investments		(6,068,560)	(5,218,096)
Net cash used in investing activities		<u>(842,817)</u>	<u>(346,692)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from mortality funds		(69,300)	(22,000)
Proceeds from auxiliary funds		(400)	-
Net cash used in Financing activities		<u>(69,700)</u>	<u>(22,000)</u>
Net increase/(decrease) in cash held		(122,383)	221,815
Cash at beginning of financial year		634,638	412,823
Cash at end of financial year	16	<u><u>512,255</u></u>	<u><u>634,638</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 2017**

	Notes	2017 \$	2016 \$
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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

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 year 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 22: Property, Plant & Equipment and Note 24: Investment property.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES(CONT.)

New Australian Accounting Standards

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

The accounting policies adopted are consistent with those of the previous financial year except for the following standards and amendments, which have been adopted for the first time this financial year:

- *AASB 2015-2 Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 101* amends AASB 101 *Presentation of Financial Statements* to clarify existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying the Standard in determining what information to disclose, where and in what order information is presented in their financial statements. For example the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures.

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

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 2019);
- 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.

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES(CONT.)

(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) 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.

(d) Tickets on Hand

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

(e) 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.

(f) 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) 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.

(ii) 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.

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**NOTES TO THE FINANCIAL STATEMENTS
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NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES(CONT.)

(f) Financial Instrument(cont.)

(iii) 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.

(iv) 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.

(g) 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.

(h) 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.

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**NOTES TO THE FINANCIAL STATEMENTS
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NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES(CONT.)

(h) Property, Plant and Equipment(cont.)

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.

(i) 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.

(j) 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 estimates the recoverable amount of the cash generating unit to which the asset belongs.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES(CONT.)

(k) 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.

(n) Mortality Fund

Any member who has been with the branch for more than 25 years would be eligible to apply for a mortality payment, and the application is then approved by the board. The balance at reporting date in the mortality fund represents the application fees paid. Upon the death of a member, the amount paid out to the member's next-of-kin is based on the number of hours the member worked each week prior to their death.

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).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

	2017 \$	2016 \$
NOTE 3: OTHER INCOME		
Wage Entitlement	121	434
Investment Income	77,296	-
Government Paid Parental Leave	-	-
	<u>77,417</u>	<u>434</u>
NOTE 4: CAPITATION FEES		
Capitation Fees Received	-	-
	<u>-</u>	<u>-</u>
NOTE 5: LEVIES RECEIVED		
Compulsory Levies / Voluntary Levy / Appeals	-	-
	<u>-</u>	<u>-</u>
NOTE 6: GRANTS OR DONATIONS RECEIVED		
Grants	-	-
Donations	-	-
	<u>-</u>	<u>-</u>
NOTE 7: ADMINISTRATION EXPENSES		
Advertising Costs	18,830	25,000
Bank Charges	30,287	13,935
Building Expenses - Head office	258,162	221,834
Compulsory Levies	-	-
Grants and Donations	20,459	51,655
General Expenses	267,129	501,030
Information Technology Costs	232,881	240,515
Interest Expense	-	-
Conference & Meeting Expenses	33,163	42,325
Photocopier Expenses	205,535	162,917
Telephone	120,288	109,442
Total Administration Expenses	<u>1,186,734</u>	<u>1,368,653</u>
NOTE 7(a): GRANTS & DONATIONS PAID		
Donations		
- Total paid that were \$1,000 or less	173	300
- Total paid that exceeded \$1,000	20,286	51,355
Grants		
- Total paid that were \$1,000 or less	-	-
- Total paid that exceeded \$1,000	-	-
	<u>20,459</u>	<u>51,655</u>
NOTE 8: AFFILIATION FEES		
Shop Distributive & Allied Employees National Fund	855,579	838,823
Shop Distributive & Allied Employees International Fund	128,337	125,823
The Australian Labor Party	164,304	195,386
The Union Shopper Inc	16,576	18,000
Total Affiliation Fees	<u>1,164,796</u>	<u>1,178,032</u>

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

	2017 \$	2016 \$
NOTE 9: AUDITORS' REMUNERATION		
Remuneration of the auditor for:		
- Auditing or reviewing the financial report	36,232	36,017
- Other accounting and taxation services provided by related practice of auditor	197,690	300,095
	233,922	336,112
NOTE 10: FEDERAL EXPENSES		
- Conference & Meeting Expenses	119,073	87,213
- Fees & Allowances - Meeting & Conferences	22,673	39,045
	141,746	126,258
NOTE 11: LEVIES		
Levies	-	-
	-	-
NOTE 12: LEGAL COSTS		
- Litigation	-	-
- Other Legal Matters	233,234	162,030
	233,234	162,030
NOTE 13: CAPITATION FEES		
Capitation Fees Paid	-	-
	-	-
NOTE 14: EMPLOYEE EXPENSES		
Holders of Office:		
- Wages and Salaries	253,993	259,139
- Leave and Other Entitlements	87,294	47,049
- Separation and Redundancies	-	-
- Other Employee Expenses	-	-
	341,287	306,188
Employees other than Office Holders:		
- Wages and Salaries	3,289,893	3,474,992
- Leave and Other Entitlements	315,302	216,883
- Separation and Redundancies	-	-
- Other Employee Expenses	-	-
	3,605,195	3,691,875
Total Employee Expenses	3,946,482	3,998,063
Superannuation - Holders of Office	41,916	32,874
Superannuation - Employees other than Office Holders	423,456	404,024
Total Superannuation Expenses	465,372	436,898

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

	2017 \$	2016 \$
NOTE 15: OTHER EXPENSES		
Penalties - via RO Act or RO Regulations	-	-
	<u>-</u>	<u>-</u>
NOTE 16: CASH AND CASH EQUIVALENTS		
Cash on hand	511,755	634,138
Cash - other	500	500
	<u>512,255</u>	<u>634,638</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>512,255</u>	<u>634,638</u>
NOTE 17: TRADE AND OTHER RECEIVABLES		
CURRENT		
Membership fee receivables	376,617	427,713
Receivables from other reporting units	34 -	-
Less Provision for Doubtful Debts	-	-
	<u>376,617</u>	<u>427,713</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 \$18,407.16 (2016: \$47,524)</i>		
The branch is not owed any other amounts from other reporting units of the organization.		
NOTE 18: TICKETS ON HAND		
CURRENT		
Tickets	14,619	21,373
	<u>14,619</u>	<u>21,373</u>
NOTE 19: CASH MANAGEMENT ACCOUNTS		
CURRENT		
Queensland Credit Union - Moneymaker	2,361,938	2,112,883
Members Equity - Term Deposit	-	1,500,000
National Bank - Term Deposit	-	4,100,877
Colonial Short Term Reserve	1,018,902	-
	<u>3,380,840</u>	<u>7,713,760</u>
NOTE 20: OTHER ASSETS		
CURRENT		
Rental Property Debtors	39,131	171,257
Accrued Interest	-	14,132
Prepayments	788,002	863,583
Credit Facility Receivable	-	33
	<u>827,133</u>	<u>1,049,005</u>
NOTE 21: ASSETS CLASSIFIED HELD FOR SALE		
CURRENT		
Investment Property	(a) 7,500,000	7,500,000
	<u>7,500,000</u>	<u>7,500,000</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

	2017 \$	2016 \$
NOTE 22: FINANCIAL ASSETS		
Non Current Asset		
Colonial Long Term Reserve	5,145,779	-
	5,145,779	-
	5,145,779	-

(i) Fair Value Hierarchy

The following table provides an analysis of financial assets that are measured at fair value, by fair value hierarchy.

Fair Value hierarchy - 30 June 2017

	Date of valuation	Level 1 \$	Level 2 \$	Level 3 \$
Assets measured at fair value				
Colonial Long Term Reserve	30/06/2017	-	5,145,779	-
Total		-	5,145,779	-
		-	5,145,779	-

Fair Value hierarchy - 30 June 2016

	Date of valuation	Level 1 \$	Level 2 \$	Level 3 \$
Assets measured at fair value				
Colonial Long Term Reserve		-	-	-
Total		-	-	-
		-	-	-

NOTE 23: PROPERTY, PLANT AND EQUIPMENT

	2017 \$	2016 \$
LAND & BUILDING (385 ST PAULS TERRACE)		
At fair value	9,015,943	9,015,943
Less accumulated depreciation	(311,598)	(233,642)
Total land and buildings	8,704,345	8,782,301
PLANT AND EQUIPMENT		
At cost	1,576,069	1,620,986
Less accumulated depreciation	(955,976)	(963,176)
Total plant & equipment	620,093	657,810
Total property, plant and equipment	9,324,438	9,440,111

Movements in property, plant & equipment during the financial year ended 30 June 2017 were as follows:

	Land & Building \$	Plant & Equipment \$	Total \$
Balance at the beginning of the year	8,782,301	657,810	9,440,111
Additions	-	126,078	126,078
Disposals	-	(19,722)	(19,722)
Revaluation increment/(decrement)	-	-	-
Depreciation expenses	(77,956)	(144,073)	(222,029)
Carrying amount at the end of the year	8,704,345	620,093	9,324,438

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**NOTES TO THE FINANCIAL STATEMENTS
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NOTE 23: PROPERTY, PLANT AND EQUIPMENT (CONT.)

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

	Land & Building \$	Plant & Equipment \$	Total \$
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)
Carrying amount at the end of the year	<u>8,782,301</u>	<u>657,810</u>	<u>9,440,111</u>

Measurement of Fair Value at 30 June 2017

	Level 1	Level 2	Level 3
Assets Measured at Fair Value			
385 St Pauls Terrace, Fortitude Valley	-	-	8,704,345
	-	-	<u>8,704,345</u>

Measurement of Fair Value at 30 June 2016

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

(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).

(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%)	The higher the rental growth, the higher the fair value.
		Rental growth rate	3.2%	

A significant increase (decrease) in estimated price per square metre in isolation would result in a significantly higher (lower) fair value.

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 2017.

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**NOTES TO THE FINANCIAL STATEMENTS
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	2017 \$	2016 \$
NOTE 24: INVESTMENT PROPERTIES		
At Fair Value	6,100,000	17,299,998
Additions at cost	-	6,481,069
Disposals	-	(8,799,998)
Transfer to Assets held for sale	-	(7,500,000)
Revaluation increment/(decrement)	-	(1,381,069)
Total investment properties	6,100,000	6,100,000

Movements in the investment properties during the financial year ended 30 June 2017 were as follows:

	Eagle Farm \$	67 St Pauls Tce \$	48-52 Jephson St \$	Total \$
Balance at the beginning of the year	6,100,000	-	-	6,100,000
Additions	-	-	-	-
Disposals	-	-	-	-
Fair Value Adjustment (see below)	-	-	-	-
Transfer to Assets held for sale	-	-	-	-
Carrying amount at the end of the year	6,100,000	-	-	6,100,000

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	6,100,000	-	-	6,100,000

Measurement of fair value at 30 June 2017

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

Measurement of fair value at 30 June 2016

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

(i) 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 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.

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**NOTES TO THE FINANCIAL STATEMENTS
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NOTE 24: INVESTMENT PROPERTIES (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.

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.

A significant increase (decrease) in estimated rental value in isolation would result in a significantly higher (lower) fair value

	2017 \$	2016 \$
NOTE 25: TRADE AND OTHER PAYABLES		
CURRENT		
Unsecured liabilities		
Trade creditors	54,344	58,342
Payables to other reporting units	34	-
Accrued Expenses	224,589	274,561
PAYG tax withholding	69,293	84,338
GST payable/(refundable)	152,169	173,301
Legal Costs	-	-
Superannuation	-	-
Employee Deductions	-	(216)
	<u>500,395</u>	<u>590,326</u>

The branch does not owe any other amounts to another reporting unit of the organization.

NOTE 26: EMPLOYEE ENTITLEMENT PROVISIONS

CURRENT

Holder of Office:

Provision for Annual Leave	14,067	21,146
Provision for Long Service Leave	75,252	111,360
Provision for Separation & Redundancies	-	-
Provision for Other Employee Provisions	-	-
	<u>89,319</u>	<u>132,506</u>

Employees other than Office Holders:

Provision for Annual Leave	407,689	496,897
Provision for Long Service Leave	529,901	593,837
Provision for Separation & Redundancies	-	-
Provision for Other Employee Provisions	-	-
	<u>937,590</u>	<u>1,090,734</u>

Provision for wage increase

	-	-
	<u>1,026,909</u>	<u>1,223,240</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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	2017 \$	2016 \$
NOTE 26: EMPLOYEE ENTITLEMENT PROVISIONS (CONT.)		
NON-CURRENT		
Holders of Office:		
Provision for Long Service Leave	-	-
	<u>-</u>	<u>-</u>
Employees other than Office Holders:		
Rounding		
Provision for Long Service Leave	71,884	61,876
Provision for Separation & Redundancies	-	-
Provision for Other Employee Provisions	-	-
	<u>71,884</u>	<u>61,876</u>
	<u>71,884</u>	<u>61,876</u>
Total Employee Entitlements	<u>1,098,793</u>	<u>1,285,116</u>
NOTE 27: OTHER CURRENT LIABILITIES		
Prepaid Rent	29,735	-
Withholding Tax Credit	32	-
	<u>29,767</u>	<u>-</u>
NOTE 28: MORTALITY FUND		
Balance as at start of year	68,936	90,936
Transfer to reserve	-	-
Transferred out of reserve	(69,300)	(22,000)
Balance as at end of year	<u>(364)</u>	<u>68,936</u>
Member mortality claim is approximately between \$1,500 to \$3,000 per member (2016: \$2,000)		
NOTE 29: GENERAL FUND		
Total at the beginning of the financial year	30,942,223	29,915,427
Auxiliary Fund Payment	(400)	-
Net income/(loss) for the year	515,148	1,026,796
Total at the reporting date	<u>31,456,971</u>	<u>30,942,223</u>
Member auxiliary claim is estimated to be around \$400 per member (2016: Nil)		
NOTE 30: Asset Revaluation Reserve		
Total at the beginning of the financial year	-	-
Revaluation increments - Colonial Fund	96,121	-
Total at reporting date	<u>96,121</u>	<u>-</u>
NOTE 31: CASH FLOW RECONCILIATION		
(a) Reconciliation of cash flow from operations with Net profit attributable to the organization:		
Profit/(Loss) for the year	515,148	1,026,795
Non-cash flows in profit		
Depreciation	222,029	268,311
Loss/(gain) on disposal of property, plant & equipment	19,723	-
Loss/(gain) on disposal of investment properties	-	(2,192,551)
Loss/(gain) on revaluation investment properties	-	1,381,069
(Increase)/decrease in receivables	174,566	(230,297)
(Increase)/decrease in tickets on hand	6,753	503
(Increase)/decrease in other assets	75,581	173,878
Increase/(decrease) in payables	(4,002)	38,528
Increase/(decrease) in employee provisions	(186,323)	55,748
Increase/(decrease) in prepaid rent	29,735	(22,522)
Increase/(decrease) in other liabilities	(63,076)	91,045
Cash flows from operations	<u>790,134</u>	<u>590,507</u>

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NOTE 31 (a): CASH FLOWS TO SDA NATIONAL

		2017 \$	2016 \$
Cash inflows			
SDA National	34	-	-
Total Cash inflows		<u>-</u>	<u>-</u>
Cash outflows			
SDA National	34	1,068,146	1,027,957
Total Cash outflows		<u>1,068,146</u>	<u>1,027,957</u>

NOTE 32: CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

The Branch has a contingent liability of \$340,000 over its credit stand-by arrangements for autopay (2016: \$340,000). The Branch has a contingent liability of \$34,000 on its Business Line of Credit with Commonwealth bank which is currently in dispute.

NOTE 33: COMMITMENTS

Lease Commitments Receivable

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	468,299	639,372
Greater than one year but less than two years	292,200	389,244
Greater than two years but less than five years	-	292,200
Greater than five years	-	-
	<u>760,499</u>	<u>1,320,816</u>

Commitments Payable

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	17,997	36,093
Greater than five years	-	-
	<u>67,941</u>	<u>86,037</u>

NOTE 34: 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	1,035,089	932,744
Expenses paid to SDA National		
• ACTU IR Campaign Levy	-	31,302
• ALP Election Donation	-	38,341
• 100% Pay Week of Action	-	9,358
• Intranet	13,567	16,103
• Thompson Reuter Subscriptions	3,857	-
• Protect Penalty Rates	15,524	-
• Other	109	109
Amounts owed by SDA National	-	-
Amounts owed to SDA National	-	-
Loans from/to SDA National	-	-
Assets transferred from/to SDA National	-	-
	<u>1,068,146</u>	<u>1,027,957</u>

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NOTE 34: RELATED PARTY TRANSACTION (CONT.)

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 2017, the branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2016: \$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 35: NUMBER OF EMPLOYEES AT BALANCE DATE

47

NOTE 36: KEY MANAGEMENT PERSONNEL

[REDACTED]

Key management personnel compensation to the Officers comprised:

	2017	2016
	\$	\$
Short-term employee benefit	433,931	410,057
Post-employment benefits	49,480	31,573
Other long-term benefits	20,007	14,372
Total	503,418	456,002

	T	T	T	T
[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]

SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 36: KEY MANAGEMENT PERSONNE (CONT.)

	2016	2017	2016	2017
[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]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

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

NOTE 37: 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 2017.

i. Treasury Risk Management

An 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 2017.

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**NOTES TO THE FINANCIAL STATEMENTS
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(c) Credit Risk (cont.)

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:

		2017 \$	2016 \$
CURRENT			
Cash Management Accounts	18	3,380,840	7,713,760
Other current assets	19	827,132	1,049,005
		4,207,972	8,762,765

None of the above receivables are past due (2016: nil) and based on historic default rates and the minimal credit risk, the branch believes no impairment allowance is necessary. At 30 June 2017 the branch does not have any collective impairments on its cash and cash equivalents, receivables or other financial assets (2016: nil).

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.

Contractual maturities for financial liabilities 2017

	On Demand	< 1 year	1-2 years	2-5 years	>5 years	Total
Financial liabilities						
Other payables	-	500,395	-	-	-	500,395
Total financial liabilities	-	500,395	-	-	-	500,395

Contractual maturities for financial liabilities 2016

	On Demand	< 1 year	1-2 years	2-5 years	>5 years	Total
Financial liabilities						
Other payables	-	590,329	-	-	-	590,329
Total financial liabilities	-	590,329	-	-	-	590,329

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.

Market Risk:

(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 2017, 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:

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(d) Interest rate risk(cont.)

	2017 \$	2016 \$
Change in profit		
– Increase in interest rate by 2%	(10,302)	(20,535)
– Decrease in interest rate by 2%	10,302	20,535

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:

	2017 \$	2016 \$
Bank Overdraft		
Total facilities:	-	1,500,000
Used at the end of the reporting period	-	-
Unused at the end of the reporting period	-	1,500,000

NOTE 38: BRANCH DETAILS

The registered office of the Branch is:

SDA House
385 St Pauls Terrace
Fortitude Valley, QLD 4006

NOTE 39: PARENT ENTITY

SDAEA National Office is this Branch's parent entity.

NOTE 40: EVENTS OCCURRING AFTER BALANCE DATE

No matter or circumstance has arisen since 30 June 2017 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 41: 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.