



12 December 2018

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

Dear Mr Gazenbeek

**Re: – Financial reporting – Shop, Distributive and Allied Employees Association, Queensland Branch - for year ending 30 June 2018 (FR2018/92)**

I refer to the financial report of the Queensland Branch of the Shop, Distributive and Allied Employees Association in respect of the year ending 30 June 2018. The documents were lodged with the Registered Organisations Commission ('the ROC') on 7 November 2018.

The financial report has been filed. The financial report was filed based on a primary review. This involved confirming whether 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 the report for year ending 30 June 2019 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged. However, I make the following comments to assist when preparing the next report.

Nil activities disclosure

Item 21 of the reporting guidelines (RGs) states that if any activities described within items 10-20 have not occurred in the reporting period, a statement to this effect must be included either in the financial statements, the notes or in an officer's declaration statement. The notes contained nil activity information for all relevant RG categories not otherwise reported except the following:

- RG13(e) - receive revenue from undertaking recovery of wages activity
- RG14(e)(i) - pay a grant that was \$1,000 or less
- RG14(e)(ii) - pay a grant that exceeded \$1,000
- RG14(f)(iv) - pay separation and redundancy expense for holders of office
- RG14(f)(v) - pay other employment expenses for holders of office
- RG14(g)(iv) - pay separation and redundancy expense for employees (other than holders of offices)
- RG14(g)(v) - pay other employment expenses for employees (other than holders of offices)
- RG14(j)(i) - pay legal costs relating to litigation
- RG16(b)(i) - have a payable in respect of legal costs relating to litigation

- RG16(b)(ii) - have a payable in respect of legal costs relating to other legal matters
- RG19 - have another entity administer the financial affairs of the reporting unit
- RG20 - make a payment to a former related party of the reporting unit

Please ensure in future years all nil activity items are disclosed as per the reporting guidelines.

#### Prescribed information in Operating report

Regulation 159(c) requires an operating report to contain the name of each person who has been a member of the committee of management of the reporting unit at any time during the reporting period, and the period for which he or she held such a position.

I note the name 'M Wedgwood' appeared in the previous year's operating report but did not appear in this year's operating report. However a similar name appears in the declaration of results on 29 May 2018 in election matter E2018/16. At the same time, the name 'M Stanton' appeared in the 2018 operating report but was noted in the 2017 operating report as having "*ceased to be a representative on 9 November 2016*".

Please ensure all persons who were members of the committee of management are correctly included in each year's operating report.

#### Officer-Related party remuneration and payment disclosures

Note 36 discloses, on page 30, information which is additional to the key management personnel compensation information required by Australian Accounting Standard *AASB 124 Related Party Disclosures* (paragraph 17). The additional information relates to payments to particular officers. Similar information was contained in previous financial reports from 2013 and appears to reflect the requirement of the organisation's previous rules 44, 45 and 46 that such information be included in the audited accounts of the branch.

I note that previous rules 44, 45 and 46 have been replaced by current rule 42<sup>1</sup> which provides that the respective disclosure obligations are as regulated by the provisions of Part 2A of Chapter 9 of the RO Act.

Part 2A of Chapter 9 contains new provisions which supersede those former provisions of the RO Act which had required organisations and branches to have, and comply with, their own rules concerning similar disclosure in relation to officer remuneration.

Section 293J of Part 2A requires a branch of an organisation to provide its members and lodge with the ROC a copy of an officer and related party disclosure statement in respect of certain remuneration<sup>2</sup> and payments<sup>3</sup> paid during the relevant financial year. This requirement applied to the financial year ending 30 June 2018. The statement is required to be lodged with the ROC within the period of six months starting from the end of the financial year, i.e. before or by no later than 31 December.

Please note that the officer and related party disclosure statement is separate from, and does not form part of, the general purpose financial report required under section 253 of Part 3 of Chapter 8. As some of the information included in Note 36 goes beyond the requirements of AASB 124 and due to the nature of the disclosure, the ROC has decided to redact this information from the copy of the 2018 financial report before publishing it on its website. The published reports for 2013 to 2017 have also been redacted.

Further information about officer and related party statements may be found on the ROC website at the following link: <http://www.roc.gov.au/running-a-registered-organisation/disclosure-obligations>.

---

<sup>1</sup> see FWC decision 23/04/2018 [PR600429] and as corrected 19/06/2018 [PR607665]

<sup>2</sup> see section 293BC

<sup>3</sup> see section 293G

## Reporting Requirements

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 reporting guidelines and a model set of financial statements. The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 Reporting Guidelines and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any queries regarding this letter, please contact me on (02) 6746 3283 or by email at [stephen.kellett@roc.gov.au](mailto:stephen.kellett@roc.gov.au).

Yours faithfully

A handwritten signature in black ink that reads "Stephen Kellett". The signature is written in a cursive style with a long horizontal stroke extending to the right.

Stephen Kellett  
Financial Reporting  
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 2018**

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 2018 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 21<sup>st</sup> day of September 2018; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 7<sup>th</sup> day of November 2018 in accordance with section 266(3) of the *Fair Work (Registered Organisations) Act 2009*.



.....  
Christopher Gazenbeek  
Secretary - Treasurer

Date: 7<sup>th</sup> November 2018



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

**FINANCIAL REPORT**

**FOR THE YEAR ENDED 30 JUNE 2018**

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

**TABLE OF CONTENTS**

<b>Independent Auditor's Report</b>	<b>3 - 5</b>
<b>Expenditure Report</b>	<b>6</b>
<b>Operating Report</b>	<b>7 - 8</b>
<b>Committee of Management Statement</b>	<b>9</b>
<b>Statement of Comprehensive Income</b>	<b>10</b>
<b>Statement of Financial Position</b>	<b>11</b>
<b>Statement of Changes in Equity</b>	<b>12</b>
<b>Statement of Cash Flows</b>	<b>13</b>
<b>Notes to the Financial Statements</b>	<b>14 - 33</b>

## 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 2018, the statement of 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, the Committee of Management Statement and the subsection 255(2A) report.

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 2018 and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and any other requirement imposed by these Reporting Guidelines or Part 3 of Chapter 8 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Reporting Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.



- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Reporting Unit audit. We remain solely responsible for our audit opinion.

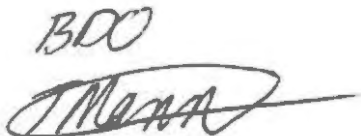
We communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during our audit.

This description forms part of our auditor's report.

### **Declaration by the auditor**

I, T R Mann, declare that I am an approved auditor, a member of the Chartered Accountants Australia New Zealand and hold a current Public Practice Certificate.

**BDO Audit Pty Ltd**



**T R Mann**

Director

Brisbane, 11 September 2018

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

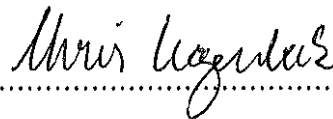
**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION  
(QLD BRANCH)**

**EXPENDITURE REPORT REQUIRED UNDER SUBSECTION 255(2A)  
FOR THE YEAR ENDED 30 JUNE 2018**

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 30 June 2018.

Categories of expenditures	2018 \$	2017 \$
Remuneration and other employment-related costs and expenses - employees	4,698,164	4,414,142
Advertising	1,665	18,830
Operating costs	6,067,981	5,937,153
Donations to political parties	2,300	-
Legal costs	163,909	233,234

Signature of designated officer:



Name and title of designated officer:

Christopher Gazenbeek  
Secretary - Treasurer

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

**OPERATING REPORT  
FOR THE YEAR ENDED 30 JUNE 2018**

The Committee of Management presents its operating report on the Reporting Unit for the financial year ended 30 June 2018.

**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 fund 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 and 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 2018 was 29,833.

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

**Employees**

At 30 June 2018, there were 49 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 Branch Secretary - Treasurer since July 2014

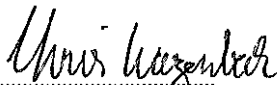
SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION  
(QLD BRANCH)

OPERATING REPORT  
FOR THE YEAR ENDED 30 JUNE 2018

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. K. Burgess	State Council member since 9th November 2016 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 Ceased to be representative on the 29th May 2018
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
Mr. B. Knap	State Council member since 29th May 2018 Representative from the Southern & Western Districts

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

Dated at Brisbane this 11<sup>th</sup> day of September 2018



Christopher Gazebeek  
Branch Secretary - Treasurer

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

**COMMITTEE OF MANAGEMENT STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2018**

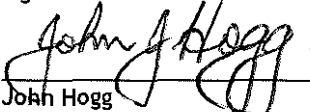
On the 11<sup>th</sup> day of September 2018 the Committee of Management of Shop, Distributive and Allied Employees' Association (QLD Branch) passed the following resolution in relation to the general-purpose financial report (GPFR) of the Branch for the year ended 30 June 2018.

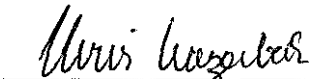
The Committee of Management declares in relation to the General Purpose Financial Report ("GPFR") that in its opinion:

- (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.

This declaration is made in accordance with a resolution of the Committee of Management.

Signed on behalf of the Committee of Management:

  
John Hogg  
Branch President

  
Christopher Hazenbeek  
Branch Secretary - Treasurer

Dated at Brisbane this 11<sup>th</sup> day of September 2018

Dated at Brisbane this 11<sup>th</sup> day of September 2018

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

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2018**

	Notes	2018 \$	2017 \$
<b>INCOME</b>			
Membership subscriptions		11,009,434	10,548,093
Interest		55,093	134,157
Other Income	3	248,993	77,417
Gain/(Loss) on disposal of depreciable assets		(13,406)	-
Gain/(Loss) on disposal of investment property		-	(19,723)
Rental income		602,547	873,896
<b>TOTAL INCOME</b>		<u>11,902,661</u>	<u>11,613,840</u>
<b>LESS EXPENSES</b>			
Administration costs	7	1,407,958	1,186,734
ACTU costs		155,947	17,145
Affiliation fees	8	1,203,972	1,164,796
Audit fees	9	39,546	36,232
Considerations paid to employers for payroll deductions		238,114	980,458
Consulting / Training		367,461	374,452
Depreciation		223,328	222,029
Federal meeting expenses	10	149,507	141,746
Fringe benefits		82,133	76,048
Insurance		270,294	235,154
Legal costs	12	163,909	233,234
Loss on revaluation of investment property		-	-
Organisation expenses		787,230	732,925
Other (rental properties expenses)		571,111	495,332
Payroll tax		238,917	188,613
Postage		151,129	131,037
Printing and stationery		335,465	276,368
Provision for long service leave		40,984	(186,325)
Salaries and wages	14	3,955,906	3,946,482
Scholarship bursaries		156,495	66,146
Shop steward expenses		503,370	314,714
Superannuation	14	462,357	465,372
<b>TOTAL EXPENSES</b>		<u>11,505,133</u>	<u>11,098,692</u>
<b>Surplus (deficit) for the year</b>		<u>397,528</u>	<u>515,148</u>
<b>Other Comprehensive Income</b>			
Items that may be subsequently reclassified to profit or loss			
Net gain on available for sale investments		132,290	96,121
<b>Total comprehensive income attributable to the organisation</b>		<u>529,818</u>	<u>611,269</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 2018**

	Notes	2018 \$	2017 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	16	910,758	512,255
Trade and other receivables	17	795,345	376,617
Tickets on hand	18	8,835	14,619
Cash management accounts	19	1,786,952	3,380,840
Other current assets	20	974,475	827,133
Assets classified as held for sale	21	7,500,000	7,500,000
<b>TOTAL CURRENT ASSETS</b>		<u>11,976,365</u>	<u>12,611,464</u>
<b>NON-CURRENT ASSETS</b>			
Financial assets	22	6,545,964	5,145,779
Property, plant and equipment	23	9,234,581	9,324,438
Investment properties	24	6,100,000	6,100,000
<b>TOTAL NON-CURRENT ASSETS</b>		<u>21,880,545</u>	<u>20,570,217</u>
<b>TOTAL ASSETS</b>		<u>33,856,910</u>	<u>33,181,681</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	25	711,979	500,395
Provision for employee benefits	26	1,068,407	1,026,909
Other Current Liabilities	27	574	29,767
<b>TOTAL CURRENT LIABILITIES</b>		<u>1,780,960</u>	<u>1,557,071</u>
<b>NON-CURRENT LIABILITIES</b>			
Provision for long service leave	26	81,654	71,882
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>81,654</u>	<u>71,882</u>
<b>TOTAL LIABILITIES</b>		<u>1,862,614</u>	<u>1,628,953</u>
<b>NET ASSETS</b>		<u>31,994,296</u>	<u>31,552,728</u>
<b>EQUITY</b>			
Mortality fund	28	(88,614)	(364)
General fund	29	31,854,499	31,456,971
Asset revaluation reserves	30	228,411	96,121
<b>TOTAL EQUITY</b>		<u>31,994,296</u>	<u>31,552,728</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 2018**

	Mortality Fund \$	General Fund \$	Asset Revaluation Reserve \$	Total \$
<b>Balance at 1 July 2016</b>	68,936	30,942,223	-	31,011,159
Profit/(loss) attributable to the organisation	-	515,148	-	515,148
Other Comprehensive Income for the year	-	-	-	-
Transfers to and from reserves				
- Auxiliary fund payment	-	(400)	-	(400)
- Colonial fund	-	-	96,121	96,121
- Mortality fund	(69,300)	-	-	(69,300)
Sub-total	(69,300)	514,748	96,121	541,569
<b>Closing balance at 30 June 2017</b>	(364)	31,456,971	96,121	31,552,728
Profit/(loss) attributable to the organisation	-	397,528	-	397,528
Other Comprehensive Income for the year	-	-	132,290	132,290
Transfers to and from reserves				
- Auxiliary fund payment	-	-	-	-
- Colonial fund	-	-	-	-
- Mortality fund	(88,250)	-	-	(88,250)
Sub-total	(88,250)	397,528	132,290	441,568
<b>Closing balance at 30 June 2018</b>	(88,614)	31,854,499	228,411	31,994,296

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 2018**

	Notes	2018 \$	2017 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		12,602,721	11,786,126
Payments to suppliers and employees		(12,329,603)	(11,144,281)
Interest received		55,093	148,289
Investment expenses		(20,576)	-
Net cash provided by operating activities	31	<u>307,635</u>	<u>790,134</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for property, plant and equipment		(146,877)	(126,080)
Payment for investment properties		-	-
Proceeds from investments		2,298,837	5,351,823
Payment of investment		(1,972,842)	(6,068,560)
Net cash provided by investing activities		<u>179,118</u>	<u>(842,817)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payments from mortality funds		(88,250)	(69,300)
Payments from auxiliary funds		-	(400)
Net cash used in Financing activities		<u>(88,250)</u>	<u>(69,700)</u>
Net increase/(decrease) in cash held		398,503	(122,383)
Cash at beginning of financial year		512,255	634,638
Cash at end of financial year	16	<u><u>910,758</u></u>	<u><u>512,255</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)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

**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 and the financial statements are prepared on a going concern basis.

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 23: 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 2018**

**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.

**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); and
- ii) AASB 16 Leases (applicable for reporting periods beginning on or after 1 January 2019); and
- iii) AASB 1058 Income of Not-for-Profit Entities (applicable for reporting periods beginning on or after 1 January 2019); and
- iv) AASB 9 Financial Instruments (applicable for reporting periods beginning on or after 1 January 2018).

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

**Accounting Policies**

**(a) Revenue**

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

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

Donation income is recognised when it is received.

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

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Other revenue is recognised when the right to receive the revenue has been established

**(b) Employee Benefits**

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

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

**(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.

**(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.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

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

**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.

*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.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

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

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

*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
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 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.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

**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 able to apply to be a mortality member, 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: Section 272 Fair Work (Registered Organisation) Act 2009**

In accordance with the requirements 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 Commissioner:

- (1) A member of a reporting unit, or the Commissioner, 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).

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

	Note	2018 \$	2017 \$
<b>NOTE 3: OTHER INCOME</b>			
Other income		-	121
Investment Income		248,993	77,296
		<u>248,993</u>	<u>77,417</u>
<b>NOTE 4: CAPITATION FEES</b>			
Capitation Fees Received		-	-
		<u>-</u>	<u>-</u>
<b>NOTE 5: LEVIES RECEIVED</b>			
Compulsory Levies/ Voluntary Levy/ Appeals		-	-
		<u>-</u>	<u>-</u>
<b>NOTE 6: GRANT AND DONATION RECEIVED</b>			
Grants		-	-
Donations		-	-
		<u>-</u>	<u>-</u>
<b>NOTE 7: ADMINISTRATION EXPENSES</b>			
Advertising Costs		1,665	18,830
Bank Charges		27,888	30,287
Building Expenses - Head office		288,980	258,162
Compulsory levies		-	-
Grants and Donations	7(a)	18,536	20,459
General Expenses		443,947	267,129
Information Technology costs		230,905	232,881
Interest Expense		-	-
Conference & Meeting Expenses		60,969	33,163
Photocopier Expenses		168,642	205,535
Telephone		166,426	120,288
Total administration expenses		<u>1,407,958</u>	<u>1,186,734</u>
<b>NOTE 7(a): GRANTS &amp; DONATIONS PAID</b>			
Donations			
- Total paid that were \$1,000 or less		650	173
- Total paid that exceeded \$1,000		17,886	20,286
		<u>18,536</u>	<u>20,459</u>
<b>NOTE 8: AFFILIATION FEES</b>			
Shop Distributive & Allied Employees National Fund		884,930	855,579
Shop Distributive & Allied Employees International Fund		132,740	128,337
The Australian Labor Party		165,847	164,304
The Union Shopper Inc		20,455	16,576
Total Affiliation Fees		<u>1,203,972</u>	<u>1,164,796</u>



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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

	Note	2018 \$	2017 \$
<b>NOTE 9: AUDITORS' REMUNERATION</b>			
Remuneration of the auditor for:			
- Auditing or reviewing the financial report		39,546	36,232
- Other accounting and taxation services provided by related practice of auditor		179,599	197,690
		219,145	233,922
<b>NOTE 10: FEDERAL EXPENSES</b>			
- Conference & Meeting Expenses		109,657	119,073
- Fees & Allowances - Meeting & Conferences		39,850	22,673
		149,507	141,746
<b>NOTE 11: LEVIES</b>			
Levies		-	-
		-	-
<b>NOTE 12: LEGAL COSTS</b>			
- Other Legal Matters		163,909	233,234
		163,909	233,234
<b>NOTE 13: CAPITATION FEES</b>			
Capitation Fees Paid		-	-
		-	-
<b>NOTE 14: EMPLOYEE EXPENSES</b>			
Holders of Office:			
- Wages and Salaries		273,712	253,993
- Leave and Other Entitlements		48,270	87,294
		321,982	341,287
Employees other than Office Holders:			
- Wages and Salaries		3,388,846	3,289,893
- Leave and Other Entitlements		245,078	315,302
		3,633,924	3,605,195
Total Employee Expenses		3,955,906	3,946,482
Superannuation - Holders of Office		50,254	41,916
Superannuation - Employees other than Office Holders		412,103	423,456
Total Superannuation Expenses		462,357	465,372

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

	Note	2018 \$	2017 \$
<b>NOTE 15: OTHER EXPENSES</b>			
Penalties - via RO ACT or RO Regulations		-	-
		-	-
<b>NOTE 16: CASH AND CASH EQUIVALENTS</b>			
Cash on hand		910,258	511,755
Cash - other		500	500
		910,758	512,255
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		910,758	512,255
<b>NOTE 17: TRADE AND OTHER RECEIVABLES</b>			
<b>CURRENT</b>			
Membership fees receivable		795,345	376,617
Receivables from other reporting units	34	-	-
Less Provision for doubtful debts		-	-
		795,345	376,617
<i>Membership fees receivable represents the net amount after the amount payable to employers as consideration for payroll deductions of membership subscriptions estimated to be \$0 (2017: \$18,407).</i>			
The Branch is not owed any other amounts from other reporting units of the organization.			
<b>NOTE 18: TICKETS ON HAND</b>			
<b>CURRENT</b>			
Tickets		8,835	14,619
		8,835	14,619
<b>NOTE 19: CASH MANAGEMENT ACCOUNTS</b>			
<b>CURRENT</b>			
Queensland Credit Union - Moneymaker		1,786,952	2,361,938
Colonial Short Term Reserve		-	1,018,902
		1,786,952	3,380,840
<b>NOTE 20: OTHER ASSETS</b>			
<b>CURRENT</b>			
Rental property debtors		172	39,131
Accrued interest		-	-
Prepayments		974,303	788,002
		974,475	827,133
<b>NOTE 21: ASSETS CLASSIFIED HELD FOR SALE</b>			
<b>CURRENT</b>			
Investment property		7,500,000	7,500,000
		7,500,000	7,500,000

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
<b>NOTE 22: FINANCIAL ASSETS</b>		
Non Current Asset		
Colonial Long Term Reserve	6,545,964	5,145,779
	6,545,964	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 2018**

	Date of valuation	Level 1	Level 2	Level 3
		\$	\$	\$
Assets measured at fair value				
Colonial Long Term Reserve	30/06/2018	-	6,545,964	-
Total		-	6,545,964	-

**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	-

**NOTE 23: PROPERTY, PLANT AND EQUIPMENT**

	2018	2017
	\$	\$
<b>LAND &amp; BUILDING (385 ST PAULS TERRACE)</b>		
At Fair Value	9,015,943	9,015,943
Less accumulated depreciation	(389,554)	(311,598)
Total land and buildings	8,626,389	8,704,345
<b>PLANT AND EQUIPMENT</b>		
At cost	1,705,073	1,576,069
Less accumulated depreciation	(1,096,881)	(955,976)
Total plant & equipment	608,192	620,093
Total property, plant and equipment	9,234,581	9,324,438

Movements in property, plant & equipment during the financial year ended 30 June 2018 were as follows:

	Land & Building	Plant & Equipment	Total
	\$	\$	\$
Balance at the beginning of the year	8,704,345	620,093	9,324,438
Additions	-	146,877	146,877
Disposals	-	(13,406)	(13,406)
Revaluation increment/(decrement)	-	-	-
Depreciation expenses	(77,956)	(145,372)	(223,328)
Carrying amount at the end of the year	8,626,389	608,192	9,234,581

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

**NOTE 23: PROPERTY, PLANT AND EQUIPMENT (CONT.)**

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	<u>8,704,345</u>	<u>620,093</u>	<u>9,324,438</u>

**Measurement of fair value at 30 June 2018**

	Level 1	Level 2	Level 3
<b>Assets Measured at Fair Value</b>			
385 St Pauls Terrace, Fortitude Valley	-	-	8,626,389
	-	-	<u>8,626,389</u>

**Measurement of fair value at 30 June 2017**

	Level 1	Level 2	Level 3
<b>Assets Measured at Fair Value</b>			
385 St Pauls Terrace, Fortitude Valley	-	-	8,704,345
	-	-	<u>8,704,345</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%)	
		Rental growth rate	3.2%	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 2018**

**NOTE 23: PROPERTY, PLANT AND EQUIPMENT (CONT.)**

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 2018.

	2018 \$	2017 \$
<b>NOTE 24: INVESTMENT PROPERTIES</b>		
At Fair Value	6,100,000	6,100,000
Additions at cost	-	-
Disposals	-	-
Transfer to Assets held for sale	-	-
Revaluation increment/(decrement)	-	-
Total investment properties	6,100,000	6,100,000

Movements in the investment properties during the financial year ended 30 June 2018 were as follows:

	Eagle Farm \$	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 2017 were as follows:

	Eagle Farm \$	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

**Measurement of fair value at 30 June 2018**

	Level 1	Level 2	Level 3
<b>Assets Measured at Fair Value</b>			
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 2017**

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

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

**NOTE 24: INVESTMENT PROPERTIES (CONT.)**

**(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 the fair value measurement for the investment properties was determined based on a directors' valuation using the price the properties were acquired for in an arm's 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.

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

	Note	2018 \$	2017 \$
<b>NOTE 25: TRADE AND OTHER PAYABLES</b>			
<b>CURRENT</b>			
Unsecured liabilities			
Trade creditors		322,368	54,344
Payables to other reporting units	34	-	-
Accrued expenses		155,524	224,589
PAYG tax withholding		91,877	69,293
GST payable/(refundable)		142,210	152,169
Employee deductions		-	-
		<u>711,979</u>	<u>500,395</u>

The Branch does not owe any other amounts to another reporting unit of the organisation.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

	Note	2018 \$	2017 \$
<b>NOTE 26: EMPLOYEE ENTITLEMENT PROVISIONS</b>			
<b>CURRENT</b>			
Holders of Office:			
Provision for annual leave		18,983	14,067
Provision for long service leave		62,959	75,252
Provision for separation & redundancies		-	-
Provision for other employee provisions		-	-
		<u>81,942</u>	<u>89,319</u>
Employees other than Office Holders:			
Provision for annual leave		470,860	407,689
Provision for long service leave		515,605	529,901
Provision for separation & redundancies		-	-
Provision for other employee provisions		-	-
		<u>986,465</u>	<u>937,590</u>
Provision for wage increase		-	-
		<u>1,068,407</u>	<u>1,026,909</u>
<b>NON-CURRENT</b>			
Holders of Office:			
Provision for long service leave		-	-
Employees other than Office Holders:			
Provision for long service leave		81,654	71,884
Provision for separation & redundancies		-	-
Provision for other employee provisions		-	-
		<u>81,654</u>	<u>71,884</u>
Total Employee Entitlements		<u>1,150,061</u>	<u>1,098,793</u>
<b>NOTE 27: OTHER CURRENT LIABILITIES</b>			
Prepaid rent		-	29,735
Withholding tax credit		51	32
CBA Mastercards		523	-
		<u>574</u>	<u>29,767</u>
<b>NOTE 28: MORTALITY FUND</b>			
Balance as at start of year		(364)	68,936
Transfer to reserve		-	-
Transferred out of reserve		(88,250)	(69,300)
Balance as at end of year		<u>(88,614)</u>	<u>(364)</u>
Member mortality claim is approximately between \$1,500 to \$3,000 per member (2017: \$2,000)			
<b>NOTE 29: GENERAL FUND</b>			
Total at the beginning of the financial year		31,456,971	30,942,223
Auxiliary fund payment		-	(400)
Net income/(loss) for the year		397,528	515,148
Total at the reporting date		<u>31,854,499</u>	<u>31,456,971</u>
Member auxiliary claim is nil per member (2017: \$400)			

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

	Note	2018 \$	2017 \$
<b>NOTE 30: ASSET REVALUATION RESERVE</b>			
Total at the beginning of the financial year		96,121	-
Revaluation increments - Colonial Fund		132,290	96,121
Total at reporting date		<u>228,411</u>	<u>96,121</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		397,528	515,148
Non-cash flows in profit			
Depreciation		223,328	222,029
Loss/(gain) on disposal of property, plant & equipment		13,406	19,723
Loss/(gain) on disposal of investment properties		-	-
Loss/(gain) on revaluation investment properties		-	-
(Increase)/decrease in receivables		(406,794)	174,566
(Increase)/decrease in tickets on hand		5,785	6,753
(Increase)/decrease in other assets		(186,301)	75,581
Increase/(decrease) in payables		268,024	(4,002)
Increase/(decrease) in employee provisions		51,270	(186,323)
Increase/(decrease) in prepaid rent		-	29,735
Increase/(decrease) in other liabilities		(58,611)	(63,076)
Cash flows from operations		<u>307,635</u>	<u>790,134</u>

**Note 31 (a) : Cash Flows to SDA National**

<b>Cash inflows</b>			
SDA National	34	-	-
Total Cash inflows		<u>-</u>	<u>-</u>
<b>Cash outflows</b>			
SDA National	34	1,257,269	1,068,146
Total Cash outflows		<u>1,257,269</u>	<u>1,068,146</u>

**NOTE 32: CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS**

The Branch does not have any contingent liabilities.

**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	294,216	468,299
Greater than one year but less than two years	-	292,200
Greater than two years but less than five years	-	-
Greater than five years	-	-
	<u>294,216</u>	<u>760,499</u>

**Commitments Payable**

The Branch has commitments payable related to maintenance contracts for the head office and motor vehicle leases for staff members:

Less than one year	334,714	331,351
Greater than one year but less than two years	250,824	226,460
Greater than two years but less than five years	109,220	185,669
Greater than five years	-	-
	<u>694,758</u>	<u>743,480</u>



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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

**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.

	2018	2017
	\$	\$
Revenue received from SDA National	-	-
Affiliation fees paid to SDA National	1,000,253	1,035,089
Expenses paid to SDA National		
• ACTU "Change the Rules" Campaign	150,248	-
• "No One Deserves a Serve" Campaign	44,158	-
• Plastic Bag Ban (NODAS) Campaign	33,005	-
• Intranet and IT	22,822	13,567
• ACTU Congress Accommodation	4,893	-
• Thompson Reuter Subscriptions	1,532	3,857
• Protect Penalty Rates	-	15,524
• Other	358	109
Amounts owed by SDA National	-	-
Amounts owed to SDA National	-	-
Loans from/to SDA National	-	-
Assets transferred from/to SDA National	-	-
	<u>1,257,269</u>	<u>1,068,146</u>

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 2018, the Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2017: \$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**

49

**NOTE 36: KEY MANAGEMENT PERSONNEL**


Key management personnel compensation to the Officers comprised:

Short-term employee benefit	369,595	391,147
Post-employment benefits	50,253	49,480
Other long-term benefits	16,476	20,007
<b>Total</b>	<u>436,324</u>	<u>460,634</u>



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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

**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 2018.

**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 2018.

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 Branch's exposure to credit risk at the end of the reporting period:

		2018 \$	2017 \$
<b>CURRENT</b>			
Cash management accounts	17	1,786,952	3,380,840
Other current assets	18	974,475	827,133
Trade and other receivables	15	795,345	376,617
		3,556,772	4,584,590

None of the above receivables are past due (2017: nil) and based on historic default rates and the minimal credit risk, the Branch believes no impairment allowance is necessary. At 30 June 2018 the Branch does not have any collective impairments on its cash and cash equivalents, receivables or other financial assets (2017: nil).

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

**NOTE 37: 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.

**Contractual maturities for financial liabilities 2018**

	On Demand	< 1 year	1-2 years	2-5 years	>5 years	Total
<b>Financial liabilities</b>						
Other payables	-	711,979	-	-	-	711,979
<b>Total financial liabilities</b>	<u>-</u>	<u>711,979</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>711,979</u>

**Contractual maturities for financial liabilities 2017**

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

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 2018, 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:

	2018 \$	2017 \$
<b>Change in profit</b>		
- Increase in interest rate by 2%	18,215	10,302
- Decrease in interest rate by 2%	(18,215)	(10,302)

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:

	2018 \$	2017 \$
<b>Bank Overdraft</b>		
<b>Total facilities:</b>		
Used at the end of the reporting period	-	-
Unused at the end of the reporting period	-	-

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

**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 2018 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