Australian Government
Registered Organisations Commission

29 October 2020

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

Sent via email: secretary@sdaq.asn.au
CC: tim.mann@bdo.com.au

Dear Christopher Gazenbeek,

Shop, Distributive and Allied Employees Association-Queensland Branch
Financial Report for the year ended 30 June 2020 – (FR2020/144)

I acknowledge receipt of the financial report for the year ended 30 June 2020 for the Shop, Distributive and Allied Employees Association-Queensland Branch (**reporting unit**). The documents were lodged with the Registered Organisations Commission (**the ROC**) on 19 October 2020.

The financial report has now been filed.

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

Please note that the financial report for the year ending 30 June 2021 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged. I make the following comments to assist you when you next prepare a financial report. The ROC will confirm these concerns have been addressed prior to filing next year's report.

General purpose financial report (GPFR)

<u>AASB 15 - Disaggregation of revenue from contracts with customers</u>

Australian Accounting Standard AASB 15 Revenue from Contracts with Customers paragraph 114 requires an entity to disaggregate revenue from contracts with customers into categories that depict how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors.

It appears that no such disclosure has been made.

Please note that in future years the reporting unit's GPFR must include all relevant and required financial disclosures in accordance with AASB 15.

References to legislation and the ROC

Following the enactment of the *Fair Work (Registered Organisations) Amendment Act 2016*, the ROC is the new regulator for registered organisations, with effect from 1 May 2017. All references to the Fair Work Commission and General Manager must be changed to the Registered Organisations Commission and Commissioner except in relation to declaration (e)(vi) in the committee of management statement.

I note that item (e)(vi) in the committee of management statement refers to the ROC instead of the Fair Work Commission. Please ensure in future years that the committee of management statement is adjusted accordingly.

Auditor's report

Declaration relating to management use of going concern basis of accounting

Item 30 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.

Please ensure in future years that the auditor's statements include the abovementioned declaration.

Reporting Requirements

The ROC website provides 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 (03) 9603 0764 or via email at kylie.ngo@roc.gov.au.

Yours sincerely,

Kylie Ngo
Registered Organisations Commission

SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
(QLD BRANCH)

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

CERTIFICATE BY DESIGNATED OFFICER
FOR THE YEAR ENDED 30 JUNE 2020

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 2020 referred to in section 268 of the *Fair Work (Registered* Organisations) Act 2009; and
- that the full report (excluding the Detailed Income Statement) was provided to members of the reporting unit on 18th day of September 2020; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 13th day of October 2020 in accordance with section 266 of the *Fair Work (Registered Organisations)* Act 2009.

Chris Gazenbeek

Christopher Gazenbeek
Secretary - Treasurer

Date: 13th October 2020

SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION (QLD BRANCH)

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

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 2020, 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, the subsection 255(2A) report and the Officers Declaration 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 2020 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 (including Independence Standards)* (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 a registered auditor, a member of the Chartered Accountants Australia New Zealand and hold a current Public Practice Certificate.

BDO Audit Pty Ltd

BDO

T Mann

T R Mann
Director

Brisbane, 15 September 2020

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 2020

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 30 June 2020.

Categories of expenditures	2020 $	2019 $
Remuneration and other employment-related costs and expenses - employees	5,147,274	4,865,358
Advertising	20,494	8,076
Operating costs	5,453,491	6,307,888
Donations to political parties	10,000	-
Legal costs	69,159	166,572

Signature of designated officer: .... Chris Gazenbeek

Name and title of designated officer: Christopher Gazenbeek
Secretary - Treasurer

Dated: 15th September

SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION (QLD BRANCH)

OPERATING REPORT FOR THE YEAR ENDED 30 JUNE 2020

The Committee of Management presents its operating report on the Reporting Unit for the financial year ended 30 June 2020.

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 2020 was 32,225.

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

Employees

At 30 June 2020, there were 55 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:

Name	*State Council*
Mr J. Hogg Branch President	State Council member since 1980 Branch President since 1996
Ms. E. Beswick Branch Vice President	State Council member since 1998 Branch Vice President since 2002
Mr C. Gazenbeek Branch Secretary - Treasurer	State Council member since 2011 Branch Secretary - Treasurer since 2014

SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION (QLD BRANCH)

OPERATING REPORT FOR THE YEAR ENDED 30 JUNE 2020

Mr. J. Power Assistant Secretary	State Council member since 2014 Assistant Secretary since 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 2009 Brisbane Area Representative
Ms. M. Wedgwood	State Council member since 2014 Brisbane Area Representative
Ms. K. Burgess	State Council member since 2016 Brisbane Area Representative
Ms. B. Flood	State Council member since 2012 Representative from the Northern Districts
Ms. T. Williams	State Council member since 2014 Representative from the Northern Districts
Ms. S. McLean	State Council member since 2014 Representative from the Southern & Western Districts
Mrs. R. Welch	State Council member since 2014 Representative from the area covered by the Shop Assistants and Storemen and Packers Award - Central Division
Mr. B. Knap	State Council member since 2018 Representative from the Southern & Western Districts

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

Dated at Brisbane this 15th day of September 2020

....
Christopher Gazenbeek
Branch Secretary - Treasurer

SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
(QLD BRANCH)

COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2020

On the 15th day of September 2020 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 2020.

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 by the designated officers on behalf of the Committee of Management:

John Hogg
Branch President

Dated at Brisbane this 15th day of September 2020

Christopher Gazenbeek
Branch Secretary - Treasurer

Dated at Brisbane this 15th day of September 2020

SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
(QLD BRANCH)

OFFICER DECLARATION STATEMENT
FOR THE YEAR ENDED 30 JUNE 2020

I, Christopher Gazenbeek, being the Secretary-Treasurer of the Branch, declare that the following activities did not occur during the reporting period ending 30 June 2020.

The reporting unit did not:

- receive capitation fees or any other revenue amount from another reporting unit
- receive revenue via compulsory levies
- receive donations or grants
- receive revenue from undertaking recovery of wages activity
- pay capitation fees to another reporting unit
- pay a penalty imposed under the RO Act or the Fair Work Act 2009
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- make a payment to a former related party of the reporting unit

Signed by the officer: ....[signature]..........

Dated: 15th September 2020

SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
(QLD BRANCH)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 $	2019 $
INCOME			
Membership subscriptions		10,654,805	10,667,658
Interest		5,523	29,667
Other Income	3	413,637	450,241
Gain/(Loss) on disposal of depreciable assets		-	(7,551)
Gain/(Loss) on disposal of investment property		-	(1,195,105)
Gain/(Loss) on revaluation of investment property		(228,616)	200,000
Gain/(Loss) on revaluation of investment portfolio		(348,990)	243,952
Rental income		259,860	478,766
TOTAL INCOME		10,756,219	10,867,628
LESS EXPENSES			
Administration costs	4	1,300,603	1,427,042
ACTU costs		-	2,578
Affiliation fees	5	1,319,503	1,802,079
Amortisation of leases		325,966	-
Audit fees	6	58,038	42,439
Considerations paid to employers for payroll deductions		27,383	26,402
Consulting / Training		435,004	422,425
Depreciation		185,186	205,411
Federal meeting expenses	7	129,926	271,016
Fringe benefits		110,370	99,502
Insurance		355,751	356,311
Legal costs	8	69,159	166,572
Organisation expenses		323,239	757,129
Other (rental properties expenses)		182,322	534,755
Payroll tax		209,046	219,163
Postage		118,679	110,675
Printing and stationery		287,577	385,724
Leave entitlements accrual		103,484	38,479
Salaries and wages	9	4,129,173	4,032,224
Scholarship bursaries		119,735	144,865
Shop steward expenses		315,073	388,384
Superannuation	9	595,201	475,991
TOTAL EXPENSES		10,700,418	11,909,166
Surplus (deficit) for the year		55,801	(1,041,538)
Other Comprehensive Income			
Items that may be subsequently reclassified to profit or loss			
Gains/(loss) on revaluation of land and buildings		1,151,389	-
Total comprehensive income attributable to the organisation		1,207,190	(1,041,538)

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 2020

	Note	2020 $	2019 $
CURRENT ASSETS			
Cash and cash equivalents	10	1,641,413	453,614
Trade and other receivables	11	863,236	881,984
Tickets on hand	12	-	739
Cash management accounts	13	7,981,713	9,274,663
Other current assets	14	394,882	398,938
TOTAL CURRENT ASSETS		10,881,244	11,009,938
NON-CURRENT ASSETS			
Financial assets	15	6,838,458	6,978,469
Property, plant and equipment	16	10,224,374	9,078,952
Investment properties	17	6,300,000	6,300,000
Right-of-use asset	18	641,951	-
TOTAL NON-CURRENT ASSETS		24,004,783	22,357,421
TOTAL ASSETS		34,886,027	33,367,359
CURRENT LIABILITIES			
Trade and other payables	19	685,204	1,135,455
Lease liability	18	263,022	-
Provision for employee benefits	21	1,235,558	1,114,130
Other current liabilities	22	13,717	1,991
TOTAL CURRENT LIABILITIES		2,197,501	2,251,576
NON-CURRENT LIABILITIES			
Lease liability	18	383,093	-
Provision for long service leave	21	56,466	74,410
TOTAL NON-CURRENT LIABILITIES		439,559	74,410
TOTAL LIABILITIES		2,637,060	2,325,986
NET ASSETS		32,248,967	31,041,372
EQUITY			
General fund	23	31,097,578	31,041,372
Asset revaluation reserves	24	1,151,389	-
TOTAL EQUITY		32,248,967	31,041,372

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 2020

	General Fund $	Asset Revaluation Reserve $	Total $
Balance at 1 July 2018	31,854,499	228,411	32,082,910
Profit/(loss) attributable to the organisation	(1,041,538)	-	(1,041,538)
Other Comprehensive Income for the year	-	-	-
Transfers to and from reserves			
- Auxiliary fund payment	-	-	-
- Colonial fund	228,411	(228,411)	-
- Mortality fund	-	-	-
Sub-total	(813,127)	(228,411)	(1,041,538)
Closing balance at 30 June 2019	31,041,372	-	31,041,372
Profit/(loss) attributable to the organisation	55,801	-	55,801
Other Comprehensive Income for the year	-	1,151,389	1,151,389
Transfers to and from reserves			
- Auxiliary fund payment	405	-	405
- Colonial fund	-	-	-
- Mortality fund	-	-	-
Sub-total	56,206	1,151,389	1,207,595
Closing balance at 30 June 2020	31,097,578	1,151,389	32,248,967

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 2020

	Note	2020 $	2019 $
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units	25(b)	-	46,369
Interest received		5,523	29,667
Membership subscriptions		11,736,926	11,551,271
Receipts from other sources		696,227	952,253
Cash used			
Employees		(4,724,374)	(4,508,215)
Suppliers		(5,611,203)	(5,702,334)
Payments to other reporting units	25(b)	(1,246,814)	(1,326,703)
Finance cost		(22,820)	-
Net cash from (used by) operating activities	25(a)	833,465	1,042,307
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant and equipment		-	10,909
Proceeds from sale of land and buildings		-	6,568,242
Proceeds from investments		1,083,971	1,369,008
Cash used			
Purchase of plant and equipment		(99,308)	(68,242)
Purchase of land and buildings		(79,911)	(263,347)
Payments for investments		3,616)	(9,045,271)
Net cash from (used by) investing activities		676,136	(1,428,701)
FINANCING ACTIVITIES			
Cash used			
Other - mortality fund claims		-	(70,750)
Repayment of lease liabilities		(321,802)	
Net cash from (used by) financing activities		(321,802)	(70,750)
Net increase/(decrease) in cash held		1,187,799	(457,144)
Cash and cash equivalents at the beginning of the reporting period		453,614	910,758
Cash and cash equivalents at the end of the reporting period	10	1,641,413	453,614

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Shop, Distributive and Allied Employees Association (QLD Branch) is a state employees Branch and is domiciled in Australia.

Basis of Preparation

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting 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 16: Property, Plant & Equipment and Note 17: Investment property.

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:

i) AASB 15 Revenue from Contracts with Customers, which replaces AASB 118 Revenue, and AASB 1058 Income of Not-for-Profit Entities, which replaces in the income recognition requirements of AASB 1004 Contributions.
ii) AASB 16 Leases and amending standards, which replaces AASB 117 Leases.

Impact on adoption of AASB 15 Revenue from Contracts with Customers (AASB 15) and AASB 1058 Income of Not-for-Profit Entities (AASB 1058)

AASB 15 Revenue from Contracts with Customers supersedes AASB 111 Construction Contracts, AASB 118 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers.

AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. AASB 15 also includes implementation guidance to assist not-for-profit entities to determine whether particular transactions, or components thereof, are contracts with customers. If a transaction is outside the scope of AASB 15, the recognition and measurement of income arising from the transaction may instead be specified by another Standard, for example AASB 1058 Income of Not-for-Profit Entities.

AASB 1058 replaces the income recognition requirements in AASB 1004 Contributions that had previously applied to the Branch. AASB 1058 provides a more comprehensive model for accounting for income of not-for-profit entities and specifies that:

- the timing of revenue or income recognition will depend on whether a performance obligation is identified or a liability is recognised;
- not-for-profit lessees can elect to recognise assets, including leases provided at significantly less than fair value, at their fair value; and
- all not-for-profit entities can elect to recognise volunteer services at fair value if the fair value of those services can be reliably measured.

The Branch adopted AASB 15 and AASB 1058 using the modified retrospective method of adoption, with the date of initial application of 1 July 2019. In accordance with the transition approach, the Branch recognised the cumulative effect of applying these new standards as an adjustment to opening retained earnings at the date of initial application, i.e., 1 July 2019. Consequently, the comparative information presented has not been restated and continues to be reported under the previous standards on revenue and income recognition.

The adoption of AASB 15 and AASB 1058 did not have a material impact on the Branch's financial statements.

AASB 15 uses the terminology 'Customers' to describe the source of the revenue. The most significant source of revenue for the Shop, Distributive & Allied Employees Association (QLD Branch) comes from members. The terminology 'Members' is used throughout its report in addition to 'Customers'. 'Members' pledge themselves to advance the objectives of the organisation, make financial contributions to further those objectives and receive in return the pledges of other members to provide mutual assistance consistent with the organisations objectives. Whilst in many senses the mutuality of members means they are the organisation for the purposes of the accounting standards the term 'Members' and its meaning in terms of revenue is the same as the accounting term of 'Customers' in the standard AASB 15.

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

Impact on adoption AASB 16 Leases

AASB 16 Leases supersedes AASB 117 Leases, Interpretation 4 Determining whether an Arrangement contains a Lease, Interpretation 115 Operating Leases—Incentives and Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under AASB 16 is substantially unchanged from AASB 117. Lessors will continue to classify leases as either operating or finance leases using similar principles as in AASB 117. Therefore, AASB 16 does not have an impact for leases where Shop, Distributive and Allied Employees Association (QLD Branch) is the lessor.

AASB 16 has been adopted using the modified retrospective method of transition, with the date of initial application of 1 July 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. Shop, Distributive and Allied Employees Association (QLD Branch) has elected to use the transition practical expedient to not reassess whether a contract is or contains a lease at 1 July 2019.

Instead, Shop, Distributive and Allied Employees Association (QLD Branch) applied the standard only to contracts that were previously identified as leases applying AASB 117 and Interpretation 4 at the date of initial application.

Shop, Distributive and Allied Employees Association (QLD Branch) has lease contracts for various items of plant, machinery, vehicles and other equipment. Before the adoption of AASB 16, Shop, Distributive and Allied Employees Association (QLD Branch) classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease.

Upon adoption of AASB 16, Shop, Distributive and Allied Employees Association (QLD Branch) applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which have been applied by Shop, Distributive and Allied Employees Association (QLD Branch).

Leases previously classified as finance leases
Shop, Distributive and Allied Employees Association (QLD Branch) did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e. the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under AASB 117). The requirements of AASB 16 were applied to these leases from 1 July 2019.

Leases previously accounted for as operating leases
Shop, Distributive and Allied Employees Association (QLD Branch) recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

Shop, Distributive and Allied Employees Association (QLD Branch) also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

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

Impact on adoption AASB 16 Leases (cont.)

Based on the above, as at 1 July 2019:

- Right-of-use assets of $967,917 were recognised and presented separately in the statement of financial position. These leases were recognised as operating leases previously.
- Lease liabilities of $967,917 were recognised.
- Prepayments of $Nil and trade and other payables of $Nil related to previous operating leases were derecognised.
- The net effect of these adjustments had been adjusted to retained earnings $Nil.

The Branch identified the following lease commitments held:

- Leases across a fleet of 39 motor vehicles. The length of the lease period varying from 24 months to 48 months; and
- 72-month lease for electronic mailing system, commencing 1 February 2020.

The weighted average lessee's incremental borrowing rate applied to lease liabilities in the statement of financial position at the date of initial application is 5.50% which is reflective of the interest rate implicit in the lease.

The Branch as a lessor

The Branch is not required to make any adjustments on transition to AASB 16 where it is a lessor.

Future Australian Accounting Standards Requirements

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to future reporting periods that are expected to have a future financial impact on the Branch include:

i) AASB 2020-1 - Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current.

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. This standard applies to annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted.

Accounting Policies

(a) Revenue

The Branch enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, donations, gains from sale of assets, and rental income.

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).

The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements. 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.

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

(a) Revenue (cont.)

(i) Membership subscriptions

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

Membership contributions are consideration received by the Shop, Distributive and Allied Employees' Association QLD Branch from members in accordance with the rules that enables the entity to further its objectives as set out in the rules. The Shop, Distributive and Allied Employees' Association (QLD Branch) recognises each of these amounts of consideration as income for the period of membership it represents based on the rights and obligations of members.

(ii) Gains from sale of assets

An item of property, plant and equipment is derecognised upon disposal (which is at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

(iii) Interest income

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

(iv) Rental income

Leases in which the Branch as a lessor, does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the relevant lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(v) Donations

Donation income is recognised when it is received.

(vi) Other revenue

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 Branch in respect of services provided by employees up to reporting date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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 short 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) Leases

Shop, Distributive and Allied Employees Association (QLD Branch) assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Shop, Distributive and Allied Employees Association (QLD Branch) as a lessee

Shop, Distributive and Allied Employees Association (QLD Branch) applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. Shop, Distributive and Allied Employees Association (QLD Branch) recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

Shop, Distributive and Allied Employees Association (QLD Branch) recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Land & buildings	2.5%	Straight line
Plant and equipment	10 - 30%	Diminishing value

If ownership of the leased asset transfers to the Branch at the end of the lease term of the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use asset are also subject to impairment.

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

(f) Leases (cont.)

Lease liabilities

At the commencement date of the lease, Shop, Distributive and Allied Employees Association (QLD Branch) recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by Shop, Distributive and Allied Employees Association (QLD Branch) and payments of penalties for terminating the lease, if the lease term reflects Shop, Distributive and Allied Employees Association (QLD Branch) exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, Shop, Distributive and Allied Employees Association (QLD Branch) uses the interest rate implicit in the lease. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

Short-term leases are those that have a lease term of 12 months or less from the commencement. It also applies the lease of low-value assets recognition exemption to leases that are below $1,000. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(g) Financial Instruments

Financial assets and financial liabilities are recognised when a Branch entity becomes a party to the contractual provisions of the instrument

Financial assets

Contract assets and receivables

A contract asset is recognised when the Branch's right to consideration in exchange for goods or services that has transferred to the customer when that right is conditioned on the Branch's future performance or some other condition.

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due).

Contract assets and receivables are subject to impairment assessment. Refer to the accounting policies on impairment of financial assets below.

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Branch's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Branch initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Branch's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

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

(g) Financial Instruments (cont.)

Initial recognition and measurement (cont.)

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the branch commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in five categories:
- (Other) financial assets at amortised cost
- (Other) financial assets at fair value through other comprehensive income
- Investments in equity instruments designated at fair value through other comprehensive income
- (Other) financial assets at fair value through profit or loss
- (Other) financial assets designated at fair value through profit or loss

Financial assets at amortised cost

The Branch measures financial assets at amortised cost if both of the following conditions are met:
- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Branch's financial assets at amortised cost includes trade receivables.

Financial assets at fair value through profit or loss (including designated)

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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

(g) Financial Instruments (cont.)

Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at amortised cost unless or at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The Branch's financial liabilities include trade and other payables.

Subsequent measurement

Financial liabilities at amortised cost

After initial recognition, trade and other payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

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

(h) Contingent liabilities and contingent assets

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

(i) Land, buildings, plant and equipment

Asset recognition threshold

Purchases of land, buildings, plant and equipment are recognised initially at cost in the statement of financial position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Revaluations - Land and Buildings

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency 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.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight-line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current; or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

Land & buildings	2.5%	Straight line
Plant and equipment	10 - 30%	Diminishing value

Derecognition

An item of land, buildings, plant and equipment is derecognised upon disposal of 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 or loss.

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

(j) Investment property

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

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

(k) Impairment of non-financial assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated, and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Branch were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

(l) Non-Current Assets held for sale

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

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

(m) 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.

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

(n) Fair value measurement

The Branch measures financial instruments, such as, financial assets as at fair value through the profit and loss, financial assets at fair value from OCI, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most most advantageous market must be assessable by the Branch. The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Branch uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as at whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Branch determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level that is significant to the fair value measurement as a whole) at the end of each reporting period. External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purposes of fair value disclosures, the Branch has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

(o) 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

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

(p) 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. 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.

(q) 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.

NOTE 2: Events after the reporting period

As a result of the evolving nature of the COVID-19 outbreak and the rapidly evolving government policies of restrictive measures put in place to contain it, as at the date of these financial statements, the Branch is not in a position to reasonably estimate the financial effects of the COVID-19 outbreak on the future financial performance and financial position of the Branch. Other than the current disclosures, there has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Branch, the result of those operations, or the state of affairs of the Branch in subsequent financial periods.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 $	2019 $
NOTE 3: OTHER INCOME			
Other income		13,055	209,473
Investment Income		400,582	240,768
		413,637	450,241
NOTE 4: ADMINISTRATION EXPENSES			
Advertising Costs		20,494	8,076
Bank Charges		10,277	10,549
Building Expenses - Head office		231,396	215,179
Compulsory Levies		-	-
Grants and Donations	4(a)	33,295	16,641
General Expenses		373,628	547,420
Information Technology costs		257,450	255,812
Interest Expense		22,895	-
Conference & Meeting Expenses		54,916	56,834
Photocopier Expenses		207,827	209,461
Telephone		88,425	107,070
Total administration expenses		1,300,603	1,427,042
NOTE 4(a): GRANTS & DONATIONS PAID			
Donations			
- Total paid that were $1,000 or less		295	380
- Total paid that exceeded $1,000		33,000	16,261
Grants			
- Total paid that were $1,000 or less		-	-
- Total paid that exceeded $1,000		-	-
		33,295	16,641
NOTE 5: AFFILIATION FEES			
Shop Distributive & Allied Employees National Fund*		965,613	1,479,337
Shop Distributive & Allied Employees International Fund		146,882	146,882
The Australian Labor Party		166,251	164,497
The Union Shopper Inc		34,090	11,363
McKell Institute		6,667	-
Total Affiliation Fees		1,319,503	1,802,079

*Includes prepaid affiliation fees of $405,039 expensed during the year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 $	2019 $
NOTE 6: AUDITORS' REMUNERATION			
Remuneration of the auditor for:			
- Auditing or reviewing the financial report		58,038	42,439
- Other accounting and taxation services provided by related practice of auditor		202,229	212,084
		260,267	254,523
NOTE 7: FEDERAL EXPENSES			
- Conference & Meeting Expenses		76,708	215,340
- Fees & Allowances - Meeting & Conferences		53,218	55,676
		129,926	271,016
NOTE 8: LEGAL COSTS			
- Litigation		-	-
- Other Legal Matters		69,159	166,572
		69,159	166,572
NOTE 9: EMPLOYEE EXPENSES			
Holders of Office:			
- Wages and Salaries		279,190	280,234
- Leave and Other Entitlements		27,244	30,188
- Separation and Redundancy		-	-
- Other Employee Expenses		-	-
		306,434	310,422
Employees other than Office Holders:			
- Wages and Salaries		3,551,509	3,411,638
- Leave and Other Entitlements		271,230	310,164
- Separation and Redundancy		-	-
- Other Employee Expenses		-	-
		3,822,739	3,721,802
Total Employee Expenses		4,129,173	4,032,224
Superannuation - Holders of Office		52,017	47,895
Superannuation - Employees other than Office Holders		543,184	428,096
Total Superannuation Expenses		595,201	475,991

	Note	2020 $	2019 $
NOTE 10: CASH AND CASH EQUIVALENTS			
Cash on hand		1,640,913	453,114
Cash - other		500	500
		1,641,413	453,614
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		1,641,413	453,614
NOTE 11: TRADE AND OTHER RECEIVABLES			
CURRENT			
Membership fees receivable		863,236	881,984
Receivables from other reporting units		-	-
Less Allowance for expected credit loss		-	-
		863,236	881,984

Membership fees receivable represents the net amount after the amount payable to employers as consideration for payroll deductions of membership subscriptions estimated to be $2,123 (2019: $0).

The Branch is not owed any other amounts from other reporting units of the organization.

	Note	2020 $	2019 $
NOTE 12: TICKETS ON HAND			
CURRENT			
Tickets		-	739
		-	739
NOTE 13: CASH MANAGEMENT ACCOUNTS			
CURRENT			
Queensland Credit Union - Moneymaker		37,894	1,222,455
Queensland Credit Union - Action Account		-	(8)
Colonial Investment Portfolio - Cash and Short Term Deposits		7,943,819	8,052,216
		7,981,713	9,274,663
NOTE 14: OTHER ASSETS			
CURRENT			
Rental property debtors		47,789	45,681
Prepayments		347,093	353,257
		394,882	398,938

	2020	2019
	$	$
NOTE 15: FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		
Non Current Asset		
Investments - Colonial Long Term Reserve	6,838,458	6,978,469
	6,838,458	6,978,469

(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 2020

	Date of valuation	Level 1	Level 2	Level 3
Assets measured at fair value		$	$	$
Colonial Long Term Reserve	30/06/2020	-	6,838,458	-
Total		-	6,838,458	-

Fair Value hierarchy - 30 June 2019

	Date of valuation	Level 1	Level 2	Level 3
Assets measured at fair value		$	$	$
Colonial Long Term Reserve	30/06/2019	-	6,978,469	-
Total		-	6,978,469	-

NOTE 16: PROPERTY, PLANT AND EQUIPMENT	2020	2019
	$	$
LAND & BUILDING (385 ST PAULS TERRACE)		
At Fair Value	9,700,000	9,015,943
Less accumulated depreciation	-	(467,510)
Total land and buildings	9,700,000	8,548,433
PLANT AND EQUIPMENT		
At cost	1,787,039	1,687,731
Less accumulated depreciation	(1,262,665)	(1,157,212)
Total plant & equipment	524,374	530,519
Total property, plant and equipment	10,224,374	9,078,952

Movements in property, plant & equipment during the financial year ended 30 June 2020 were as follows:

	Land & Building	Plant & Equipment	Total
	$	$	$
Balance at the beginning of the year	8,548,433	530,519	9,078,952
Additions	79,523	99,309	178,832
Disposals	-	-	-
Revaluation increment/(decrement)	1,151,389	-	1,151,389
Depreciation expenses	(79,345)	(105,453)	(184,798)
Carrying amount at the end of the year	9,700,000	524,375	10,224,375

NOTE 16: PROPERTY, PLANT AND EQUIPMENT (CONT.)

Movements in property, plant & equipment during the financial year ended 30 June 2019 were as follows:

	Land & Building $	Plant & Equipment $	Total $
Balance at the beginning of the year	8,626,389	608,192	9,234,581
Additions	-	68,242	68,242
Disposals	-	(18,460)	(18,460)
Revaluation increment/(decrement)	-	-	-
Depreciation expenses	(77,956)	(127,455)	(205,411)
Carrying amount at the end of the year	8,548,433	530,519	9,078,952

Measurement of fair value at 30 June 2020

	Level 1	Level 2	Level 3
Assets Measured at Fair Value			
385 St Pauls Terrace, Fortitude Valley	-	-	9,700,000
	-	-	9,700,000

Measurement of fair value at 30 June 2019

	Level 1	Level 2	Level 3
Assets Measured at Fair Value			
385 St Pauls Terrace, Fortitude Valley	-	-	8,548,433
	-	-	8,548,433

(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 properties was determined at 29 July 2020 by A Weir, Director and certified practicing valuer of Herron Todd White, a registered independent appraiser having an appropriate recognised professional qualification in Australian Property Institute and recent experience in the location and category of the property being valued. The fair value measurements have been categorized as follows based on the inputs to the valuation technique used (see Note 1).

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.

(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	Market approach (using capitalisation) based prices and other relevant information generated by market transactions involving identical or comparable assets.	Passing Yield	7.02%	The capitalisation approach examines potential net income available from the property, which is then capitalised at a rate that reflects the risk profile of the property, and the property market of the day.
		Initial Yield Fully Leased	7.02%	
		Analysed Market Yield	7.02%	
		Capitalisation Rate	7.00%	
		Value rate per square metre of lettable area	$5,056	

SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
(QLD BRANCH)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020 $	2019 $
NOTE 17: INVESTMENT PROPERTIES		
At Fair Value	6,300,000	6,100,000
Additions at cost	228,616	-
Disposals	-	-
Revaluation increment/(decrement)	(228,616)	200,000
Total investment properties	6,300,000	6,300,000

Movements in the investment properties during the financial year ended 30 June 2020 were as follows:

	Eagle Farm $	Total $
Balance at the beginning of the year	6,300,000	6,300,000
Additions	228,616	228,616
Disposals	-	-
Fair Value Adjustment (see below)	(228,616)	(228,616)
Transfer to Assets held for sale	-	-
Carrying amount at the end of the year	6,300,000	6,300,000

Movements in the investment properties during the financial year ended 30 June 2019 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)	200,000	200,000
Transfer to Assets held for sale	-	-
Carrying amount at the end of the year	6,300,000	6,300,000

Measurement of fair value at 30 June 2020

	Level 1	Level 2	Level 3
Assets Measured at Fair Value			
48 Harvey St, Eagle Farm	-	-	4,310,000
52 Cullen St, Eagle Farm	-	-	1,990,000
	-	-	6,300,000

Measurement of fair value at 30 June 2019

	Level 1	Level 2	Level 3
Assets Measured at Fair Value			
48 Harvey St, Eagle Farm	-	-	4,200,000
52 Cullen St, Eagle Farm	-	-	2,100,000
	-	-	6,300,000

NOTE 17: 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.

The fair value measurement for the investment properties was determined based on valuations completed as at 4 August 2020 by David Walsh and Simon Fox from Herron Todd White, registered independent appraisers having appropriate recognised professional qualifications in Australian Property Institute and recent experience in the location and category of the property being valued.

(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	Capitalisation approach	Passing Yield	2.53%	The capitalisation approach examines potential net income available from the property, which is then capitalised at a rate that reflects the risk profile of the property, and the property market of the day.
		Initial Yield Fully Leased	4.35%	
		Analysed Market Yield	6.73%	
		Capitalisation Rate	6.75%	
		Rate per square metre of land area	$662	

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

NOTE 18: LEASES

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	$
As at 1 July 2019	967,917
Depreciation expense	(325,966)
Disposal	-
As at 30 June 2020	641,951

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

	Note	2020 $	2019 $
As at 1 July 2019		-	-
Additions		967,917	-
Accretion of interest		22,820	-
Payments		(344,622)	-
As at 30 June 2020		646,115	-
Current		263,022	-
Non-current		383,093	-

The following provides information on the Branch's variable lease payments, including the magnitude in relation to fixed payments:

		2020	2019
Depreciation expense of right-of-use assets		325,966	-
Interest expense on lease liabilities		22,820	-
Variable lease payments		(344,622)	-
Net impact of lease accounting		4,164	-

NOTE 19: TRADE AND OTHER PAYABLES

CURRENT

Unsecured liabilities

	Note	2020	2019
Trade creditors		81,752	87,871
Payables to other reporting units	28	-	-
Accrued expenses		194,856	153,634
PAYG tax withholding		-	72,561
GST payable/(refundable)		310,368	819,653
Superannuation payable		98,180	-
Employee deductions		48	1,736
		685,204	1,135,455

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 $	2019 $
NOTE 20: LEGAL COSTS PAYABLE			
- Litigation costs payable		-	-
- Other legal costs payable		1,155	12,422
		1,155	12,422
NOTE 21: EMPLOYEE ENTITLEMENT PROVISIONS			
CURRENT			
Holders of Office:			
Provision for annual leave		15,261	14,232
Provision for long service leave		87,225	73,837
Provision for separation & redundancies		-	-
Provision for other employee provisions		-	-
		102,486	88,069
Employees other than Office Holders:			
Provision for annual leave		534,916	483,037
Provision for long service leave		598,156	543,024
Provision for separation & redundancies		-	-
Provision for other employee provisions		-	-
		1,133,072	1,026,061
Provision for wage increase		-	-
		1,235,558	1,114,130
NON-CURRENT			
Holders of Office:			
Provision for long service leave		-	-
		-	-
Employees other than Office Holders:			
Provision for long service leave		56,466	74,410
Provision for separation & redundancies		-	-
Provision for other employee provisions		-	-
		56,466	74,410
Total Employee Entitlements		1,292,024	1,188,540
NOTE 22: OTHER CURRENT LIABILITIES			
Withholding tax credit		-	-
CBA Mastercards		9,906	379
AWU Owings		56	387
Other SDA Owings		3,755	1,225
		13,717	1,991
NOTE 23: GENERAL FUND			
Total at the beginning of the financial year		31,041,372	31,854,499
Prior year adjustment to Asset Revaluation Reserve		-	228,411
Transfers from reserves		405	-
Net income/(loss) for the year		55,801	(1,041,538)
Total at the reporting date		31,097,578	31,041,372

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 $	2019 $
NOTE 24: ASSET REVALUATION RESERVE			
Total at the beginning of the financial year		-	228,411
Transfers out of reserve - Colonial Fund		-	(228,411)
Revaluation increments - 385 St Pauls Terrace		1,151,389	-
Total at reporting date		1,151,389	-

NOTE 25: CASH FLOW RECONCILIATION

(a) Reconciliation of cash and cash equivalents as per balance sheet to cash flow statement:

	Note	2020 $	2019 $
Cash and cash equivalents as per:			
Cash flow statement		1,641,413	453,614
Balance sheet		1,641,413	453,614
Difference		-	-
Reconciliation of profit/(deficit) to net cash from operating activities:			
Profit/(deficit) for the year		55,801	(1,041,538)
Adjustments for non-cash items:			
Depreciation		185,186	205,411
Amortisation		325,966	-
Fair value movements in investment property		228,616	(200,000)
Fair value movements in investments		348,990	(243,952)
Loss/(gain) on disposal of assets		-	1,202,655
Changes in current assets and liabilities:			
(Increase)/decrease in net receivables		44,495	(107,227)
(Increase)/decrease in other assets		739	8,096
(Increase)/decrease in prepayments		6,164	621,046
Increase/(decrease) in supplier payables		(6,119)	(234,497)
Increase/(decrease) in employee provisions		103,484	38,479
Increase/(decrease) in mortality funds		-	159,364
Increase/(decrease) in other payables		(459,857)	634,470
Cash flows from operations		833,465	1,042,307

Note 25(b) : Cash flow information

	Note	2020 $	2019 $
Cash inflows			
SDA National		-	43,245
SDA NSW		-	2,146
SDA WA		-	977
Total Cash inflows	28	-	46,369
Cash outflows			
SDA National		1,238,714	1,326,031
SDA South Australia		-	673
SDA New South Wales		8,100	-
Total Cash outflows	28	1,246,814	1,326,703

NOTE 26: CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

The Branch does not have any contingent liabilities.

NOTE 27: 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:

	2020 $	2019 $
Less than one year	204,010	204,010
Greater than one year but less than two years	153,147	204,010
Greater than two years but less than five years	-	153,706
Greater than five years	-	-
	357,157	561,726

NOTE 28: RELATED PARTY TRANSACTIONS

Terms and conditions of transactions with related parties

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 2020, the Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2019: $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.

The following table provides the total amount of expenses that have been incurred on behalf of related parties for the period.

Affiliation fees paid to SDA National	1,112,495	1,126,092
Expenses paid to SDA National		
• ACTU "Change the Rules" Campaign	-	-
• "No One Deserves a Serve" Campaign	84,623	106,292
• Plastic Bag Ban (NODAS) Campaign	-	-
• Intranet and IT	40,900	23,766
• ACTU Congress Accommodation	-	-
• Thompson Reuters Subscriptions	-	-
• Branch contribution to ALP 2019 Election	-	65,616
• Other	696	4,264
Amounts owed by SDA National	-	-
Amounts owed to SDA National	-	-
Loans from/to SDA National	-	-
Assets transferred from/to SDA National	-	-
Amounts paid to SDA New South Wales		
Amounts paid to SDA South Australia	-	
	1,246,814	1,326,703

NOTE 28: RELATED PARTY TRANSACTIONS (CONT.)

The following table provides the total amount of expense reimbursements that have been received from related parties for the period.

	2020 $	2019 $
SDA NSW	-	2,146
SDA Western Australia	-	977
SDA National	-	43,245
	-	46,368

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.
SDA NSW, SDA Western Australia and SDA South Australia are related parties of the Branch and are affiliated branches under SDA National Association.

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

NOTE 29: NUMBER OF EMPLOYEES AT BALANCE DATE 55

NOTE 30: KEY MANAGEMENT PERSONNEL REMUNERATION FOR THE REPORTING PERIOD

Short-term employee benefits		
Salary (including annual leave taken & termination payments)	306,434	310,422
Salary sacrifice	-	-
Annual leave accrued during the year	23,011	23,878
Non-monetary benefits	23,654	30,609
Total short-term employee benefits	353,099	364,909
Post-employment benefits		
Superannuation	48,048	47,894
Total post-employment benefits	48,048	47,894
Other long-term benefits		
Long-service leave accrued	9,555	12,438
Total other long-term benefits	9,555	12,438
Total	410,702	425,241

NOTE 31: 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 2020.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 31: FINANCIAL RISK MANAGEMENT (CONT.)

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 2020.

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.

iii. Equity price risk

The Branch's equity investments are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Branch manages the equity price risk by engaging an external investment manager who provides advice on managing the investment portfolio and managed funds are used to diversify the investments.

Reports on the equity portfolio are submitted to the Branch's senior management on a regular basis. The Branch's senior management reviews and approves all equity investment decisions.

At the reporting date, the exposure to equity investments at fair value was $6,838,458. The Branch has determined that an increase/(decrease) of 2% on the unit price could have an impact of approximately $136,569 increase/(decrease) on the income and equity attributable to the Branch.

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:

		2020	2019
		$	$
CURRENT			
Cash management accounts	13	7,981,713	9,274,663
Other current assets	14	394,882	398,939
Trade and other receivables	11	863,236	881,984
		9,239,831	10,555,586

NOTE 31: FINANCIAL RISK MANAGEMENT (CONT.)

None of the above receivables are past due (2019: nil) and based on historic default rates and the minimal credit risk, the Branch believes no impairment allowance is necessary. At 30 June 2020 the Branch does not have any collective impairments on its cash and cash equivalents, receivables or other financial assets (2019: 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 2020

	On Demand	< 1 year	1-2 years	2-5 years	>5 years	Total
Financial liabilities						
Other payables	-	685,204	-	-	-	685,204
Lease liabilities	-	263,022	177,096	205,997	-	646,115
Total financial liabilities	-	948,226	177,096	205,997	-	1,331,319

Contractual maturities for financial liabilities 2019

	On Demand	< 1 year	1-2 years	2-5 years	>5 years	Total
Financial liabilities						
Other payables	-	1,135,455	-	-	-	1,135,455
Other current liabilities	-	-	-	-	-	-
Total financial liabilities	-	1,135,455	-	-	-	1,135,455

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 2020, 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:

	2020 $	2019 $
Change in profit		
– Increase in interest rate by 2%	35,412	10,107
– Decrease in interest rate by 2%	(35,412)	(10,107)

This sensitivity analysis has been performed on the assumption that all other variables remain unchanged. Interest rate on lease liabilities are at fixed interest rate. 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:

	2020 $	2019 $
Bank Overdraft		
Total facilities:		
Used at the end of the reporting period	-	-
Unused at the end of the reporting period	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 32: ADMINISTRATION OF FINANCIAL AFFAIRS BY A THIRD PARTY

SDA did not have another entity administer the financial affairs of the reporting unit.

NOTE 33: BRANCH DETAILS

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

NOTE 34: PARENT ENTITY

SDAEA National Office is this Branch's parent entity.

NOTE 35: EVENTS OCCURRING AFTER BALANCE DATE

No matter or circumstance has arisen since 30 June 2020 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 36: 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).