



Australian Government
Australian Industrial Registry

Level 5, 11 Exhibition Street
Melbourne, VIC 3000
GPO Box 1994, Melbourne, VIC 3001
Telephone: (03) 8661 7929
Fax: (03) 9655 0410
Email: eve.anderson@airc.gov.au

Mr Peter Malinauskas
Secretary
Shop, Distributive and Allied Employees Association
South Australian Branch
PO Box 54
KENT TOWN SA 5071

By email: secretary@sdasa.asn.au

cc. Mr Geoff Snowball
Chartered Accountant
Unit 8, 26 The Parade West,
KENT TOWN SA 5067

By email: gws@senet.com.au

Dear Mr Malinauskas,

Re: Financial Report for the Financial Year Ended 30 June 2007 – FR2007/379

I acknowledge receipt of your amended audit report for the Shop Distributive & Allied Employees Association – South Australia Branch for the year ended 30 June 2007. This amended report was lodged with the Registry on 24 October 2008 and has now been filed.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Eve Anderson', followed by a long horizontal flourish.

Eve Anderson
Statutory Services Officer
Australian Industrial Registry

Tel: 03 86617929
Email: eve.anderson@airc.gov.au

27 October 2008

21 October 2008

Australian Industrial Relations Commission
GPO Box 1994
MELBOURNE VIC 3001

ATTENTION: EVE ANDERSON


Dear Eve

SHOP DISTRIBUTIVE & ALLIED EMPLOYEES ASSOC SA BRANCH

I refer to your email dated 20 October 2008 in relation to the above association.

As requested I enclose an amended signed audit report for the year ended 30 June 2007.

Yours sincerely



GEOFF SNOWBALL

GEOFF SNOWBALL
Chartered Accountant

*Unit 8
26 The Parade West
Kent Town SA 5067*

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(08) 8363 0622

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(08) 8362 9247

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0408 082 051

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gws@senef.com.au
ABN 51 433 751 193

**INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF THE
SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
SOUTH AUSTRALIAN BRANCH**

(Registered under the Workplace Relations Act 1996)

Report on the Financial Report

I have audited the accompanying financial report of the Shop Distributive & Allied Employees Association South Australian Branch (the association) which comprises the Balance Sheet as at 30 June 2007 and the income statement, statement of recognised income and expenditure and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and statements by the Committee of Management and the Operating Report by the Secretary.

The financial report has been prepared for distribution to the members of the Association for the purpose of fulfilling the requirements of subsections 265(1) and 265(5) of the Registration and Accountability of Organisations Schedule ("RAO") (Schedule 1B of the Workplace Relations Act 1996) in relation to the financial report and the independent auditors report.

Committee of Management's Responsibility for the Financial Report

The Committee of Management of the association is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Workplace Relations Act 1996. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

GEOFF SNOWBALL
Chartered Accountant

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ABN 51 433 751 193*

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee of management, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting my audit, I have complied with the independence requirements of Australian professional ethical announcements.

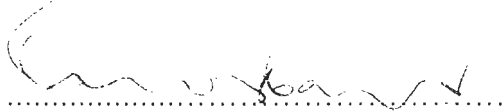
Auditor's Opinion

In my opinion

1. all information and explanations that, under Section 257 of the RAO Schedule, officers or employees of the Association were required to provide were provided;
2. the general purpose financial report of the Shop Distributive & Allied Employees Association South Australian Branch is presented fairly in accordance with the applicable Australian Accounting Standards (including the Australian Accounting Interpretations) and the requirements imposed by Part 3 of Chapter 8 of Schedule 1 of the Workplace Relations Act 1996; and
3. there were kept by the Association, in relation to the year, satisfactory accounting records including records of the sources and nature of the income of the organisation (including income from members) and records of the nature and purposes of the expenditure of the organisation

NAME OF FIRM:

GW SNOWBALL

A handwritten signature in black ink, appearing to read 'G. W. Snowball', is written over a horizontal dotted line.

NAME OF PARTNER :

GEOFFREY WALTER SNOWBALL

Member of the Institute of Chartered Accountants
in Australia and holder of a current Public Practice
Certificate

DATE:

27 SEPTEMBER 2007

ADDRESS :

8/26 THE PARADE WEST KENT TOWN SA 5067



Australian Government
Australian Industrial Registry

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Don Farrell
Secretary
Shop, Distributive and Allied Employees Association
South Australian Branch
PO Box 54
KENT TOWN SA 5071

By email: secretary@sdasa.asn.au

Dear Mr. Farrell

Schedule 1, Workplace Relations Act 1996
Financial report for year ended 30 June 2007 [FR2007/379]

I acknowledge receipt of the financial report for the above branch of the Shop, Distributive and Allied Employees Association (the reporting unit) for the year ended 30 June 2007. These documents were lodged in the Australian Industrial Registry on 27 November 2007.

I have examined the documents and I have found several matters in relation to which I seek clarification.

1. The Auditor's Report contains a disclaimer

I note that the scope of the Auditor's Report contains the following disclaimer:

"I disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared."

It is the view of this office that the above paragraph is intended to limit the audience and purpose of the Auditor's Report, which leads to the inference that the auditor has prepared the Auditor's Report on the basis of a Special Purpose Financial Report.

My view is reinforced by the following comment:

"I conducted an independent audit in order to express an opinion to the members of the association."

As you are aware, the reporting unit is required to prepare and lodge a General Purpose Financial Report with the Registry in order to discharge its financial reporting obligations under Schedule 1 of the Workplace Relations Act 1996 (the RAO Schedule).

I would be pleased to receive your comments, and that of your auditor, on why the report satisfies the requirements of section 253 of the RAO Schedule.

2. The Auditor's Report is qualified

The Auditor's Report contains the following qualification:

"The attached financial report has been prepared using the accruals basis of accounting with the exception of member receipts. In common with other similar organisations, the Shop Distributive & Allied Employees Association South Australian Branch is not able to establish accounting control over receipts from

members prior to their entry into the accounting records. As such my examination did not extend beyond amounts recorded in the accounting records of the Branch."

Under sub-section 332(1) of the RAO Schedule, the Registrar is obliged to investigate any "deficiency, failure or shortcoming" disclosed in an Auditor's Report. However, the Registrar is not required to investigate if, after consultation with the reporting unit and the auditor concerned, the Registrar is satisfied that the "deficiency, failure or shortcoming" is trivial or will be remedied in the following year (please refer to sections 332(2), 252 and 257 which are reproduced in **Attachment 1**).

Accordingly, I seek further information from the reporting unit and its auditor as to the nature and detail of the qualification. I request that the information include the auditor's opinion as to whether the qualification is a "deficiency, failure or shortcoming" in the context of the sections reproduced and, if the auditor considers it to be such, the auditor's opinion as to the materiality of the deficiency, failure or shortcoming.

If you have any queries regarding the contents of this letter please do not hesitate to contact me on (03) 8661 791 or by e-mail at tom.tran@air.gov.au.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'Thomas Tran', with a stylized, cursive script.

Thomas Tran
Statutory Services Branch

31 January 2008

332 Investigations arising from auditor's report

(1) Subject to subsection (2), a Registrar must:

(a) where the documents lodged in the Industrial Registry under section 268 include a report of an auditor setting out any:

(i) defect or irregularity; or

(ii) deficiency, failure or shortcoming; and

(b) where for any other reason the Registrar considers that a matter revealed in the documents should be investigated – investigate the matter.

(2) The Registrar is not required to investigate the matters raised in the report of the auditor if:

(a) the defect, irregularity, deficiency, failure or shortcoming consists solely of the fact that the organisation concerned has kept financial records for its membership subscriptions separately on a cash basis as provided in subsection 252(4); or

(b) after consultation with the reporting unit and the auditor, the Registrar is satisfied that the matters are trivial or will be remedied in the following financial year.

(3) Where, having regard to matters that have been brought to notice in the course of, or because of, an investigation under subsection (1), a Registrar forms the opinion that there are grounds for investigating the finances or the financial administration of the reporting unit, the Registrar may make the further investigation.

252 Reporting unit to keep proper financial records

(1) A reporting unit must:

(a) keep such financial records as correctly record and explain the transactions and financial position of the reporting unit, including such records as are prescribed; and

(b) keep its financial records in such a manner as will enable a general purpose financial report to be prepared from them under section 253; and

(c) keep its financial records in such a manner as will enable the accounts of the reporting unit to be conveniently and properly audited under this Part.

(2) Where an organisation consists of 2 or more reporting units, the financial records for each of the reporting units must, as far as practicable, be kept in a consistent manner.

Note 1: This would involve, for example, the adoption of consistent accounting policies and a common chart of accounts for all reporting units in the organisation.

Note 2: This requirement is subject to subsection (4) which allows reporting units to keep some records on a cash basis.

(3) Financial records of an organisation may, so far as they relate to the income and expenditure of the organisation, be kept on a cash basis or accrual basis, at the option of the organisation.

(4) If an organisation keeps the financial records referred to in subsection (1) on an accrual basis, it may keep the financial records for its membership subscriptions separately on a cash basis.

(5) An organisation must retain the financial records kept under subsection (1) for a period of 7 years after the completion of the transactions to which they relate.

257 Powers and duties of auditors

(1) An auditor of a reporting unit must audit the financial report of the reporting unit for each financial year and must make a report in relation to the year to the reporting unit.

(2) An auditor, or a person authorised by an auditor for the purposes of this subsection, is:

(a) entitled at all reasonable times to full and free access to all records and other documents of the reporting unit relating directly or indirectly to the receipt or payment of money, or to the acquisition, receipt, custody or disposal of assets, by the reporting unit; and

(b) entitled to seek from any designated officer, or employee of the reporting unit, such information and explanations as the auditor or authorised person wants for the purposes of the audit.

(3) If an auditor requests an officer, employee or member of an organisation to produce records or other documents under paragraph (2)(a), the request must:

(a) be in writing; and

(b) specify the nature of the records or other documents to be produced; and

(c) specify how and where the records or other documents are to be produced; and

(d) specify a period (of not less than 14 days after the notice is given) within which the records or other documents are to be produced.

(4) If an auditor authorises a person for the purposes of subsection (2), the auditor must serve on the reporting unit a notification that sets out the name and address of the person.

(5) An auditor must, in his or her report, state whether in the auditor's opinion the general purpose financial report is presented fairly in accordance with any of the following that apply in relation to the reporting unit:

(a) the Australian Accounting Standards;

(b) any other requirements imposed by this Part.

If not of that opinion, the auditor's report must say why.

(6) If the auditor is of the opinion that the general purpose financial report does not so comply, the auditor's report must, to the extent it is practicable to do so, quantify the effect that non-compliance has on the general purpose financial report. If it is not practicable to quantify the effect fully, the report must say why.

(7) The auditor's report must describe:

(a) any defect or irregularity in the general purpose financial report; and

(b) any deficiency, failure or shortcoming in respect of the matters referred to in subsection (2) or section 252.

(8) The form and content of the auditor's report must be in accordance with the Australian Auditing Standards.

(9) The auditor's report must be dated as at the date that the auditor signs the report and must be given to the reporting unit within a reasonable time of the auditor having received the general purpose financial report.

(10) An auditor must not, in a report under this section, make a statement if the auditor knows, or is reckless as to whether, the statement is false or misleading.

Note: This subsection is a civil penalty provision (see section 305).

(11) If:

(a) the auditor suspects on reasonable grounds that there has been a breach of this Schedule or reporting guidelines; and

(b) the auditor is of the opinion that the matter cannot be adequately dealt with by comment in a report or by reporting the matter to the committee of management of the reporting unit;

the auditor must immediately report the matter, in writing, to the Industrial Registrar.

Note: This subsection is a civil penalty provision (see section 305).

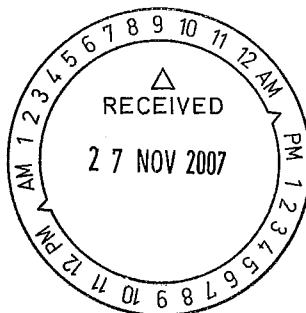
Shop
Distributive
& Allied
Employees'
Association



22 November 2007

South Australian Branch

Industrial Registrar
Australian Industrial Registry
Riverside Centre
North Terrace
Adelaide SA 5000



Dear Sir

Financial Returns

The attached financial returns are submitted as required by the Workplace Relations Act 1996.

Yours faithfully

A handwritten signature in cursive script, reading 'Don Farrell'.

Don Farrell
Secretary



**SHOP DISTRIBUTIVE & ALLIED EMPLOYEES ASSOCIATION SA BRANCH
PRESCRIBED OFFICER'S CERTIFICATE**

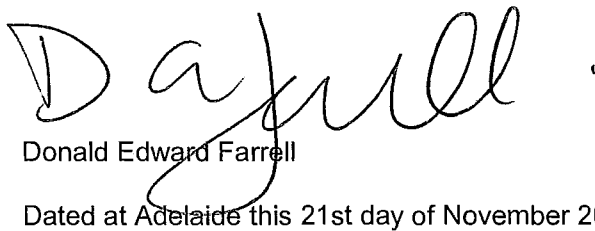
I, Donald Edward Farrell of 1/69 Fullarton Road, Kent Town, South Australia certify that:

I am secretary of the Shop, Distributive and Allied Employees Association South Australian Branch.

The documents annexed hereto are the same documents presented to a General Meeting of the Branch held on 21st November 2007 and contain:

- (a) Independent Auditors report.
- (b) Committee of Management statement.
- (c) Operating report.
- (d) Statement of financial performance for the year ended 30 June 2007.
- (e) Statement of financial position as at 30 June 2007.
- (f) Statement of cash flows for the year ended 30 June 2007.
- (g) Notes to the financial statements for the year ended 30 June 2007.

Copies of the association's audited financial accounts were mailed to members on 25 October 2007.



Donald Edward Farrell

Dated at Adelaide this 21st day of November 2007

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF THE SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION SOUTH AUSTRALIAN BRANCH

(Registered under the Workplace Relations Act 1996)

SCOPE

The financial report comprises the Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, accompanying Notes to the Financial Statements, Statement by the Committee of Management and the Operating Report by the Secretary for the Shop Distributive & Allied Employees Association South Australian Branch for the year ended 30 June 2007.

The members of the Committee of Management are responsible for the preparation and fair presentation of the financial report in accordance with the Workplace Relations Act 1996. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

The financial report has been prepared for distribution to the members of the Association for the purpose of fulfilling the requirements of subsections 265(1) and 265(5) of the Registration and Accountability of Organisations Schedule ("RAO") (Schedule 1B of the Workplace Relations Act 1996) in relation to the financial report and the independent auditors report. I disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

AUDIT APPROACH

I conducted an independent audit in order to express an opinion to the members of the association. My audit was conducted in accordance with Australian Accounting Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of the audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore an audit cannot guarantee that all material misstatements have been detected.

GEOFF SNOWBALL
Chartered Accountant

*Unit 8
26 The Parade West
Kent Town SA 5067*

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(08) 8363 0622*

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gws@senet.com.au
ABN 51 433 751 193*

I performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Workplace Relations Act 1996, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with my understanding of the Association's financial position, and of its performance as represented by the results of its operations and cash flows.

I formed my audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the accounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the committee

Whilst I considered the effectiveness of the committee's internal controls over financial reporting when determining the nature and extent of my procedures, my audit was not designed to provide assurance on internal controls.

INDEPENDENCE

In conducting my audit, I followed applicable independence requirements of Australian professional ethical pronouncements.

QUALIFICATION

The attached financial report has been prepared using the accruals basis of accounting with the exception of member receipts. In common with other similar organisations, the Shop Distributive & Allied Employees Association South Australian Branch is not able to establish accounting control over receipts from members prior to their entry into the accounting records. As such my examination did not extend beyond amounts recorded in the accounting records of the Branch.

AUDIT OPINION

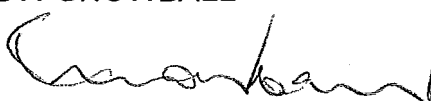
Subject to the above qualification, in my opinion

1. all information and explanations that, under Section 257 of the RAO Schedule, officers or employees of the Association were required to provide were provided;

2. the financial report of the Shop Distributive & Allied Employees Association South Australian Branch presents fairly in accordance with section 253 of the RAO Schedule, applicable Accounting Standards and other mandatory professional reporting requirements in Australia, the financial position of the Shop Distributive & Allied Employees Association as at 30 June 2007 and the results of its operations and its cash flow for the year then ended, and
3. there were kept by the Association, in relation to the year, satisfactory accounting records including records of the sources and nature of the income of the organisation (including income from members) and records of the nature and purposes of the expenditure of the organisation

NAME OF FIRM :

GW SNOWBALL


.....

NAME OF PARTNER :

GEOFFREY WALTER SNOWBALL
Registered Company Auditor (No 5564)

DATE :

27 SEPTEMBER 2007

ADDRESS :

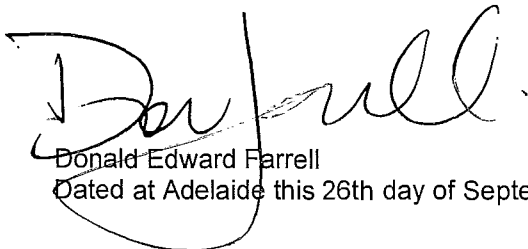
8/26 THE PARADE WEST KENT TOWN SA 5067

**SHOP DISTRIBUTIVE & ALLIED EMPLOYEES ASSOCIATION SA BRANCH
COMMITTEE OF MANAGEMENT STATEMENT**

On 26 September 2007 the Committee of Management of the Shop Distributive & Allied Employees' Association SA Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2007:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- (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 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 organization 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 organization including the rules of a branch concerned; and
 - (ii) the financial records of the reporting unit have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
 - (iv) where the organization consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organization; and
 - (v) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO schedule has been furnished to the member or Registrar; and
 - (vi) there has been compliance with any order for inspection of the financial records made by the Commission under section 273 of the RAO Schedule.

Signed on behalf of the Committee of Management:



Donald Edward Farrell
Dated at Adelaide this 26th day of September 2007

**SHOP DISTRIBUTIVE & ALLIED EMPLOYEES ASSOCIATION SA BRANCH
OPERATING REPORT**

Principal Activities

The union's principal activity during the year has been provision of industrial services to our members.

There have been no significant changes in the nature of this activity during the year.

Significant changes in the reporting unit's financial affairs during the year

There have been no significant changes in the union's financial affairs during the year.

The right of members to resign from the reporting unit under s174

Members have the right to resign as detailed in Rule 5 (Resignation, Clearances and Cessation of Membership) of the SA Branch Rules.

Any officer or member who is a trustee of a superannuation entity or an exempt public sector superannuation scheme or a director of a company that is a trustee of such an entity or scheme and where a criterion for the officer or member holding such a position is being an officer or member of a registered organization.

Donald Edward Farrell.

Any other information considered relevant

No other relevant information.

The number of members at the end of the financial year recorded in the register of members and taken to be members of the reporting unit;

21,164

The number of employees of the reporting unit at the end of the financial year measured on a full-time equivalent basis

6 employees


The name of each person who has been a member of the committee of management at any time during the financial year and the period for which he or she held the position.

Full year

Maree Appelkamp, Donald Edward Farrell (Secretary), Marsha Hind, Melanie Jones, Peter Malinauskas (Assistant Secretary), Roger Nicholls, Anne Revell, Lyn Rivers (President 11/10/06 - 30/6/2007).

Part year

Lisa Bettison (11/10/06 - 30/6/07), Judith Ann Crisanti (President 1/7/06 - 11/10/06), Marsha Hind (1/7/06 - 11/10/06), Sonia Romeo (11/10/06 - 30/6/07).



Donald Edward Farrell

Dated at Adelaide this 26th day of September 2007

SHOP DISTRIBUTIVE & ALLIED EMPLOYEES ASSOCIATION SA BRANCH
INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007	2006
		\$	\$
Revenue	2	1,032,061	1,047,401
Employee benefits expense	15	(269,708)	(300,058)
Depreciation and amortisation expenses		(13,060)	(7,920)
Other expenses		(757,389)	(731,455)
Finance costs	3	<u>0</u>	<u>0</u>
Profit from operations		<u><u>(8,096)</u></u>	<u><u>7,968</u></u>

The accompanying notes form part of these financial statements

SHOP DISTRIBUTIVE & ALLIED EMPLOYEES ASSOCIATION SA BRANCH
BALANCE SHEET FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 \$	2006 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	95,394	58,820
TOTAL CURRENT ASSETS		<u>95,394</u>	<u>58,820</u>
NON-CURRENT ASSETS			
Property, plant and equipment	6	378,186	351,308
TOTAL NON-CURRENT ASSETS		<u>378,186</u>	<u>351,308</u>
TOTAL ASSETS		<u><u>473,580</u></u>	<u><u>410,128</u></u>
CURRENT LIABILITIES			
Trade and other payables	7	17,199	19,906
Provisions	8	18,572	19,324
Loans	9	73,231	0
TOTAL CURRENT LIABILITIES		<u>109,002</u>	<u>39,230</u>
NON-CURRENT LIABILITIES			
Provisions	8	11,753	9,977
TOTAL NON-CURRENT LIABILITIES		<u>11,753</u>	<u>9,977</u>
TOTAL LIABILITIES		<u>120,755</u>	<u>49,207</u>
NET ASSETS		<u><u>352,825</u></u>	<u><u>360,921</u></u>
EQUITY			
Reserves	10	125,000	125,000
Retained earnings		227,825	235,921
TOTAL EQUITY		<u><u>352,825</u></u>	<u><u>360,921</u></u>

The accompanying notes form part of these financial statements

SHOP DISTRIBUTIVE & ALLIED EMPLOYEES ASSOCIATION SA BRANCH
FEDERAL ACCOUNTS
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 \$	2006 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members' subscriptions		563,792	565,654
Operating grants receipts		0	53,434
Affiliation fees received		437,915	405,677
Receipts from operations		11,187	7,896
Rent received		17,910	12,880
Payments to suppliers & employees		(951,541)	(993,852)
Interest received		1,257	1,860
Net Cash Flows Provided by operating activities	13	<u>80,520</u>	<u>53,549</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds on sale		4,546	14,455
Purchase of property, plant and equipment		(48,492)	(32,856)
Net cash provided (used) by Investing Activities	13	<u>(43,946)</u>	<u>(18,402)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		0	0
Repayment of borrowings		0	0
Net cash provided by (used in) financing activities		<u>0</u>	<u>0</u>
Net increase in cash held		36,574	35,147
Cash at beginning of year		58,820	23,673
Cash at end of year	5	<u><u>95,394</u></u>	<u><u>58,820</u></u>

The accompanying notes form part of these financial statements

SHOP DISTRIBUTIVE & ALLIED EMPLOYEES UNION SA BRANCH
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

Note 1: Statement of Significant Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Workplace Relations Act 1996.

The financial report covers Shop Distributive & Allied Employees Union SA Branch as an individual entity. Shop Distributive & Allied Employees Union SA Branch is a State branch of a Federal Union.

The financial report of Shop Distributive & Allied Employees Union SA Branch as an individual entity complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the Union in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

Shop Distributive & Allied Employees Union SA Branch has prepared financial statements in accordance with the Australian equivalents to International Financial Reporting Standards (AIFRS) from 1 July 2005.

The accounting policies set out below have been consistently applied to all years presented. The entity has however elected to adopt the exemptions available under AASB1 relating to AASB 132: Financial Instruments: Disclosure and Presentation, and AASB 139: Financial Instruments: Recognition and Measurement.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Accounting Policies

a) **Income Tax**

The Union is exempt from Income Tax under division 50, section 50-15 of the Income Tax Assessment Act 1997.

b) **Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

c) **Plant and Equipment**

Plant and equipment are measured on the cost basis less depreciation and impairment losses. The carrying amount of plant and equipment is reviewed annually by Committee Members to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets'

employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the entity includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Union and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, is depreciated on a straight-line basis over their useful lives, commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Motor Vehicles	25%
Office Equipment	20%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation relating to that asset are transferred to retained earnings.

d) Impairment of Assets

At each reporting date, the Union reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value-in-use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset, the Union estimates the recoverable amount of the cash-generating unit to which the asset belongs.

e) Employee Benefits

Provision is made for the Union's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related

on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

f) **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

g) **Revenue**

Revenue from membership subscriptions are recognised as revenue at the later of receipt and the commencement of the accounting year to which they relate.

Affiliation fees, interest revenue and rental income are recognised as they are received.

All revenue is stated net of the amount of Goods and Services Tax (GST).

h) **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown exclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

i) **Comparative Figures**

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

Critical Accounting Estimates and Judgements

The committee members evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Union.

	2007 \$	2006 \$
Note 2: Revenue		
Operating activities		
--- Membership subscriptions	563,791	565,654
--- Affiliation fees	437,915	405,677
--- Grants received	-	53,434
--- Interest income	1,256	1,860
--- Rent received	17,910	12,880
--- Other income	11,187	7,896
	<u>1,032,061</u>	<u>1,047,401</u>

Note 3: Profit

a. **Expenses**

Finance Costs:

--- External

Total finance costs

Gains/(Losses) on sale of assets

--- Disposal of motor vehicles

--- Disposal of office equipment

Total gains/(losses) on sale of assets

-	-
-	-
(2,908)	(21)
-	(3,569)
<u>(2,908)</u>	<u>(3,590)</u>

Note 4: Auditors' Remuneration

Remuneration of the auditor of the Union for:

--- auditing or reviewing the financial report	5,500	5,000
--- taxation services		
--- due diligence services		
--- taxation services provided by related practice of auditor		

	2007 \$	2006 \$
Note 5: Cash and Cash Equivalents		
Cash at bank and in hand	400	400
Cash at bank	56,111	5,182
Short-term bank deposits	38,882	53,238
	<u>95,393</u>	<u>58,820</u>

The effective interest rate on short-term bank deposits was nil (2006 nil).

	2007 \$	2006 \$
Note 6: Property, Plant and Equipment		
Land & Buildings – at valuation	<u>305,000</u>	<u>305,000</u>
Office Equipment – at cost	25,230	22,862
Accumulated depreciation	<u>(15,067)</u>	<u>(13,097)</u>
	<u>10,163</u>	<u>9,765</u>
Motor Vehicles – at cost	74,132	45,813
Accumulated depreciation	<u>(11,110)</u>	<u>(9,270)</u>
	<u>63,022</u>	<u>36,543</u>
Total Property, Plant and Equipment	<u>378,185</u>	<u>351,308</u>

Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year

	Land & Buildings \$	Office Equipment \$	Motor Vehicles \$	Total \$
Balance at the beginning of year (1 July 2006)	305,000	9,765	36,543	351,308
Additions	-	2,368	46,124	48,492
Disposals	-	-	(4,545)	(4,545)
Depreciation expenses	-	(1,970)	(15,100)	(17,070)
Carrying amount at the end of year (30 June 2007)	<u>305,000</u>	<u>10,163</u>	<u>63,022</u>	<u>378,185</u>

Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the prior financial year

	Land & Buildings \$	Office Equipment \$	Motor Vehicles \$	Total \$
Balance at the beginning of year (1 July 2005)	305,000	10,656	28,761	344,417
Additions	-	4,848	28,008	32,856
Disposals	-	(3,569)	(14,476)	(18,045)
Depreciation expenses	-	(2,170)	(5,750)	(7,920)
Carrying amount at the end of year (30 June 2006)	<u>305,000</u>	<u>9,765</u>	<u>36,543</u>	<u>351,308</u>

2007	2006
\$	\$

Note 7: Trade and Other Payables Current

Trade payables	22,421	17,969
GST payable	-5,222	1,938
	<u>17,199</u>	<u>19,907</u>

Note 8: Provisions

	Annual Leave \$	Long Service Leave \$	Total \$
Opening balance at 1 July 2006	19,324	9,977	29,301
Additional provisions raised during the year	20,097	1,775	21,872
Amounts used	(20,848)	-	(20,848)
Balance at 30 June 2007	<u>18,573</u>	<u>11,752</u>	<u>30,325</u>

	2007	2006
	\$	\$

Analysis of Total Provisions

Current	18,573	19,324
Non-current	11,752	9,977
	<u>30,325</u>	<u>29,301</u>

Provision Employee Benefits

A provision has been recognised for employee benefits relating to long service leave for employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been included in Note 1.

Note 9: Loans

The SDA State union has provided \$73,231 in unsecured loans which are expected to be repaid before 30 June 2008.

Note 10: Reserves

Asset Revaluation Reserve

The asset revaluation reserve records revaluation increments on revaluation of the investment property.

Note 11: Events after the Balance Sheet Date

Legal action has been commenced against another party to recover an amount of \$70,135.90 but the outcome cannot be predicted at this stage.

Note 12: Related Party Transactions

The 2006/2007 Committee of Management comprised:

Full year

Maree Appelkamp, Donald Edward Farrell (Secretary), Marsha Hind, Melanie Jones, Peter Malinauskas (Assistant Secretary), Roger Nicholls, Anne Revell, Lyn Rivers (President 11/10/06 - 30/6/2007).

Part year

Lisa Bettison (11/10/06 - 30/6/07), Judith Ann Crisanti (President 1/7/06 - 11/10/06), Marsha Hind (1/7/06 - 11/10/06), Sonia Romeo (11/10/06 - 30/6/07).

No committee member holding office received remuneration for holding office.

All other transactions entered into the Union with the Office Bearers and Councillors were those undertaken on the same terms and conditions as available to members.

2007	2006
\$	\$

Note 13: Cash Flow Information**Reconciliation of Cash Flow from Operations with Profit from Operations**

Profit/(Loss)	(8,096)	7,967
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Cash flows excluded from profit attributable to operating activities

Non-cash flows in profit

--- Depreciation	14,160	7,920
--- Net gain on disposal of property, plant and equipment	2,909	3,590

Changes in assets and liabilities

--- Increase/(decrease) in trade and other payables	(2,708)	20,662
--- Increase/(decrease) in loans	73,230	-
--- Increase/(decrease) in employee benefits	1,024	13,409
--- (Increase)/decrease in property, plant and equipment	(43,946)	(18,402)
	<u>36,573</u>	<u>35,146</u>

Note 14: Financial Instruments

a) Financial Risk Management

The Union's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments and accounts payable.

The Union does not have any derivative instruments at 30 June 2007.

i) Treasury Risk Management

A finance committee consisting of senior committee members meet on a regular basis to analyse currency and interest rate exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

ii) Financial Risks

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

Interest rate risk

Interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in market rates.

Foreign currency risk

The Union is not exposed to fluctuations in foreign currencies.

Liquidity risk

The Union manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

Credit risk

The Union is not exposed to any material credit risk.

Price risk

The Union is not exposed to any material commodity price risk.

b) Interest Rate Risk

The Union's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate		Fixed Interest Rate Maturing							
			Floating Interest Rate Within 1 Year				1 to 5 Years		Non-Interest Bearing	
	2007 %	2006 %	2007 \$	2006 \$	2007 \$	2006 \$	2007 \$	2006 \$	2007 \$	2006 \$
Financial Assets:										
Cash	0.00	0.00	94,994	58,420						

	Weighted Average Effective Interest Rate		Fixed Interest Rate Maturing							
			Floating Interest Rate Within 1 Year				1 to 5 Years		Non-Interest Bearing	
	2007 \$	2006 \$	2007 \$	2006 \$	2007 \$	2006 \$	2007 \$	2006 \$	2007 \$	2006 \$
Financial Liabilities:										

c) Fair Values

The aggregate fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

Note 15: Additional information required under Registrar's reporting guidelines:

	2007 \$	2006 \$
Expense items		
Expenses incurred as consideration for employers making payroll	62,643	58,423
deductions of membership subscriptions		
Grants or donations	-	12,020
Employee benefits to holders of office	26,641	51,405
Employee benefits to employees (other than office holders)	243,067	248,653
Fees or allowances to persons in respect of their attendance as representatives at conferences or other meetings	10,316	11,539
Legal costs and other expenses related to litigation or other legal matters	454	3,833

Note 16: Union Details

The registered office and principal place of business of the Union is:

Shop, Distributive & Allied Employees Union SA Branch
1/69 Fullarton Road
KENT TOWN SA 5067

Note 17: Segment Reporting

The Association operates in South Australia, Northern Territory and New South Wales (Broken Hill only) and in one industry, being trade union activities for the benefit of its members.

Note 18: Information to be provided to members or the Registrar

In accordance with the requirements of subsection 272(5) of the RAO Schedule, the attention of members is drawn to the provisions of subsections (1), (2) and (3) of Section 272, which states as follows:

- (1) A member of a reporting unit, or a registrar, 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.
- (3) A reporting unit must comply with an application made under subsection (1).