



FAIR WORK
COMMISSION

23 April 2014

Mr Peter Malinauskas
Secretary / Treasurer
South Australian Branch
Shop, Distributive and Allied Employees Association
69 Fullarton Road
Kent Town SA 5067

Dear Mr Malinauskas

**Re: Lodgement of Financial Accounts and Statements - The Shop, Distributive and Allied Employees Association - South Australian Branch - for year ended 30 June 2013
[FR2013/286]**

I acknowledge receipt of the financial report of the South Australian Branch of the Shop, Distributive and Allied Employees Association. The documents were lodged with the Fair Work Commission on 28 November 2013.

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 2014 may be subject to an advanced compliance review.

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

Auditor's report: declaration regarding going concern

Paragraph 45 of the reporting guidelines requires an auditor to include in their auditor's statement a declaration that as part of the audit of the financial statement they have concluded that management's use of the going concern basis of accounting in the preparation of the reporting unit's financial statements is appropriate. This declaration was not included in the auditor's statements.

If you have any queries regarding this letter, please contact me on (02) 8374 6510 or via email at orgs@fwc.gov.au.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Carolyn Moloney', followed by a long horizontal flourish line extending to the right.

Carolyn Moloney
Assistant Adviser
Regulatory Compliance Branch
Fair Work Commission

Shop Distributive & Allied Employees Association South Australia Branch
s.268 Fair Work (Registered Organisations) Act 2009
Certificate by Prescribed Designated Officer

I, Peter Bryden Malinauskas, being Branch Secretary of the Shop Distributive & Allied Employees Association South Australia Branch certify:

- the documents lodged herewith are copies of the full report for the period ended 30 June 2013 referred to in s.268 of the Fair Work (Registered Organisations) Act 2009; and
- the full report was provided to members on the 28th day of October 2013; and
- the full report was presented to a general meeting of members of the reporting unit on the 27th day of November 2013 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.

Signature of prescribed designated officer:

Name of prescribed designated officer: Peter Bryden Malinauskas

Title of prescribed designated officer: Secretary/Treasurer of the Shop Distributive & Allied Employees Association South Australia Branch

Dated: 28th day of November 2013

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

(Registered under the Fair Work (Registered Organisations) Act 2009)

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 2013, the income statement, statement of changes in equity and cash flow statement for the year ended on that date, notes 1 to 17 comprising a summary of significant accounting policies, other explanatory information, the Operating Report, the Committee of Management Statement and Certificate by the Secretary.

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 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 and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

The financial report has been prepared for the distribution to members of the Association for the purpose of fulfilling the requirements of subsections 265(1) and 265(5) of the Fair Work (Registered Organisations) Act 2009 in relation to the financial report and the independent auditors report.

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. 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.

GEOFF SNOWBALL
Chartered Accountant

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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

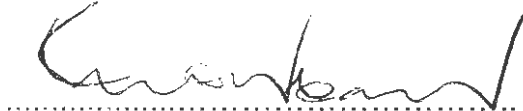
In conducting my audit, I have complied with the independence requirements of Australian professional accounting bodies.

Auditor's Opinion

In my opinion

1. All information and explanations that, under Section 252 of the Fair Work (Registered Organisations) Act 2009, 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 presents fairly, in all material respects, the financial position of the Shop Distributive & Allied Employees Association South Australian Branch as at 30 June 2013, and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009, 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

DATE: 28TH OCTOBER 2013

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION SOUTH AUSTRALIA BRANCH
COMMITTEE OF MANAGEMENT STATEMENT FOR THE YEAR ENDED 30 JUNE 2013**

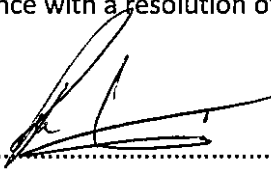
On 21st October 2013 the Committee of Management of the Shop Distributive and Allied Employees Association South Australia Branch passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2013:

The Committee of Management declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager;
- (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 General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager; and
 - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
- (f) in relation to recovery of wages activity:
 - (i) the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of the General Manager; and
 - (ii) the committee of management instructed the auditor to include in the scope of the audit required under subsection 257(1) of the RO Act all recovery of wages activity by the reporting unit from which revenues had been derived for the financial year in respect of such activity; and

- (iii) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from monies recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and
- (iv) that prior to engaging in any recovery of wages activity, the organisation has disclosed to members by way of a written policy all fees to be charged or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and
- (v) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from monies recovered from employers on behalf of workers until distributions of recovered money were made to the workers.

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

Signature of designated officer: 

Name and title of designated officer: Peter Bryden Malinauskas, Secretary/Treasurer

Dated: 22nd day of October 2013

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION SOUTH AUSTRALIA BRANCH
OPERATING REPORT FOR THE YEAR ENDED 30 JUNE 2013**

Section 254 Fair Work (Registered Organisations) Act 2009 (RO Act)

Regulation 159 Fair Work (Registered Organisations) Regulations 2009 (RO Regs)

The committee of management of the Shop Distributive and Allied employees Association South Australia Branch presents its report for the financial year ended 30 June 2013.

Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year

The association's core business of providing high-quality industrial services to members remains a high priority.

New Enterprise Agreements incorporating wage rises and better conditions have been successfully negotiated for approximately 7,500 members in the 12 months to 30th June 2013.

New Agreements were finalized with companies including Target, Big W, BWS, KFC, McDonalds, Betts, Sanity, Woolworths Petrol, Bunnings and Pretty Girl Fashion Group.

Our emphasis on recruitment has resulted in a 5.79% increase in membership in the financial year 2013.

The association continues to pursue members' interests by running relevant issue based campaigns. Last year the association led the fight to create two new part-day Public Holidays for South Australians on Christmas and New Year's Eve. The first of these public holidays occurred at the end of 2012.

This year the association has embarked on a new national campaign calling for an end to junior rates of pay for retail workers aged 18 year and over. The association's "100% pay at 18+ Campaign" has received the support of the Federal Government to change the retail award to ensure 20 year old employees are paid as adults.

Significant changes in financial affairs during the year

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

Right of members to resign

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

Officer(s) and/or member(s) who are superannuation fund trustee(s) where criterion of being a trustee is that the person is a member or officer of reporting unit.

None

Number of members

28,214

Number of employees (on a full time equivalent basis)

5 employees

Names of all Committee of Management members and the period positions held during the financial year and the period which each such person held office during the year

Full year

Maree Appelkamp (Vice President), Lyn Bar (Committee Member), Peter Malinauskas (Secretary/Treasurer), Roger Nicholls (Committee Member), Robert O’Rielly (Committee Member), Anne Revell (Vice President), Lyn Rivers (President), Sonia Romeo (Assistant Secretary).

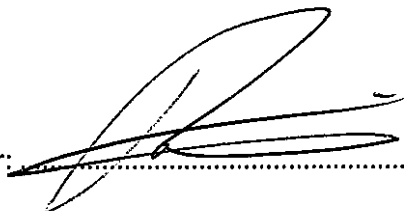
1 July to 26 September 2012

John Buckland (Committee Member), Sarah McMillan (Committee Member).

26 September 2012 to 30 June 2013

Amy Hayes (Committee Member), Adam Izzo (Committee Member).

Signature of designated officer:

A handwritten signature in black ink, appearing to read 'Peter Malinauskas', written over a horizontal dotted line.

Name of designated officer: Peter Bryden Malinauskas

Office held: Secretary/Treasurer

Dated: 22nd day of October 2013

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
SOUTH AUSTRALIA BRANCH**

**INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2013**

	Notes	2013 \$	2012 \$
Income			
Affiliation fees	2	656,294	595,479
Interest income		7,751	8,056
Levies received	3	23,614	0
Members subscriptions		641,420	695,364
Other income		4,533	3,009
		1,333,612	1,301,908
Expenditure			
Administrative expenses	4	139,007	76,464
Affiliation fees	2	748,973	684,456
Annual leave expense	5	14,010	15,183
Audit fees	6	5,000	5,000
Committee of management		841	0
Delegates expenses		3,742	4,017
Depreciation	1(b)	6,800	7,530
Entertainment - Member recreation		55,968	39,795
Entertainment - Other		13,905	15,534
Fringe benefits tax		4,851	7,902
Insurance claims		0	500
Levies paid	3	26,469	0
Long service leave expense	5	14,831	2,227
Medical reports		0	582
MV fuel		199	0
MV registration		517	285
MV repairs & maintenance		108	923
Payroll tax		9,722	10,156
Salaries	5	226,020	228,216
Superannuation	5	30,059	30,405
Travel		14,448	29,703
Workcover		4,387	6,682
		1,319,856	1,165,557

Operating Surplus	13,756	136,351
Profit/(Loss) on sale of Motor Vehicles	(1,822)	0
Profit/(Loss) on disposal of Office Equipment	(280)	(1,503)
Net Surplus	11,654	134,848

The accompanying notes form part of these financial statements

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
SOUTH AUSTRALIA BRANCH**

**BALANCE SHEET
AS AT 30 JUNE 2013**

	Notes	2013 \$	2012 \$
CURRENT ASSETS			
Bank		46,316	509,141
Financial Investments		500,100	0
Petty Cash		200	200
TOTAL CURRENT ASSETS		546,616	509,341
NON-CURRENT ASSETS			
Fixed Assets	1(b), 8	23,859	29,353
TOTAL NON-CURRENT ASSETS		23,859	29,353
TOTAL ASSETS		570,475	538,694
CURRENT LIABILITIES			
Payables	9	46,050	34,403
Provision for Annual Leave	10	15,376	21,727
TOTAL CURRENT LIABILITIES		61,427	56,131
NON-CURRENT LIABILITIES			
Provision for Long Service Leave	10	27,738	12,907
TOTAL NON-CURRENT LIABILITIES		27,738	12,907
TOTAL LIABILITIES		89,164	69,037
NET ASSETS		481,311	469,657
EQUITY			
Members Funds		469,657	334,809
Net Surplus		11,654	134,848
TOTAL EQUITY	11	481,311	469,657

The accompanying notes form part of these financial statements

**SHOP DISTRIBUTIVE & ALLIED EMPLOYEES ASSOCIATION
SOUTH AUSTRALIA BRANCH**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2013**

	Notes	General Fund \$	Asset Revaluation Reserve \$
Balance at 30 June 2011		334,809	-
Profit/(loss) attributable to the organisation		134,848	-
Transfers to and from reserves		-	-
Transfers from retained earnings		-	-
Sub-total		<u>134,848</u>	<u>-</u>
 Balance at 30 June 2012		 469,657	 -
Profit/(loss) attributable to the organisation		11,654	-
Transfers to and from reserves		-	-
Transfers from retained earnings		-	-
Sub-total		<u>11,654</u>	<u>-</u>
 Balance at 30 June 2013		 <u>481,311</u>	 <u>-</u>

The accompanying notes form part of these financial statements

**SHOP DISTRIBUTIVE & ALLIED EMPLOYEES ASSOCIATION
SOUTH AUSTRALIA BRANCH**

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2013**

	Note	2013 \$	2012 \$
CASH FOWS FROM OPERATING ACTIVITIES			
Receipts from customers		1,325,861	1,293,852
Payments to suppliers and employees		(1,292,929)	(1,145,948)
Interest received		7,751	8,056
Finance costs		0	0
Net cash provided by operating activities		<u>40,683</u>	<u>155,960</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		3,455	0
Payment for property, plant and equipment		(6,862)	0
Payment for investments		0	0
Proceeds from investments		0	0
Net cash provided by investing activities		<u>(3,407)</u>	<u>0</u>
Net increase/(decrease) in cash held	12	37,276	155,960
Cash at beginning of financial year		<u>509,341</u>	<u>353,380</u>
Cash at end of financial year	7	<u><u>546,616</u></u>	<u><u>509,341</u></u>

The accompanying notes form part of these financial statements

**SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
SOUTH AUSTRALIA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report covers the Shop Distributive and Allied Employees' Association South Australian Branch. The Shop Distributive and Allied Employees' Association South Australian Branch is an association incorporated in South Australia under the Fair Work (Registered Organisations) Act 2009. It is part of a larger corporate legal entity, the Shop Distributive and Allied Employees' Association which is registered under the Fair Work (Registered Organisations) Act 2009 (the Act).

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Fair Work (Registered Organisations) Act 2009.

Australian Accounting Standards set out accounting policies the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets and financial liabilities.

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 as indicated less, where applicable, any accumulated depreciation and impairment losses.

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.

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 declining value 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:

Motor Vehicles	20%
Office Equipment	10% - 25%

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 re-valued assets are sold, amounts included in the revaluation relating to that asset are transferred to retained earnings.

(c) 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.

(d) 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.

(e) 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.

(f) Revenue and Other Income

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

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

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

(g) 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.

(h) Comparative Figures

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

(i) Capital Management

The Committee of Management controls the capital of the entity to ensure adequate cash flows are generated to fund its services and returns from investments are maximised. The Committee ensures the overall risk management strategy is in line with this objective.

Risk management policies are approved and reviewed by the committee on a regular basis. These include credit risk policies and future cash flow requirements

The entity's capital consists of financial liabilities, supported by financial assets.

The Committee of Management effectively manages the entity's capital by assessing the entity's financial risks and responding to changes in these risks and in the market. These responses may include consideration of debt levels.

There have been no changes to the strategy adopted by management to control the capital of the entity since prior year. The strategy of the entity is to ensure sufficient cash is on hand to meet trade and sundry payables.

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.

	2013 \$	2012 \$
NOTE 2: AFFILIATION FEES		
(a) Income		
Shop Distributive & Allied Employees Association South Australia Branch	656,294	595,479
	<u>656,294</u>	<u>595,479</u>
(b) Expenditure		
ALP NT Branch	10,499	10,299
Shop Distributive & Allied Employees Association National Fund	568,057	518,582
Shop Distributive & Allied Employees Association International Fund	170,417	155,574
	<u>748,973</u>	<u>684,455</u>

NOTE 3: LEVIES

(a) Income		
ACTU IR Campaign Levy received from Shop Distributive & Allied Employees Association South Australia Branch	23,614	0
	<u>23,614</u>	<u>0</u>
(b) Expenditure		
ACTU IR Campaign Levy paid to Shop Distributive & Allied Employees Association National Account	26,469	0
	<u>26,469</u>	<u>0</u>

NOTE 4: ADMINISTRATION EXPENSES

Bank fees & taxes	629	376
Computer software & consumables	0	102
Donations - members	0	1,500
Donations - other	500	200
Donations - political	73,338	11,261
Electricity	9,729	5,974
Legal costs - litigation	0	0
Legal costs - other	336	0
Other expenses	2,243	456
Print post and stationery	3,283	4,844
Rent paid	39,679	35,364
Repairs & maintenance	7,970	9,158
Telephone & internet	1,301	7,228
	<u>139,007</u>	<u>76,464</u>

	2013 \$	2012 \$
NOTE 5: EMPLOYEE EXPENSES		
(a) Holders of office		
Wages and salaries	27,214	46,264
Superannuation	4,276	7,151
Leave and other entitlements	5,949	2,595
Separation and redundancies	0	0
Other employee expenses	0	0
Subtotal	<u>37,439</u>	<u>56,010</u>
(b) Employees other than holders of office		
Wages and salaries	218,556	181,952
Superannuation	25,781	23,253
Leave and other entitlements	22,891	14,814
Separation and redundancies	0	0
Other employee expenses	0	0
Subtotal	<u>267,228</u>	<u>220,019</u>
Total employee expenses	<u>304,667</u>	<u>276,029</u>

NOTE 6: AUDITOR'S REMUNERATION

Auditing or reviewing the financial report	5,000	5,000
	<u>5,000</u>	<u>5,000</u>

NOTE 7: CASH AND CASH EQUIVALENTS

NAB current account	46,316	509,141
NAB cash maximiser account	500,100	0
Cash - other	200	200
	<u>546,616</u>	<u>509,341</u>

NOTE 8: PLANT AND EQUIPMENT

PLANT AND EQUIPMENT

(a) Motor vehicles		
At cost	27,199	49,355
Less accumulated depreciation	(15,350)	(29,880)
	<u>10,420</u>	<u>19,475</u>
(b) Office equipment		
At cost	27,199	23,707
Less accumulated depreciation	(13,760)	(13,830)
	<u>13,439</u>	<u>9,877</u>
Total plant and equipment	<u>23,859</u>	<u>29,352</u>

Movements in plant and equipment during the year were as follows:

	Office Equipment	Motor Vehicles	Total
Balance at the beginning of the year	9,877	19,475	29,352
Additions	6,862	0	6,862
Disposals	(280)	(5,275)	(5,555)
Depreciation expense	(3,020)	(3,780)	(6,800)
Carrying amount at the end of the year	<u>13,439</u>	<u>10,420</u>	<u>23,859</u>

2013	2012
\$	\$

NOTE 9: TRADE AND OTHER PAYABLES

Trade payables	45,825	30,926
GST payable	225	3,477
Total	<u>46,050</u>	<u>34,403</u>

NOTE 10: EMPLOYEE ENTITLEMENT PROVISIONS

(a) Holders of office

Annual Leave	2,746	5,493
Long Service Leave	3,453	0
Separation and redundancies	0	0
Other employee provisions	0	0
Subtotal	<u>6,199</u>	<u>5,493</u>

(b) Employees other than holders of office

Annual Leave	12,630	16,234
Long Service Leave	24,284	12,906
Separation and redundancies	0	0
Other employee provisions	0	0
Subtotal	<u>29,140</u>	<u>29,140</u>

Total employee entitlement provisions	<u>43,113</u>	<u>34,633</u>
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NOTE 11: EQUITY

General fund	481,311	469,657
Total at the reporting date	<u>481,311</u>	<u>469,657</u>

NOTE 12: CASH FLOW INFORMATION

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

Profit (Loss)	13,756	136,351
Non-cash flows in profit		
Depreciation	6,800	7,530
Changes in Assets and Liabilities		
(Increase)/decrease in plant & equipment	(3,407)	0
Increase/(decrease) in employee provisions	8,480	4,465
Increase/(decrease) in payables	11,647	7,614
Net cash provided by operating activities	<u>37,276</u>	<u>155,960</u>

NOTE 13: FINANCIAL RISK MANAGEMENT

The association's activities expose it to a number of financial risks. The committee of management is responsible for monitoring and managing the financial risks of the association. They monitor these risks through monthly committee meetings where monthly management accounts are presented and analysed. The association does not enter into derivative financial instruments and does not speculate in any type of financial instrument.

Liquidity Risk

Liquidity risk is the risk the association will not be able to meet its obligations as they fall due.

The association has significant funds available in unrestricted bank accounts which can be drawn upon to pay creditors as they fall due. The Finance Officer monitors the association's available cash balances to ensure sufficient funds are available to pay creditors within the standard 30 day terms. Given the association's liquidity position, this risk is minimal.

Credit Risk

Credit risk is the risk of financial loss if a customer fails to meet its contractual obligations.

The association has exposure to credit risk through its receivable to the extent there is unpaid interest at balance sheet date.

The majority of receivables are from state and federal government bodies. As a result credit risk at year end is minimal.

Interest Rate Risk Exposure

Interest rate risk is the risk changes in interest rate will affect the association's income or the value of its obligations, and arises on floating rate debt.

The association's only financial asset subject to floating rate interest risk is cash at bank. The association does not have any floating rate debt. All other receivables and liabilities are non-interest bearing. It is unlikely a fluctuation or movement in interest rate will have a material impact on the association. Interest rate risk is minimal.

NOTE 14: RELATED PARTY TRANSACTIONS

There were no related party transactions for the reporting period.

NOTE 15: INFORMATION REQUIRED UNDER THE REPORTING GUIDELINES FOR THE PURPOSES OF SECTION 253 FOR THIS REPORTING ENTITY FOR THE REPORTING PERIOD

General

Paragraph 10 - The ability to continue as a going concern was not reliant on the agreed financial support of another reporting unit.

Paragraph 11 - There was no agreement to provide financial support to ensure another reporting unit had the ability to continue as a going concern.

Paragraph 12 - No assets or liabilities were acquired as a result of:

- a) an amalgamation under Part 2 of Chapter 3, of the RO Act in which the organisation (of which the reporting unit form part) was the amalgamated organisation, or
- b) a restructure of the branches of the organisation, or

c) a determination by the General Manager under subsection 245(1) of the RO Act of an alternative reporting structure for the organisation, or

d) a revocation by the General Manager under subsection 249(1) of the RO Act of a certificate issued to an organisation under subsection 245(1)

Paragraph 13 - No assets or liabilities were acquired as part of a business combination.

	2013	2012
	\$	\$

Revenue

Paragraph 15

b) Capitation fee received from another reporting unit of the organization	0	0
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c) Compulsory levies raised from the members or as appeals for voluntary contributions (including whip rounds) for the furtherance of a particular purpose	0	0
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d) Donations or grants (other than voluntary contributions referred to in subparagraph c)	0	0
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e) Financial support received from another reporting unit of the organisation	0	0
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Expenses

Paragraph 17

a) Expenses incurred as consideration for employers making payroll deductions of membership subscriptions	69,234	63,953
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b) Capitation fees paid under the rules of the organisation or a branch of the organisation to another reporting unit of the organisation.

Affiliation fees (see note 2)	738,474	674,156
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Levies (see note 3)	26,469	0
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c) fees and periodic subscriptions paid in respect of affiliation to any political party, any federation, congress, council or group of organisations, or any international body having an interest in industrial matters

ALP NT Branch	10,499	10,299
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	2013 \$	2012 \$
d) Compulsory levies imposed on the reporting unit		
See note 3	26,469	0
e) Grants and donations		
i Grants	0	0
ii Donations have been disclosed in a statement lodged under section 237 of the RO Act.		
f) and g) employee expenses – see note 5		
h) fees and/or allowances (other than any amount included in an amount referred to in subparagraphs (f) or (g) of this paragraph) paid to persons in respect of their attendances as representatives of the reporting unit at conferences or other meetings	9,769	7,856
i) expenses incurred in connection with holding meetings of members and any conferences or meetings of councils, committees, panels or other bodies for the holding of which the reporting unit was wholly or partly responsible	70,416	69,498
j) legal costs and other expenses related to:		
i litigation	0	0
ii other legal matters	336	0
k) There were no penalties imposed on the organisation under the RO Act with respect to conduct		

Assets & liabilities

Paragraph 19 - There were no receivables or payables resulting from transactions and/or other past events with another reporting unit of the organisation

Paragraph 21

a) Payables to employers as consideration for the employers making payroll deductions of membership subscriptions	0	0
b) Payables in respect of legal costs and other expenses related to litigation or other legal matters	0	0
c) and d) employee entitlement provisions – see note 10		

Equity

Paragraph 23

a) and b) There were no funds or accounts operated in respect of compulsory levies raised or voluntary contributions collected from members

c) there was no fund or account operated (other than the general fund), the operation of which is required by the rules of the organisation including the rules of a branch of the organisation

d) there were no transfer(s) and/or withdrawal(s) to a fund, account or controlled entity, when any of these are kept for a specific purpose(s)

	2013	2012
	\$	\$
Cashflows		

Paragraph 25

a) Cash inflows from other reporting units of the organisation

SDA Western Australia Branch (Kununurra service fee)	2,305	2,599
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b) Cash outflows to other reporting units of the organisation

SDA National Office (Affiliation fees)	738,473	674,156
SDA National Office (Levies paid)	26,469	0

Recovery of wages activity

Paragraph 27 - There has been no revenue derived from recovery of wages activity for the financial year.

Additional reporting requirements

Paragraph 34 – The association's financial affairs were administered by another entity.

a) The other entity is the state-registered Shop Distributive and Allied Employees Association South Australia Branch.

b) the terms and conditions of the arrangement:

The service is provided at no cost by staff employed by the other entity.

c) a narrative description as to the nature of the expenses and/or consultancy services provided:

Financial administration comprised banking of subscriptions, payment of accounts, payroll processing and preparation of taxation returns and financial reports.

The expense, estimated at \$10,000, was salaries and associated costs for state association employees to carry out these functions.

NOTE 16: RELATIONSHIP WITH STATE-REGISTERED ASSOCIATION

The state-registered Shop Distributive and Allied Employees Association South Australia Branch is registered under the South Australian Fair Work Act 1994. It is not a reporting unit of the organisation.

Its head office is located in Kent Town South Australia and it services members employed in South Australia.

The federal association covers the Northern Territory and New South Wales (Broken Hill area), with its head office in Kent Town South Australia and regional offices in Darwin and Broken Hill.

The state-registered association is affiliated with the federal-registered association.

Members of the state-registered association are also members of the federal-registered association under the affiliation arrangement.

The Northern Territory and Broken Hill membership is approximately one tenth of the South Australian membership.

The associations have similar aims in their respective locations.

NOTE 17: INFORMATION TO BE PROVIDED TO MEMBERS OR THE GENERAL MANAGER, FAIR WORK AUSTRALIA

In accordance with the requirements of subsection 272(5) of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of subsections (1), (2) and (3) of Section 272, which states as follows:

(1) A member of a reporting unit, or the General Manager, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.

(2) The application must be in writing and must specify the period within which, and the manner in which the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit. A reporting unit must comply with an application made under subsection (1). Note: This subsection is a civil penalty provision (see section 305).



17 July 2013

Mr Peter Malinauskas
Secretary/Treasurer
Shop, Distributive and Allied Employees Association-South Australian Branch

Sent by email: secretary@sda.com.au

Dear Mr Malinauskas,

Re: Lodgement of Financial Report - [FR2013/286]

Fair Work (Registered Organisations) Act 2009 (the RO Act)

The financial year of the South Australian Branch of the Shop, Distributive and Allied Employees Association (the reporting unit) ended on 30 June 2013.

This is a courtesy letter to remind you of the obligation to prepare and lodge the financial report for the reporting unit by the due date, namely 15 January 2014 (that is the period within 6 months and 14 days of the end of the financial year) under s.268 of the RO Act.

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

Fact sheets regarding financial reporting under the RO Act are provided on the Fair Work Commission website at: [Financial Reporting Fact Sheets](#).

The documents can be emailed to orgs@fwc.gov.au. If it is envisaged that the financial report cannot be lodged by the due date you are requested to contact this office prior to the due date to discuss the issue.

It should be noted that s.268 is a civil penalty provision. Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$33,000 for a body corporate and \$6,600 for an individual per contravention) being imposed upon an officer whose conduct led to the contravention and/or your organisation.

Should you seek any clarification in relation to the above, please contact me on (03) 8661 7936 or via email at robert.pfeiffer@fwc.gov.au.

Yours sincerely,

Robert Pfeiffer
Senior Adviser
Regulatory Compliance Branch

TIMELINE/ PLANNER

Financial reporting period ending:	/ /	
Prepare financial statements and Operating Report.		
<p>(a) A Committee of Management Meeting must consider the financial statements, and if satisfied, pass a resolution declaring the various matters required to be included in the Committee of Management Statement.</p> <p>(b) A #designated officer must sign the Statement which must then be forwarded to the auditor for consideration as part of the General Purpose Financial Report (GPFR).</p>	/ /	As soon as practicable after end of financial year
Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /	<p>Within a reasonable time of having received the GPFR</p> <p>(NB: Auditor's report must be dated on or after date of Committee of Management Statement)</p>
<p>Provide full report free of charge to members – s265</p> <p>The full report includes:</p> <ul style="list-style-type: none"> the General Purpose Financial Report (which includes the Committee of Management Statement); the Auditor's Report; and the Operating Report. 	/ /	<p>(a) if the report is to be presented to a General Meeting (which must be held within 6 months after the end of the financial year), the report must be provided to members 21 days before the General Meeting,</p> <p>or</p> <p>(b) in any other case including where the report is presented to a Committee of Management meeting*, the report must be provided to members within 5 months of end of financial year.</p>
Present full report to:		
(a) General Meeting of Members - s266 (1),(2); OR	/ /	Within 6 months of end of financial year
(b) where the rules of organisation or branch allow* - a Committee of Management meeting - s266 (3)	/ /	Within 6 months of end of financial year
Lodge full report with the Fair Work Commission, together with the #Designated Officer's certificate++ – s268	/ /	Within 14 days of meeting

* the full report may only be presented to a committee of management meeting if the rules of the reporting unit provide that a percentage of members (not exceeding 5%) are able to call a general meeting to consider the full report.

The Committee of Management Statement and the Designated Officer's certificate must be signed by the Secretary or another officer who is an elected official and who is authorised under the rules (or by resolution of the organisation) to sign the statement or certificate – s243.

++ The Designated Officer's certificate must state that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with s266 – dates of such events must be included in the certificate. The certificate cannot be signed by a non-elected official.