



8 November 2017

Ms Sonia Romeo
Secretary/Treasurer
Shop, Distributive and Allied Employees Association, South Australian Branch

By e-mail: secretary@sda.com.au

Dear Ms Romeo

**Shop, Distributive and Allied Employees Association, South Australian Branch
Financial Report for the year ended 30 June 2017 - FR2017/173**

I acknowledge receipt of the financial report for the year ended 30 June 2017 for the Shop, Distributive and Allied Employees Association, South Australian Branch (SDA-SA). The financial report was lodged with the Registered Organisations Commission (ROC) on 26 October 2017.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

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

1. General Purpose Financial Report (GPFR)

Activity under Reporting Guidelines (RG) not disclosed

Item 13 of the RG states that if the activity identified in item 11:

- going concern financial support provided to another reporting unit (refers to agreement regarding financial support not dollar amount)

has not occurred in the reporting period, a statement to this effect must be included in the notes to the GPFR. No such disclosure has been made

If no undertaking to provide financial support has been provided the following statement should be included:

The SDA-SA has not agreed to provide financial support to ensure another reporting unit has the ability to continue as a going concern.

Reconciliation of cash flows from operating activities

Note 11A to the GPFR 'Net cash from (used by) operating activities' of \$247,707 does not reconcile to the Cash Flow Statement 'Net cash from (used by) operating activities' of \$213,799. The difference of \$33,908 relates to the 'Gain on disposal of assets' which is an investing activity and not an operating activity.

2. Auditor's Statement

New Format for Auditor's Statement

The Auditing and Assurance Standards Board (AUASB) has released new requirements for auditor reports effective for financial reporting periods ending on or after 15 December 2016. The Auditor's Statement for the SDA-SA was not prepared in accordance with the new format required by ASA 700 *Forming an Opinion and Reporting on a Financial Report*. A '[Guidance Note](#)' is available on the ROC website to help Registered Organisations understand the new auditing requirements.

Please ensure that the auditor's statement in relation to next year's financial report is prepared in accordance with ASA 700.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 9603 0707 or by email at ken.morgan@roc.gov.au

Yours faithfully



KEN MORGAN

Financial Reporting Advisor

Registered Organisations Commission

**Shop Distributive & Allied Employees Association South Australian Branch
s.268 Fair Work (Registered Organisations) Act 2009
Certificate by Prescribed Designated Officer
Certificate for the year ended 30 June 2017**

I, Sonia Romeo, being Secretary of the Shop Distributive & Allied Employees Association South Australian Branch certify:

- the documents lodged herewith are copies of the full report for the Shop Distributive & Allied Employees Association South Australian Branch for the period ended 30 June 2017 referred to in s.268 of the Fair Work (Registered Organisations) Act 2009; and

- the full report was made available to members on the 4th day of October 2017; and

- the full report was presented to a general meeting of members of the reporting unit on 25 October 2017 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.

Signature of prescribed designated officer: 

Name of prescribed designated officer: Sonia Romeo

Title of prescribed designated officer: Secretary/Treasurer

Dated: 25 October 2017

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 statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended, a summary of significant accounting policies and other explanatory notes and the committee of management statement for the Association.

Committee Members' Responsibility for the Financial Report

The committee members of the Association are 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. This responsibility also includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

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. Those auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 association'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 members, as well as evaluating the overall presentation of the financial report.

GEOFF SNOWBALL
Chartered Accountant

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Kent Town SA 5067*

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ABN 51 433 751 193

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 the financial report presents fairly, in all material respects, the financial position of the Shop Distributive & Allied Employees Association South Australian Branch as at 30 June 2017 and of its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards and the Fair Work (Registered Organisations) Act 2009.

Report on Other Legal and Regulatory Requirements

In addition,

- (i) there were kept by the Association, in relation to the year ended 30 June 2017 satisfactory accounting records including
 - (a) records of the sources and nature of the income of the association, including income from members; and
 - (b) records of the nature and purposes of the expenditure of the organisation.
- (ii) the general purpose financial report is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009
- (iii) as part of my audit of the association I am of the opinion that the management's use of the going concern basis of financial reporting is appropriate
- (iv) I have obtained all information and explanations required in accordance with Section 257(2) of the Fair Work (Registered Organisations) Act 2009

NAME OF FIRM: GW SNOWBALL



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NAME OF PARTNER: GEOFFREY WALTER SNOWBALL
Registered Company Auditor 5564

DATE: 4th October 2017

Shop Distributive and Allied Employees' Association South Australian Branch

COMMITTEE OF MANAGEMENT STATEMENT

for the period ended 30 June 2017

On 12 September 2017 the Committee of Management of the Shop Distributive and Allied Employees' Association South Australian Branch passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2017:

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 any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - (v) where information has been sought in any request by a member of the reporting unit or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and
 - (vi) where any order for inspection of financial records has been made by the Registered Organisations Commission under section 273 of the RO Act, there has been compliance.
- (f) no revenue has been derived from undertaking recovery of wages activity during the reporting period

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

Signature of designated officer:



Name and title of designated officer: Sonia Romeo Secretary/Treasurer

Dated: 12 September 2017

Shop Distributive and Allied Employees' Association South Australian Branch

OPERATING REPORT

for the period ended 30 June 2017

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

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

The association continues its core business to provide high quality industrial services to members.

We are in ongoing negotiations for new Enterprise Agreements for several companies and continue or work to improve Modern Awards in order to secure better wages and conditions for members.

Following the Fair Work Commission's decision to cut penalty rates the association is running an appeal to the Federal Commission.

We remain committed to our campaigns to advocate for the best interest of our members including the Protect Penalty Rates and Stop Longer Trading Hours campaigns.

Significant changes in financial affairs

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 South Australian Branch Rules.

Officers and employees who are superannuation fund trustee(s) or directors of a company that is a superannuation fund trustee

None

Number of members

27,232

Number of employees (on a full time equivalent basis)

5 employees

Names of Committee of Management members and the period positions held during the financial year

Full year

Maree Appelkamp (Vice President)

Adam Izzo (Committee Member)

Leanne Mason (Committee Member)

Tara O'Malley (Committee Member)

Robert O'Rielly (Committee Member)

Joshua Peak (Assistant Secretary)

Anne Revell (Vice President)

Lyn Rivers (President)

Sonia Romeo (Secretary/Treasurer)



Signature of designated officer:

Name and title of designated officer: Sonia Romeo Secretary/Treasurer

Dated: 12 September 2017

SHOP DISTRIBUTIVE & ALLIED EMPLOYEES ASSOCIATION
SOUTH AUSTRALIAN BRANCH

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

	Notes	2017 \$	2016 \$
Revenue			
Members subscriptions		820,593	847,278
Capitation fees	3A	0	0
Affiliation fees	3B	608,140	585,107
Levies received	3C	132,479	118,066
Interest income	3D	7,702	10,429
Net gain from sale of assets	3E	1,790	0
Other revenue		5,051	17,027
Total revenue		<u>1,575,755</u>	<u>1,577,907</u>
Other income			
Grants and/or donations	3F	0	0
Total other income		<u>0</u>	<u>0</u>
Total income		<u>1,575,755</u>	<u>1,577,907</u>
 Expenses			
Employee Expenses	4A	261,297	344,662
Capitation fees	4B	0	0
Affiliation fees	4C	689,104	663,927
Administration expenses	4D	316,628	375,613
Grants and/or donations	4E	53,150	52,080
Depreciation	4F	6,040	8,770
Legal costs	4G	3,159	7,666
Audit fees	14	6,000	5,750
Other expenses	4H	90,774	167,060
Total expenses		<u>1,426,151</u>	<u>1,625,528</u>
 Profit/(loss) for the year		 149,604	 (47,622)
 Other comprehensive income		 0	 0
 Total comprehensive income for the year		 149,604	 (47,622)

The above statement should be read in conjunction with the notes

SHOP DISTRIBUTIVE & ALLIED EMPLOYEES ASSOCIATION
SOUTH AUSTRALIAN BRANCH

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Notes	2017 \$	2016 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5A	1,027,440	779,732
Trade and other receivables	5B	63,982	72,842
Total Current Assets		<u>1,091,422</u>	<u>852,574</u>
Non-Current Assets			
Plant and equipment	6A	0	38,159
Total Non-Current Assets		<u>0</u>	<u>38,159</u>
Total Assets		<u>1,091,422</u>	<u>890,733</u>
LIABILITIES			
Current Liabilities			
Trade payables	7A	79,996	20,031
Other payables	7B	12,770	11,421
Employee provisions	8A	59,199	69,427
Total Current Liabilities		<u>151,965</u>	<u>100,879</u>
Non-Current Liabilities			
Employee provisions	8A	0	0
Total Non-Current Liabilities		<u>0</u>	<u>0</u>
Total Liabilities		<u>151,965</u>	<u>100,879</u>
Net Assets		<u>939,458</u>	<u>789,854</u>
EQUITY			
General funds	10A	789,854	837,476
Profit/(Loss)		149,604	(47,622)
Total Equity		<u>939,458</u>	<u>789,854</u>

The above statement should be read in conjunction with the notes

SHOP DISTRIBUTIVE & ALLIED EMPLOYEES ASSOCIATION
SOUTH AUSTRALIAN BRANCH

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	Notes	General funds	Retained earnings	Total equity
Balance at 1 July 2014		763,273	0	763,273
Adjustment for errors		0	0	0
Adjustment fro changes in accounting policies		0	0	0
Profit for the year		74,202	0	74,202
Other comprehensive income for the year		0	0	0
Transfer to/from fund(s)		0	0	0
Transfer from retained earnings		0	0	0
Closing balance at 30 June 2015		<u>837,476</u>	<u>0</u>	<u>837,476</u>
Balance at 1 July 2015		837,476	0	837,476
Adjustment for errors		0	0	0
Adjustment fro changes in accounting policies		0	0	0
Profit for the year		(47,622)	0	(47,622)
Other comprehensive income for the year		0	0	0
Transfer to/from fund(s)		0	0	0
Transfer from retained earnings		0	0	0
Closing balance at 30 June 2016		<u>789,854</u>	<u>0</u>	<u>789,854</u>
Balance at 1 July 2016		789,854	0	789,854
Adjustment for errors		0	0	0
Adjustment fro changes in accounting policies		0	0	0
Profit for the year		149,604	0	149,604
Other comprehensive income for the year		0	0	0
Transfer to/from fund(s)		0	0	0
Transfer from retained earnings		0	0	0
Closing balance at 30 June 2017		<u>939,458</u>	<u>0</u>	<u>939,458</u>

The above statement should be read in conjunction with the notes

SHOP DISTRIBUTIVE & ALLIED EMPLOYEES ASSOCIATION
SOUTH AUSTRALIAN BRANCH

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2017

	Note	2017 \$	2016 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units/controlled entities	11B	5,556	4,565
Interest		7,702	10,429
Other		1,560,706	1,562,912
Cash used			
Employees		(261,297)	(344,662)
Suppliers		(272,770)	(483,583)
Payments to other reporting units/controlled entity(s)	11B	(826,099)	(837,048)
Net cash from (used by) operating activities		<u>213,799</u>	<u>(87,387)</u>
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant and equipment		33,909	0
Other		0	0
Cash used			
Purchase of plant and equipment		0	(12,566)
Other		0	0
Net cash from (used by) investing activities		<u>33,909</u>	<u>(12,566)</u>
FINANCING ACTIVITIES			
Cash received			
Contributed equity		0	0
Other		0	0
Cash used			
Repayment of borrowings		0	0
Other		0	0
Net cash from (used by) financing activities		<u>0</u>	<u>0</u>
Net increase (decrease) in cash held	11A	<u>247,707</u>	<u>(99,953)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>779,732</u>	<u>879,685</u>
Cash and cash equivalents at the end of the reporting period	5A	<u>1,027,440</u>	<u>779,732</u>

The above statement should be read in conjunction with the notes

SHOP DISTRIBUTIVE & ALLIED EMPLOYEES ASSOCIATION
SOUTH AUSTRALIA BRANCH

RECOVERY OF WAGES ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2017

	2017	2016
	\$	\$
Cash assets in respect of recovered money at beginning of year	-	-
Receipts		
Amounts recovered from employers in respect of wages etc.	-	-
Interest received on recovered money	-	-
Total receipts	-	-
Payments		
Deductions of amounts due in respect of membership for:		
12 months or less	-	-
Greater than 12 months	-	-
Deductions of donations or other contributions to accounts or funds of:		
The reporting unit:		
Other reporting unit of the organisation:		
Other entity:		
Deductions of fees or reimbursement of expenses	-	-
Payments to workers in respect of recovered money	-	-
Total payments	-	-
Cash assets in respect of recovered money at end of year	-	-
Number of workers to which the monies recovered relates	-	-
Aggregate payables to workers attributable to recovered monies but not yet distributed		
Payable balance	-	-
Number of workers the payable relates to	-	-
Fund or account operated for recovery of wages		
Account name	-	-

The above statement should be read in conjunction with the notes

Note 1 Summary of significant accounting policies

1.1 Basis of preparation of the financial statements

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the *Fair Work (Registered Organisation) Act 2009*. For the purpose of preparing the general purpose financial statements, the Shop Distributive and Allied Employees' Association South Australian Branch is a not-for-profit entity.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

1.2 Comparative amounts

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

1.3 Significant accounting judgments and estimates

The preparation of financial statements requires the Branch to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

The entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. None of these standards are assessed to have had a significant impact on the accounting policies. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Future Australian Accounting Standards Requirements

The accounting standards which have been issued but not effective are AASB 15 Revenue from Contracts with Customers, AASB 16 Leases and AASB 9 Financial Instruments which will be effective for the first time in the year ending 30 June 2019. The entity has not made an assessment on the likely impact of adoption of these standards.

1.6 Revenue

Revenue is measured at the fair value of the consideration received or receivable.

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

Revenue from the sale of goods is recognised when, the risks and rewards of ownership have been transferred to the buyer, the entity retains no managerial involvement or effective control over the goods, the revenue and transaction costs incurred can be reliably measured, and it is probable that the economic benefits associated with the transaction will flow to the entity.

Donation income is recognised when it is received.

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

Interest revenue is recognised on an accrual basis using the effective interest method.

1.6 Gains

Sale of assets

Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.

1.7 Capitation fees and levies

Capitation fees and levies are recognised on an accrual basis and recorded as a revenue and/or expense in the year to which it relates.

1.8 Employee benefits

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

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

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

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Provision is made for separation and redundancy benefit payments. Reporting Unit recognises a provision for termination as part of a broader restructuring when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. A provision for voluntary termination is recognised when the employee has accepted the offer of termination.

1.9 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the consolidated statement of financial position.

1.10 Financial instruments

Financial assets and financial liabilities are recognised when the Shop Distributive and Allied Employees' Association South Australian Branch becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

1.11 Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity dates that the reporting unit has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

Available-for-sale

Listed shares and listed redeemable notes held by the reporting unit that are traded in an active market are classified as available-for-sale and are stated at fair value. The reporting unit also has investments in unlisted shares that are not traded in an active market but that are also classified as available-for-sale financial assets and stated at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the reporting unit right to receive the dividends is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

Loan and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest rate basis except for debt instruments other than those financial assets that are recognised at fair value through profit or loss.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the reporting units past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

De-recognition of financial assets

The reporting unit derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the assets carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

1.12 Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or it is designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

De-recognition of financial assets

The reporting unit derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

1.13 Intangibles

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful life. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. The useful life of Shop Distributive and Allied Employees' Association South Australian Branch intangible assets are:

	2017	2016
Intangibles	2 to 5 years	2 to 5 years

Derecognition

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit and loss when the asset is derecognised.

1.14 Impairment for non-financial assets

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

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

1.15 Non-current assets held for sale

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

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

1.16 Taxation

The Shop Distributive and Allied Employees' Association South Australian Branch is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

1.17 Fair value measurement

The Shop Distributive and Allied Employees' Association South Australian Branch measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date.

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

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

The principal or the most advantageous market must be accessible by the Shop Distributive and Allied Employees' Association South Australian Branch. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

The Shop Distributive and Allied Employees' Association South Australian Branch uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Shop Distributive and Allied Employees' Association South Australian Branch determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

1.18 Going concern

Shop Distributive and Allied Employees' Association South Australian Branch is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis.

Note 2: Events after the reporting period

There were no events that occurred after 30 June 2017, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of Shop Distributive and Allied Employees Association South Australian Branch.

	2017	2016
	\$	\$
Note 3A: Capitation fees		
None	0	0
Total capitation fees	<u>0</u>	<u>0</u>

	2017 \$	2016 \$
Note 3B: Affiliation fees		
Shop Distributive & Allied Employees Association South Australia Branch	608,140	585,107
Total affiliation fees	<u>608,140</u>	<u>585,107</u>

Note 3C: Levies

SDA International Fund Levy received from Shop Distributive & Allied Employees' Association South Australia Branch	91,221	87,766
ACTU IR Campaign Levy received from Shop Distributive & Allied Employees' Association South Australia Branch	0	25,734
Kununurra service fee from Shop Distributive & Allied Employees' Association Western Australian Branch	0	2,401
National Intranet Management Fees received from Shop Distributive & Allied Employees' Association South Australia Branch	10,650	0
Specialist News Subscription received from Shop Distributive & Allied Employees' Association South Australia Branch	244	0
Refund of Thomson Reuters subscription received from Shop Distributive & Allied Employees' Association National Office	2,917	2,164
Protect Penalty Rates advertising received from Shop Distributive & Allied Employees' Association South Australia Branch	27,447	0
Total levies	<u>132,479</u>	<u>118,066</u>

Note 3D: Interest

Deposits	7,702	10,429
None	0	0
Total interest	<u>7,702</u>	<u>10,429</u>

Note 3E: Net Gains from sale of assets

Plant and Equipment	1,790	0
Total net gain from sale of assets	<u>1,790</u>	<u>0</u>

Note 3F: Grants and/or donations

	2017	2016
	\$	\$
None	0	0
Total grants and/or donations	<u>0</u>	<u>0</u>

Note 4 Expenses

Note 4A: Employee expenses

(a) Holders of office

Wages and salaries	27,060	41,024
Leave and other entitlements	2,719	1,143
Superannuation	4,563	4,367
Separation and redundancies	0	0
Other employee expenses	0	0
Subtotal employee expenses holders of office	<u>34,342</u>	<u>46,534</u>

(b) Employees other than holders of office

Wages and salaries	180,746	248,770
Leave and other entitlements	16,449.14	15,338
Superannuation	29,759	34,020
Separation and redundancies	0	0
Other employee expenses	0	0
Subtotal employee expenses other than holders of office	<u>226,954</u>	<u>298,128</u>

Total employee expenses

<u>261,297</u>	<u>344,662</u>
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Note 4B: Capitation fees

None	0	0
Total capitation fees	<u>0</u>	<u>0</u>

Note 4C: Affiliation fees

ALP NT Branch	10,931	10,963
Shop Distributive and Allied Employees Association National Office	678,172	652,964
Total affiliation fees	<u>689,104</u>	<u>663,927</u>

Note 4D: Administration expenses

Consideration to employers for payroll deductions	75,825	76,915
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Compulsory levies

International Fund levy paid to Shop Distributive and Allied Employees Association International Fund	101,726	97,945
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	2017 \$	2016 \$
ALP 2017 Election Donation paid to Shop Distributive and Allied Employees' Association National Office	0	33,907
ACTU IR Campaign levy paid to Shop Distributive and Allied Employees Association National Office	0	28,912
National Intranet Management levy paid to Shop Distributive and Allied Employees Association National Office	11,926	14,242
100% Pay 2016 Week of Action levy paid to Shop Distributive and Allied Employees Association National Office	0	7,049
Thomson Reuters subscription paid to Shop Distributive and Allied Employees Association National Office	3,266	1,757
Northern Territory United Trades and Labour Council	0	2,000
Specialist News subscription paid to Shop Distributive and Allied Employees Association National Office	273	273
Protect Penalty Rates advertising paid to Shop Distributive and Allied Employees Association National Office	30,736	0
Fees/allowances –meetings and conferences	6,961	16,761
Conference and meeting expenses	11,952	23,753
Office expenses	73,963	72,100
Total administration expenses	<u>316,628</u>	<u>375,613</u>
Note 4E: Grants or donations		
Grants:		
Total paid that were \$1,000 or less	0	0
Total paid that exceeded \$1,000	0	0
Donations:		
Total paid that were \$1,000 or less	150	80
Total paid that exceeded \$1,000	53,000	52,000
Total grants or donations	<u>53,150</u>	<u>52,080</u>

	2017	2016
	\$	\$
Note 4F: Depreciation		
Depreciation - Property and plant	6,040	8,770
Total depreciation	<u>6,040</u>	<u>8,770</u>

Note 4G: Legal costs

Litigation	0	0
Other legal matters	3,159	7,666
Total legal costs	<u>3,159</u>	<u>7,666</u>

Note 4H: Other expenses

Advertising	11,625	8,775
Consultants fees	0	11,800
Entertainment	12,399	20,379
Member recreation	25,850	69,298
Payroll tax	10,752	13,133
Penalties – via RO Act or RO Regulations	0	0
Staff recruitment	0	18,122
Other	30,149	25,552
Total other expenses	<u>90,774</u>	<u>167,060</u>

Note 5: Current assets

Note 5A: Cash and Cash Equivalents

NAB current account	180,896	15,835
NAB cash maximiser account	846,343	763,697
Cash - other	200	200
Total cash and cash equivalents	<u>1,027,440</u>	<u>779,732</u>

Note 5B: Trade and Other Receivables

Receivables from other reporting units

None	<u>0</u>	<u>0</u>
Total receivables from other reporting units	<u>0</u>	<u>0</u>

Less provision for doubtful debts

None	<u>0</u>	<u>0</u>
Total provision for doubtful debts	<u>0</u>	<u>0</u>
Receivable from other reporting units (net)	<u>0</u>	<u>0</u>

	2017	2016
	\$	\$
Other receivables:		
GST receivable from the Australian Taxation Office	5,817	6,622
Other trade receivables	58,166	66,220
Total other receivables	<u>63,982</u>	<u>72,842</u>
Total trade and other receivables (net)	<u>63,982</u>	<u>72,842</u>

Note 6: Non-current assets

Note 6A: Plant and equipment

Plant and equipment:		
at cost	0	72,999
accumulated depreciation	0	(34,840)
Total plant and equipment	<u>0</u>	<u>38,159</u>

Reconciliation of the Opening and Closing Balances of Plant and Equipment

As at 1 July		
Gross book value	72,999	60,432
Accumulated depreciation	(34,840)	(26,070)
Net book value 1 July	<u>0</u>	<u>34,362</u>
Additions:		
By purchase	0	0
Depreciation expenses	(6,040)	(8,770)
Disposals:		
From disposal of entities	0	0
Other	(32,119)	0
Net book value 30 June	<u>0</u>	<u>38,159</u>
Net book value as of 30 June represented by:		
Gross book value	0	72,999
Accumulated depreciation	0	(34,840)
Net book value 30 June	<u>0</u>	<u>38,159</u>

Note 7: Current liabilities

	2017	2016
	\$	\$
Note 7A: Trade payables		
Trade creditors and accruals	79,996	20,031
Subtotal trade creditors	<u>79,996</u>	<u>20,031</u>
Payables to other reporting units		
None	0	0
Subtotal payables to other reporting units	<u>0</u>	<u>0</u>
Total trade payables	<u>79,996</u>	<u>20,031</u>
Settlement is usually made within 30 days.		

Note 7B: Other payables

Wages and salaries	0	8,837
Superannuation	0	1,582
Consideration to employers for payroll deductions	0	6,123
Legal costs		
Litigation	0	0
Other legal matters	0	0
GST payable	12,770	(5,120)
Other	0	0
Total other payables	<u>12,770</u>	<u>11,421</u>
Total other payables are expected to be settled in:		
No more than 12 months	12,770	11,421
More than 12 months	0	0
Total other payables	<u>12,770</u>	<u>11,421</u>

	2017	2016
	\$	\$
Note 8: Provisions		
Note 8A: Employee Provisions		
Office Holders:		
Annual Leave	289	928
Long Service Leave	0	0
Separation and redundancies	0	0
Other employee provisions	0	0
Subtotal employee provisions – office holders	<u>289</u>	<u>928</u>
Employees other than office holders:		
Annual Leave	31,447	32,836
Long Service Leave	27,462	35,662
Separation and redundancies	0	0
Other employee provisions	0	0
Subtotal	<u>58,909</u>	<u>68,498</u>
Total employee provisions	<u><u>59,199</u></u>	<u><u>69,427</u></u>
Current	59,199	69,427
Non-Current	0	0
Total employee provisions	<u><u>59,199</u></u>	<u><u>69,427</u></u>
Note 9: Non-current liabilities		
Note 9A: Other non-current liabilities		
None	0	0
Total other non-current liabilities	<u>0</u>	<u>0</u>
Note 10: Equity		
Note 10A: Funds		
General Reserve	939,458	789,854
	0	0
Total funds	<u><u>939,458</u></u>	<u><u>789,854</u></u>

	2017	2016
	\$	\$

Note 11: Cash Flow

Note 11A: Cash Flow Reconciliation

Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:

Cash and cash equivalents as per:

Cash flow statement	1,027,440	779,732
Balance sheet	1,027,440	779,732
Difference	0	0

Reconciliation of profit/(deficit) to net cash from operating activities

Profit/(deficit) for the year	149,604	(36,396)
Adjustments for non-cash items		
Depreciation	6,040	8,770
Net write-down of non-financial assets	0	(12,566)
Net gain from sale of assets	(1,790)	0
Gain on disposal of assets	33,909	0
Changes in assets/liabilities		
(Increase)/decrease in net receivables	8,859	(41,445)
(Increase)/decrease in prepayments	0	0
Increase/(decrease) in trade payables	43,423	(10,534)
Increase/(decrease) in other payables	17,890	0
Increase/(decrease) in employee provisions	(10,228)	(7,782)
Increase/(decrease) in other provisions	0	0
Net cash from (used by) operating activities	247,707	(99,953)

Note 11B: Cash flow information (reporting units/controlled entities)

Cash inflows

Shop Distributive & Allied Employees' Association National Office	0	2,164
Shop Distributive & Allied Employees' Association Western Australian Branch	5,051	2,401
Total cash inflows	5,051	4,565

Cash outflows

Shop Distributive & Allied Employees' Association National Office	826,099	837,048
Total cash outflows	826,099	837,048

Note 12: Contingent Liabilities, Assets and Commitments

There are no known contingent liabilities, assets and commitments at the close of the financial year

Note 13: Related party disclosures

Note 13A: Related party transactions for the reporting period

The following tables provide the total amount of transactions that have been entered into with related parties for the relevant year.

The Shop Distributive & Allied Employees' Association National Office and the reporting entity are members of the same group.

	2017	2016
	\$	\$
Revenue received from Shop Distributive & Allied Employees' Association National Office		
Refund of Thomson Reuters subscription	0	2,164
Total	<u>0</u>	<u>2,164</u>

Expenses paid to Shop Distributive & Allied Employees' Association National Office

Affiliation fees	678,172	652,964
Levies	147,927	184,084
Total	<u>826,099</u>	<u>837,048</u>

The Shop Distributive & Allied Employees' Association South Australian Branch (State Registration) and the reporting entity currently have common key management personnel (President, Secretary/Treasurer and Assistant Secretary).

Revenue received from Shop Distributive & Allied Employees' Association South Australian Branch (State Registration)

Affiliation fees	608,140	643,618
Levies	132,479	96,543
Purchase of Motor Vehicle, Furniture	33,909	0
Other receipts	46	0
Total	<u>774,574</u>	<u>740,161</u>

Expenses paid to Shop Distributive & Allied Employees' Association National Office

Entertainment	0	4,730
Office Equipment	0	600
Rent	50,919	54,859
Other expenses	906	5,417
Total	<u>51,825</u>	<u>65,606</u>

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 30 June 2017, the Shop Distributive and Allied

Employees' Association South Australian Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2016: \$Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

2017	2016
\$	\$

Note 13B: Key Management Personnel Remuneration for the Reporting Period

Short-term employee benefits		
Salary (including leave taken)	30,416	41,024
Annual leave accrued	2,719	1,205
Performance bonus	0	0
Total short-term employee benefits	<u>33,135</u>	<u>42,229</u>
Post-employment benefits		
Superannuation	4,563	4,367
Total post-employment benefits	<u>4,563</u>	<u>4,367</u>
Other long-term benefits		
Long-service leave accrued	0	(648)
Total other long-term benefits	<u>0</u>	<u>(648)</u>
Termination benefits	<u>0</u>	<u>0</u>
Total termination benefits	<u>0</u>	<u>0</u>
Total key management personnel remuneration	<u>37,698</u>	<u>45,948</u>

	2017	2016
	\$	\$
Note 14: Remuneration of auditors		
Value of the services provided		
Financial statement audit services	6,000	5,750
Total remuneration of auditors	<u>6,000</u>	<u>5,750</u>

No other services were provided by the auditors of the financial statements.

NOTE 15: Financial Risk Management

a. Financial Risk Management Policies

The entity's financial instruments consist of deposits with banks, short-term investments, and accounts receivable and payable.

The entity does not have any derivative instruments at 30 June 2017.

- i. Treasury Risk Management
- ii. Treasury management includes management of the Association's holdings, with the ultimate goal of managing the Association's liquidity and mitigating its operational, financial and reputational risk. Treasury Management includes collections, disbursements, concentration, investment and funding activities. Treasury risk management is reviewed on a regular basis.

ii. Financial Risk Exposures and Management

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

Foreign currency risk

The entity is not exposed to fluctuations in foreign currencies.

Liquidity risk

Liquidity risk is the risk that the Branch may encounter difficulties raising funds to meet commitments associated with financial instruments. The entity manages liquidity risk by monitoring forecast cash flows.

Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. The entity does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the entity.

There is no material amounts of collateral held as security at 30 June 2017.

Credit risk is managed by the entity and reviewed regularly by the finance committee. It arises from exposures to customers as well as through deposits with financial institutions.

The entity monitors the credit risk by actively assessing the rating quality and liquidity of counterparties:

- Only banks and financial institutions with an 'A' rating are utilised.
- The credit standing of counterparties is reviewed monthly for liquidity and credit risk.

b. Financial Instruments Composition and Sensitivity Analysis

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the balance sheet.

	Floating Interest Rate		Fixed Interest Rate		Non-interest Bearing		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets								
Cash at bank	-	-	180,896	15,835	-	-	180,896	15,835
Trade and other receivables	-	-	-	-	63,982	72,842	63,982	72,842
Investments	846,343	763,697	-	-	-	-	846,343	763,697
Other	-	-	-	-	200	200	200	200
Total financial assets	846,343	763,697	180,896	15,835	64,182	73,042	1,091,422	852,574
Financial liabilities								
Trade and sundry payables	-	-	-	-	151,965	100,879	151,965	100,879
Total financial liabilities	-	-	-	-	151,965	100,879	151,965	100,879

Sensitivity analysis:

Interest rate risk

The branch has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on current year results and equity which could result from a change in this risk.

As at 30 June 2017, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant, would be as follows:

	2017	2016
	\$	\$
Change in profit		
- Increase in interest rate by 2%	2,992	15,591
- Decrease in interest rate by 2%	(2,992)	(15,591)

This sensitivity analysis has been performed on the assumption that all other variables remain unchanged. No sensitivity analysis has been performed for foreign exchange risk, as the branch is not exposed to fluctuations in foreign exchange.

c. Financing arrangements

The Branch has no financing facilities at the end of the reporting period.

Note 16 Administration of financial affairs by a third party

Name of entity providing service: Shop Distributive and Allied Employees' Association South Australian Branch (State Registration)

Nature of consultancy service: Managing financial affairs including preparation of financial statements.

Terms and conditions: Service provided without charge

Note 17 Section 272 Fair Work (Registered Organisations) Act 2009

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of members is drawn to the provisions of subsections (1) to (3) of section 272, which reads as follows:

Information to be provided to members or Commissioner:

- (1) A member of a reporting unit, or the Commissioner, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).