



Australian Government
Australian Industrial Registry

Level 5, 11 Exhibition Street
Melbourne, VIC 3000
GPO Box 1994, Melbourne, VIC 3001
Telephone: (03) 8661 7764
Fax: (03) 9655 0410
Email: kevin.donnellan@air.gov.au

Mr Paul Griffin
Branch Secretary
Shop, Distributive and Allied Employees Association - Tasmanian Branch

email: paul@sdatas.asn.au

Dear Mr Griffin

Re: Financial Report for the Shop, Distributive and Allied Employees Association - Tasmanian Branch for year ended 30 June 2007 – FR2007/380

I acknowledge receipt of the financial documentation lodged on 12 June 2008 for the above report.

The financial report is now filed.

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.

Committee of Management Statement

Recovery of wages activity

I remind you that the applicable Reporting Guidelines require the Committee of Management Statement to include information in relation to recovery of wages activity. If there has been no recovery of wages activity you may wish to consider words such as:

(xz) in relation to the recovery of wages activity:

(i) there has been no such activity undertaken by the reporting unit.

Schedule 1

Reference to Schedule 1B of the Act, should properly refer to Schedule 1.

Audit Report

Auditor's Qualification

It is not clear from the Report whether or not the Auditor is an approved Auditor. In this regard I draw your attention to the definition of approved auditor in regulation 4 of the Workplace Relations (Registration and Accountability of Organisations) Regulations 2003. In all likelihood the Auditor is such a person however, it is our preference that this is made explicit in the Report. I recommend you draw this comment to the attention of your Auditors.

Presentation of the full report to the Committee of Management

If the full report is to be presented to a meeting of the Committee of Management, the report should be distributed to members within five months of the end of the financial year (s265(5)(b)). Then, the full report should be presented to the Committee of Management within six months of the end of the financial year (s266(3)).

I note in this instance the report was provided to members on 4 December 2007 and presented to the Committee of Management on 21 December 2007.

Timing of Financial Documents - Lodgement of Documents in the Registry

Section 268 of the RAO Schedule requires the Branch to lodge its financial documents with the Registry within 14 days of the date of the Committee of Management Meeting at which they were presented (that is, by 21 December 2007). The documents were not lodged with the Registry, however, until 29 April 2008. You are requested to lodge documents within the 14 day period in future.

If you wish to discuss any of the matters referred to above I can be contacted on (03) 8661 7764.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Kevin Donnellan', with a long horizontal flourish extending to the right.

Kevin Donnellan

Statutory Services Branch
24 June 2008

INDEPENDENT AUDIT REPORT

TO THE MEMBERS OF SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION, TASMANIAN BRANCH

We have audited the financial report of Shop, Distributive and Allied Employees Association, Tasmanian Branch which comprises the balance sheet as at 30 June 2007 and the income statement and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the State Council Statement.

State Council's Responsibility for the Financial Report

The State Council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the financial reporting requirements of the association's constitution and the RAO Schedule. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report which is free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, State Council also state, in accordance with Accounting Standards AASB101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

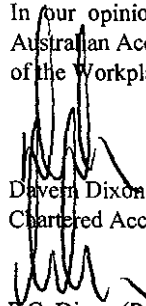
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional ethical pronouncements.

Auditor's Opinion

In our opinion 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 RAO Schedule of the Workplace Relations Act 1996.


Davern Dixon
Chartered Accountants

P.C. Dixon (Registered Company Auditor # 173)
Partner
26 Elizabeth Street Launceston Tasmania

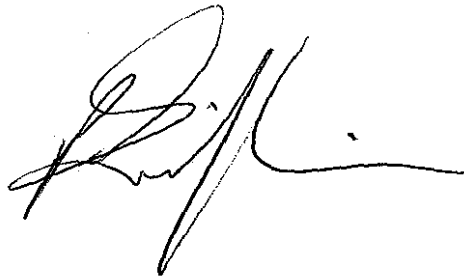
Dated this 10th day of October 2007

'Certificate of Secretary or other Authorised Officer'
s268 of Schedule 1 Workplace Relations Act 1996

I, Paul Griffin, being the General Secretary of the Shop Distributive & Allied Employees' Association, Tasmanian Branch certify:

- ❖ that the documents lodged herewith are copies of the full report, [and the concise report], referred to in s268 of the RAO Schedule; and
- ❖ that the full report was provided to members on 04/12/2007; and
- ❖ that the full report presented to a meeting of the committee of management on 21/12/2007; in accordance with section 266 of the RAO Schedule.

Signature:



Date:

13.06.08.



Mr Paul Griffin
Branch Secretary
Shop, Distributive and Allied Employees Association - Tasmanian Branch

email: paul@sdatas.asn.au

Dear Mr Griffin

Re: Financial Report for the Shop, Distributive and Allied Employees Association - Tasmanian Branch for year ended 30 June 2007 – FR2007/380

I acknowledge receipt of the financial report of the Shop, Distributive and Allied Employees Association, Tasmanian Branch for the year ended 30 June 2007. The documents were lodged with the Registry on 28 April 2008.

The financial report is not filed.

The following matters require your attention before any action can be taken to file the above report.

Designated Officer's Certificate

The financial report filed did not include a Designated Officer's certificate as required by section 268. Section 268(c) of the RAO Schedule requires "*a certificate by a prescribed designated officer that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with section 266.*"

Could you provide a designated officer's certificate to accompany the report [I have attached a draft certificate for you reference].

Audit Report

Auditor's Opinion

The Audit Report lodged contained the following Auditor's Opinion:

"In our opinion:

(a) the financial report of Shop, Distributive and Allied Employees Association, Tasmanian Branch is in accordance with the company's constitution, including:

(i) giving a true and fair view of the company's financial position as at 30 June 2007 and its performance for the year ended on that date; and

(ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the company's constitution."

(iii) in accordance with the RAO schedule

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

The term “true and fair view” was used in the superseded legislation. Subsection 257(5) of the RAO Schedule sets out the matters upon which an auditor is required to make an opinion on whether the general purpose financial report is presented fairly in accordance with applicable Australian Accounting Standards and other requirements of the RAO Schedule. The following wording in the auditor’s opinion would satisfy the requirements:

“In our opinion 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 RAO Schedule of the Workplace Relations Act 1996.”

Also references to “company” should refer to “Association”.

Auditor’s Qualification

It is not clear from the Report whether or not the Auditor is an approved Auditor. In this regard I draw your attention to the definition of approved auditor in regulation 4 of the Workplace Relations (Registration and Accountability of Organisations) Regulations 2003. In all likelihood the Auditor is such a person however, it is our preference that this is made explicit in the Report. I recommend you draw this comment to the attention of your Auditors.

I would request that a new Auditor’s Opinion is lodged reflecting the above matters.

Notes to financial reports

Loans, Grants and Donations

I have noted that donations totalling \$6273 were made in 2006-7. Under subsection 237(1) of the RAO Schedule there are certain steps that need to be taken if an individual donation exceeds \$1000.

As no subsection 237(1) statement has been lodged we assume that no single donation exceeded \$1000. If this is not the case, please immediately advise the Registry of the details and ensure that there is compliance with the reporting requirements of section 237, other than with respect to the required timeframe. I have attached a template Statement you may wish to use (if appropriate). I note that the Registry drew your attention to the requirements of section 237(1) last year.

Could you provide a new Auditor’s Opinion, a Designated Officer’s certificate and complete the statement of loans, grants and donations.

If you wish to discuss any of the matters referred to above I can be contacted on (03) 8661 7764.

Yours sincerely

A handwritten signature in black ink, consisting of a stylized 'K' followed by a large loop and a long horizontal stroke.

Kevin Donnellan

Statutory Services Branch
9 May 2008

Certificate of Secretary or other Authorised Officer¹

s268 of Schedule 1 *Workplace Relations Act 1996*

I *[name]* being the *[title of office]* of the *[name of the organisation]* certify:

- that the documents lodged herewith are copies of the full report, *[and the concise report]*², referred to in s268 of the RAO Schedule; and
- that the *[full report **OR** concise report]*³, was provided to members on *[insert date]*; and
- that the full report was presented to *[a general meeting of members **OR** the last of a series of general meetings of members **OR** a meeting of the committee of management]*³ of the reporting unit on *[insert date]*; in accordance with section 266 of the RAO Schedule.

Signature

Date:

¹*RAO regulation 162 prescribes the designated officer for the purpose of RAO schedule s268 as:*

(a) the secretary; or

(b) an officer of the organisation other than the secretary who is authorised by the organisation or by the rules of the organisation to sign the certificate mentioned in that paragraph.

²*Only applicable where a concise report is provided to members*

³*Insert whichever is applicable*



Statement of loans, grants and donations exceeding \$1,000 for financial year ending / /

Please refer to section 237 of the Registration and Accountability of Organisations Schedule when completing this form. This statement when lodged in the Industrial Registry may only be viewed by a member of the organisation. Use of this form is optional.

Organisation's details

Name of organisation including division or branch

Postal Address

<input type="text"/>
Postcode

Details of officer completing the statement

Name

Name of office held in organisation

(An officer of the organisation should complete the statement)

Postal Address

<input type="text"/>
Postcode

Telephone number (BH)

Facsimile number

Email

I certify that the information contained in this statement and its attachments is true and complete.

Signature

Date

An organisation must lodge this statement within 90 days of the end of its financial year.

Enquiries and statements should be addressed to:

INDUSTRIAL REGISTRAR
AUSTRALIAN INDUSTRIAL REGISTRY
GPO BOX 1994
MELBOURNE VIC 3001
Tel: (03) 8661 7764
Fax: (03) 9655 0410
Email: riateam3@air.gov.au

AUSTRALIAN INDUSTRIAL REGISTRY

Australian Industry Registry

LOANS, GRANTS AND DONATIONS EXCEEDING \$1,000 MADE BY ORGANISATION

(if insufficient space, please attach separate sheet)

LOANS

Name of Recipient of Loan	Address	Amount	Purpose for which loan required	Security given in relation to loan	Arrangements for repayment of loan

Note: where a loan is made to relieve a member or dependant of a member from severe financial hardship, the name and address and particulars of arrangements for repayment need not be stated.

GRANTS

Name of Recipient of Grant	Address	Amount	Purpose of Grant

Note: where a grant is made to relieve a member or dependant of a member from severe financial hardship, the name and address need not be stated

DONATIONS

Name of Recipient of Donation	Address	Amount	Purpose of Donation

Note: where a donation is made to relieve a member or dependant of a member from severe financial hardship, the name and address need not be stated.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES
ASSOCIATION,**

TASMANIAN BRANCH

ABN 25 567 586 269

**General Purpose Financial Report
For the Year Ended 30 June, 2007**

Davern Dixon

CHARTERED ACCOUNTANTS

ACN 009 513 482 PTY LTD

Directors

Peter C Dixon FCA
Christopher J Bishop FCA
Roger G McBain CA

26 Elizabeth Street
PO Box 872
Launceston Tas 7250

Telephone (03) 6331 5133
Facsimile (03) 6331 3623
www.daverndixon.com.au

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION,
TASMANIAN BRANCH**

**General Purpose Financial Report
For the year ended 30 June 2007**

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**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION,
TASMANIAN BRANCH**

OPERATING REPORT

The State Council present their report on the operations of the Union for the year ended 30 June 2007.

State Council

The names of each person who have been on the State Council during the year and to the date of this report are:

General President:	Karyn Synnott
Branch Vice President:	James Fitzpatrick
General Secretary	Paul Griffin
State Councillors:	Kathleen Casey
	Tania Venn
	Scott Bryan
	Leanne Porter
	Annette Jordan
	Katrina Barr
	Lyn Logan
	Brian Harradine
	Suzanne Aliphon

Mr Paul Griffin is a Director of the Tasplan Superannuation Fund.

Principal Activities

The Union's principal continuing activity during the year was to promote the interests of its members.

Results	\$	\$
	2007	2006
Operating profit / (loss) for the year	28,188	49,722

Significant Changes in the State of Affairs

There have been no significant changes in the Union's state of affairs.

Matters Subsequent to the End of the Financial Year

There is at the date of this report no matter or circumstances which have arisen since 30 June 2007 that has significantly affected or may significantly affect:

- (a) the Union's operations in financial years subsequent to 30 June 2007;
- (b) the results of those operations; or
- (c) the Union's state of affairs in financial years subsequent to 30 June 2007.

Likely Developments and Expected Results of Operations

No significant changes in the operations of the Union have been proposed at the date of this report.

Details of Members & Rights of Members to Resign

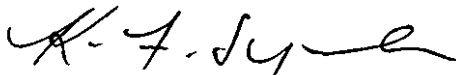
The Shop, Distributive and Allied Employees Association, Tasmanian Branch had 5,719 members at 30 June 2007 which include both honorary and lifetime members.

Details of the right of members to resign from the Union are in Rule 12 of the Rules of the Shop, Distributive and Allied Employees Association, Tasmanian Branch.

Employees

The Shop, Distributive and Allied Employees Association, Tasmanian Branch had 7 full time equivalent employees at 30 June 2007.

K Synnott
State Council



P Griffin
State Council



Signed at Hobart this 9th day of October 2007

INDEPENDENT AUDIT REPORT

TO THE MEMBERS OF SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION, TASMANIAN BRANCH

We have audited the financial report of Shop, Distributive and Allied Employees Association, Tasmanian Branch which comprises the balance sheet as at 30 June 2007 and the income statement and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the State Council Statement.

State Council's Responsibility for the Financial Report

The State Council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the financial reporting requirements of the company's constitution and the RAO Schedule. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report which is free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, State Council also state, in accordance with Accounting Standards AASB101: Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we 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.

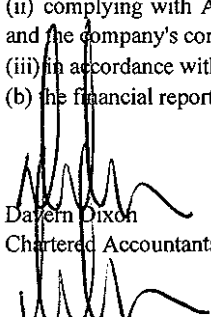
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's Opinion

In our opinion:

- (a) the financial report of Shop, Distributive and Allied Employees Association, Tasmanian Branch is in accordance with the company's constitution, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2007 and its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the company's constitution; and
 - (iii) in accordance with the RAO schedule
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.


Daryn Dixon
Chartered Accountants

P.C. Dixon
Partner
26 Elizabeth Street Launceston Tasmania

Dated this 10th day of October 2007

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION,
TASMANIAN BRANCH**

STATE COUNCIL STATEMENT

In the opinion of the State Council:

- (a) the financial statements and notes comply with the Australian Accounting Standards ;
- (b) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe 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 general purpose financial report relates and since the end of that year :
 - (i) meetings of the State Council were held in accordance with the rules of the organisation including rules of the 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 the branch concerned; and
 - (iii) the financial records have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; 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 to each of the other reporting units of the organisation; and
 - (v) the information sought in any request of a member or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
 - (vi) there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

Signed in accordance with a resolution of the State Council dated 9th October 2007.



K Synnott
State Council



P Griffin
State Council

Signed at Hobart this 9th day of October 2007

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION,
TASMANIAN BRANCH**

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

	Notes	2007 \$	2006 \$
Revenue	2	<u>1,383,983</u>	<u>1,221,122</u>
Administration expenses - other		62,439	31,572
Advertising		22,577	10,736
Affiliation fees - SDAEA National Office		102,904	94,065
Affiliation fees - SDAEA International Fund		30,871	28,220
Affiliation fees - Union Tasmania		25,759	19,854
Affiliation fees - ALP Tasmania		2,813	-
Audit fees		8,500	8,581
Branch journal		59,566	91,582
Campaigns		35,636	29,132
Commissions paid to employers		117,197	93,213
Computer expenses		6,819	14,224
Consulting		20,247	18,763
Contractors		3,714	4,245
Delegates expenses		1,331	10,883
Depreciation		43,291	35,984
Employee benefits - officials		66,668	61,091
Employee benefits - employees		288,097	213,336
Fares and organising expenses		31,474	46,206
Fringe benefit tax		6,137	8,096
Functions		11,711	23,733
Gifts and presentations		15,099	12,405
Grants and donations		6,273	5,358
Interest		92	-
Legal fees		4,913	3,786
Light & power		3,242	3,315
Loss on sale of fixed assets		7,740	21
Meeting expenses		413	281
Modelling Division expenses		16,017	11,574
Motor vehicle expenses		38,550	33,432
Movie tickets		58,750	55,843
National council expenses		2,161	1,301
Newsletters and publications		1,055	12,152
Postage and freight		17,067	15,564
Presidential card		40,407	24,639
Printing and stationery		40,715	46,134
Rates and taxes		9,469	9,125
Repairs and maintenance		15,284	11,569
Scholarship vouchers		81,208	38,180
Subscriptions		990	1,946
Telephone		48,599	41,259
Total expenses		<u>1,355,795</u>	<u>1,171,400</u>
Profit before income tax expense		28,188	49,722
Income tax expense		-	-
Net Profit		<u>28,188</u>	<u>49,722</u>

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION,
TASMANIAN BRANCH**

BALANCE SHEET AS AT 30 JUNE 2007

	Notes	2007 \$	2006 \$
Current assets			
Cash assets	5	1,315,077	1,315,522
Inventories	7	2,259	9,971
Receivables	6	71,152	66,191
Total current assets		<u>1,388,488</u>	<u>1,391,684</u>
Non-current assets			
Property, plant and equipment	8	551,554	511,685
Total non-current assets		<u>551,554</u>	<u>511,685</u>
Total assets		<u>1,940,042</u>	<u>1,903,369</u>
Current liabilities			
Payables	9	42,808	40,295
Provisions	10	79,668	78,021
Total current liabilities		<u>122,476</u>	<u>118,316</u>
Non-current liabilities			
Provisions	10	11,860	7,535
Total non-current liabilities		<u>11,860</u>	<u>7,535</u>
Total liabilities		134,336	125,851
Net assets		<u>1,805,706</u>	<u>1,777,518</u>
Members funds			
Retained profits	11	1,642,490	1,614,302
Reserves	12	163,216	163,216
Total members funds		<u>1,805,706</u>	<u>1,777,518</u>

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION,
TASMANIAN BRANCH**

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

	Notes	2007 \$	2006 \$
Cash flows from operating activities			
Receipts from members and other third parties		1,344,987	1,241,059
Interest received		34,035	46,025
Payments to suppliers and employees		(1,288,567)	(1,160,588)
Net cash provided by/(used in) operating activities	16	<u>90,455</u>	<u>126,496</u>
Cash flows from investing activities			
Proceeds from sales of property, plant and equipment		30,703	7,323
Payment for property, plant and equipment		<u>(121,603)</u>	<u>(24,077)</u>
		<u>(90,900)</u>	<u>(16,754)</u>
Net increase in cash held		(445)	109,742
Cash at beginning of the financial year		1,315,522	1,205,780
Cash at the end of the financial year	5	<u><u>1,315,077</u></u>	<u><u>1,315,522</u></u>

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION,
TASMANIAN BRANCH**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

Note 1: Statement of Significant Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with the requirements of Schedule 1B Registration and Accountability of Organisations (RAO) Schedule, Accounting Standards, Urgent Issues Group Interpretations and other authoritative pronouncements of the Australian Accounting Standards.

The financial report covers Shop, Distributive and Allied Employees Association, Tasmanian Branch as in individual entity. Shop, Distributive and Allied Employees Association, Tasmanian Branch is a Union.

The financial report of Shop, Distributive and Allied Employees Association, Tasmanian Branch complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety. The presentation currency used in this financial report is Australian dollars.

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

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

Accounting Policies

a. Income Tax

The income of the Association is not managed for the purpose of profit or gain to the individual members and is exempt from income tax under S50-15 of the Income Tax Assessment Act 1936, as amended.

b. Inventories

Inventories are measured at the lower of cost and net realisable value.

c. Property, Plant and Equipment

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

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION,
TASMANIAN BRANCH**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

Note 1: Summary of accounting policies (Continued)

Property

Freehold land and buildings are shown at cost less depreciation and impairment losses.

Plant and Equipment

Plant and equipment is measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually to ensure it is not in excess of the recoverable amount from these assets.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated over their useful lives to the entity commencing from the time the asset is held ready for use.

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

Class of asset	Depreciation Rate
Buildings	2%
Low Value Pool	19% - 38%
Motor Vehicles	19% - 23%
Plant and Equipment	15% - 30%

Gains and losses on disposals, are determined by comparing proceeds with the carrying amount, which are included in the income statement.

d. Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transactions costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Financial Liabilities

Financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION,
TASMANIAN BRANCH**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

Note 1: Summary of accounting policies (Continued)

e. Employee Benefits

Provision is made for the Association's liability for employee benefits arising from the 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.

f. Cash and Cash Equivalents

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

g. Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation 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 as GST inclusive.

Note 2: Revenue

	2007 \$	2006 \$
Operating revenue		
Members' subscriptions	<u>1,272,211</u>	<u>1,131,942</u>
Movie money tickets	17,041	12,789
Interest received	34,035	46,025
Car park rents received	6,955	6,501
Modelling Division	8,284	12,748
Reimbursements	-	609
Other	<u>45,457</u>	<u>10,508</u>
	<u>111,772</u>	<u>89,180</u>
Total Revenue	<u><u>1,383,983</u></u>	<u><u>1,221,122</u></u>

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION,
TASMANIAN BRANCH**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

Note 3: Sales of Assets

Sales of assets in the ordinary course of business have given rise to the following profit and losses:

	2007	2006
	\$	\$
Net profits		
Property, plant and equipment	1,496	-
Net losses		
Property, plant and equipment	9,236	21

Note 4: Auditors' Remuneration

Remuneration of the auditor		
- auditing or reviewing the financial report	7,000	8,581
- taxation services	1,550	400

Note 5: Cash and Cash Equivalents

Petty Cash - Launceston	100	100
Petty Cash - Hobart	100	100
CBA Modelling Division	-	1,567
Cash at bank - trading account	265,990	298,902
CBA Commercial Bill	816,217	795,425
CBA Term Deposit 1	116,335	109,714
CBA Term Deposit 2	116,335	109,714
	<u>1,315,077</u>	<u>1,315,522</u>

The effective interest rate on short-term bank deposits was 5.3%, these deposits have an average maturity of 180 days.

Reconciliation of Cash

Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:

Cash and cash equivalents	266,190	300,669
Short-term bank deposits	<u>1,048,887</u>	<u>1,014,853</u>
	<u>1,315,077</u>	<u>1,315,522</u>

Note 6: Trade and Other Receivables

Subscriptions in arrears	57,316	51,074
Sundry debtors and prepayments	12,981	7,985
Modelling division loan	-	913
Car park & modelling debtors	855	3,514
Wages paid in advance	-	2,705
	<u>71,152</u>	<u>66,191</u>

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION,
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

	2006 \$	2005 \$
Note 7: Inventories		
At Cost:		
Movie Tickets	<u>2,259</u>	<u>9,971</u>
Note 8: Property, Plant and Equipment		
LAND AND BUILDINGS		
Freehold land at cost	150,000	150,000
Buildings at cost	295,976	282,666
Less accumulated depreciation	<u>38,925</u>	<u>35,188</u>
Total Buildings	<u>257,051</u>	<u>247,478</u>
Total Land and Buildings	<u>407,051</u>	<u>397,478</u>
PLANT AND EQUIPMENT		
Plant and equipment at cost	221,771	207,748
Less accumulated depreciation	<u>85,513</u>	<u>102,446</u>
	136,258	105,302
Low value pool at written down value	<u>8,245</u>	<u>8,885</u>
Total Plant and Equipment	<u>144,503</u>	<u>114,187</u>
Total Property, Plant and Equipment	<u>551,554</u>	<u>511,665</u>

Movements in Carrying amounts

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

	Land at cost \$	Buildings at cost \$	Plant and Equipment at cost \$	Low Value Pool at WDV \$	Total
Gross carrying amount					
Balance at 30 June 2006	150,000	282,666	207,748	115,729	756,143
Additions	-	13,310	104,980	-	118,290
Transfer to Low Value Pool	-	-	-	-	-
Disposals	-	-	90,957	-	90,957
Balance at 30 June 2007	<u>150,000</u>	<u>295,976</u>	<u>221,771</u>	<u>115,729</u>	<u>783,476</u>
Accumulated depreciation					
Balance at 30 June 2006	-	35,188	102,446	106,844	244,478
Depreciation expense	-	3,737	35,601	640	39,978
Transfer to Low Value Pool	-	-	-	-	-
Disposals	-	-	52,534	-	52,534
Balance at 30 June 2007	<u>-</u>	<u>38,925</u>	<u>85,513</u>	<u>107,484</u>	<u>231,922</u>
Net book value					
As at 30 June 2006	150,000	247,478	105,302	8,885	511,665
As at 30 June 2007	150,000	257,051	136,258	8,245	551,554

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION,
TASMANIAN BRANCH**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

	2007	2006
	\$	\$
Note 9: Trade and Other Payables		
Current		
Trade payables	13,869	35,971
PAYG clearing account	5,659	-
FBT payable	2,024	-
Net GST payable	<u>21,256</u>	<u>4,324</u>
	<u>42,808</u>	<u>40,295</u>
Note 10: Provisions		
Current		
Provision for employee benefits	<u>79,668</u>	<u>78,021</u>
Non-current		
Provision for employee benefits	<u>11,860</u>	<u>7,535</u>
Provision for Long-term employee benefits		
A provision has been recognised for non-current employee benefits in relation to long service leave for employees.		
Note 11 : Retained Profits		
Balance at the beginning of the financial year	1,614,302	1,564,580
Net Profit	<u>28,188</u>	<u>49,722</u>
Balance at the end of the financial year	<u>1,642,490</u>	<u>1,614,302</u>
Note 12: Reserves		
Asset revaluation reserve	<u>163,216</u>	<u>163,216</u>

The asset revaluation reserve relates to land and buildings that were previously carried at valuation. Land and buildings are now carried at cost and the balance of the asset revaluation reserve is no longer available to absorb future write-downs or decrements in the carrying value of land and buildings.

Note 13: Related Parties

During the year State Councillors and their related entities purchased goods, which were trivial in nature, from the Association on the same terms and conditions available to other members.

Note 14: Events After Balance Sheet Date

There has not been any matter or circumstance that has significantly affected, or may significantly affect the operations of the Association, the results of those operations, or the state of affairs of the Association in future financial years.

Note 15: Segment Reporting

The Association provides industrial advocacy services to members through two locations in Tasmania (Launceston and Hobart).

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION,
TASMANIAN BRANCH**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

	2007 \$	2006 \$
Note 16: Cash Flow Information		
Reconciliation of profit from ordinary activities to net cash flows from operating activities		
Profit/(Loss) from ordinary activities	28,188	49,722
Depreciation	43,291	35,984
Profit on sale of property, plant and equipment	-	-
Loss on sale of property, plant and equipment	7,740	21
<i>(Increase)/decrease in assets:</i>		
Receivables	(4,961)	65,941
Inventories	7,712	(9,971)
<i>Increase/(decrease) in liabilities</i>		
Payables	2,513	(15,201)
Provisions	5,972	-
Net cash from operating activities	90,455	126,496

Note 17: Financial Instruments

The Association's financial instruments consist mainly of deposits with Banks, accounts receivable and accounts payable.

Interest Rate Risk

The following table details the exposure to interest rate risk as at 30 June 2007.

2007	Average interest rate %	Variable interest rate \$	Fixed Interest Rate		Non-interest bearing \$	Total \$
			Less than 1 year \$	1 to 5 years \$		
Financial assets						
Cash	5.30%	265,990	1,048,887	-	200	1,315,077
Receivables	0.00%	-	-	-	71,152	71,152
		265,990	1,048,887	-	71,352	1,386,229
Financial liabilities						
Payables	0.00%	-	-	-	17,989	17,989
Employee benefits	0.00%	-	-	-	107,472	107,472
		-	-	-	125,461	125,461

2006	Average interest rate %	Variable interest rate \$	Fixed Interest Rate		Non-interest bearing \$	Total \$
			Less than 1 year \$	1 to 5 years \$		
Financial assets						
Cash	5.60%	300,469	1,014,853	-	200	1,315,522
Receivables	0.00%	-	-	-	66,191	66,191
		300,469	1,014,853	-	66,391	1,381,713
Financial liabilities						
Payables	0.00%	-	-	-	40,295	40,295
Employee benefits	0.00%	-	-	-	85,556	85,556
		-	-	-	125,851	125,851

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION,
TASMANIAN BRANCH**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

Note 18: Additional Information

Shop, Distributive and Allied Employees Association, Tasmanian Branch is the Tasmanian branch of the national Shop, Distributive and Allied Employees Association.

Registered office and principal place of business

72 York Street
Launceston
Tasmania 7250

Note 19: Members' access to financial records

Pursuant to subsection 272(5) of the RAO Schedule, the following information is drawn to the attention of members :

- (1) a member of a reporting unit, or a Registrar, may apply to the Association for specified prescribed information in relation to the Association 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 Association.
- (3) The Association must comply with an application made under subsection (1).