



4 February 2015

Mr Paul Griffin
General Secretary-Treasurer
Tasmanian Branch
Shop, Distributive and Allied Employees Association
paul@sdatas.asn.au

CC: Rod Whitehead, Deloitte Touche Tohmatsu by email: whitehead@deloitte.com.au
CC: ATTN Janine Wilson, by email: secretary@sdatas.asn.au

Dear Mr Griffin,

**Shop, Distributive and Allied Employees Association-Tasmanian Branch
Financial Report for the year ended 30 June 2014 - [FR2014/222]**

I acknowledge receipt of the financial report of the Shop, Distributive and Allied Employees Association-Tasmanian Branch. The documents were lodged with the Fair Work Commission on 22 December 2014. Further information was received from the organisation on 30 January 2015.

The financial report has now been filed.

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

Please note that the financial report for the year ending 30 June 2015 may be subject to an advanced compliance review.

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

Concise report

I note that the organisation has lodged with the Commission a concise report. This is a requirement whenever a registered organisation provides a concise report to members.

Historically, concise reports were employed by organisations who found the costs of distributing a full report by post prohibitive. As the provision of financial reports has shifted to organisations' websites, the practice of providing concise reports to members has become less common, particularly in view of the additional expense in preparing and auditing a concise report.

Despite this, the decision of whether to issue a concise report is up to the organisation and the committee of management must ensure that it has a formal resolution to provide a concise report

Timescale requirements

As you are aware, an organisation is required under the RO Act to undertake certain steps in accordance with specified timelines. Information about these timeline requirements can be found on the Fair Work Commission website. In particular, I draw your attention to Financial reporting

process and timelines which explains the timeline requirements, and Diagrammatic summary of financial reporting timelines which sets out the timeline requirements in diagrammatical form.

I note that the following timescale requirements were not met:

Documents must be lodged with the Fair Work Commission within 14 days of General Meeting

Section 268 of the RO Act, requires that the full report, concise report and the designated officer's certificate are lodged with the Fair Work Commission within 14 days of the meeting of members. The Designated Officer's Certificate indicates that this meeting occurred on 17 November 2014. If this is correct the full report should have been lodged with the Fair Work Commission by 1 December 2014.

The full report was lodged on 22 December 2014.

If these dates are correct, the branch should have applied for an extension of time to lodge the required reports and the Designated Officer's Certificate in accordance with section 268 of the RO Act.

Please note that in future financial years if the branch cannot lodge on time, a written request for an extension of time, signed by a relevant officer, including any reason for the delay, must be made prior to the required date of lodgement.

Auditor's report: declaration regarding going concern

Paragraph 39 of the Reporting Guidelines requires an auditor to include in the auditor's statement a declaration that as part of the audit of the financial statement they have concluded that management's use of the going concern basis of accounting in the preparation of the reporting unit's financial statements is appropriate. This declaration was not included in the auditor's statements.

Affiliations and Capitation

The financial report contains 'affiliations' paid to the National office.

The term affiliation under the Reporting Guidelines refers to a fee or periodic subscription 'paid in respect of its affiliation to any political party, any federation, congress, council or group of organisations, or any international body having an interest in industrial matters'.

This money appears to be more likely properly characterised as capitations. That is 'amounts which, under the rules of the organisation or a branch of the organisation, a reporting unit may receive from or pay to another reporting unit of the organisation, calculated in accordance with rules of the organisation or branch for the purpose of ongoing general administrative expenses.'

For future reports please consider whether this line item should have been identified as a capitation expense.

Alternatively, if no capitation is received or paid by a reporting unit, the financial return must include a note to this effect either as a statement in the notes or a NIL line item within the report.

Employee Expenses and Provisions

Disclosure of employee expenses to office holders and other employees

The Reporting Guidelines require reporting units to disclose in the Statement of Comprehensive Income or in the notes to the financial statements employee expenses to holders of office (item 16(f)) and employee expenses to other employees (item 16(g)). Item 16(f) and 16(g) of the Reporting Guidelines also requires these expenses to be separately disclosed as follows:

- Wages and salaries;
- Superannuation;
- Leave and other entitlements;
- Separation and redundancies; and
- Other employee expenses.

I note that, while this issue was raised in last year's filing letter, the branch does not disclose separation and redundancies and other employee expenses provided for officers and employees. This must be done even if the amounts are NIL.

The Reporting Guidelines require that all employee and office holder expenses be detailed separately (refer to items 16(f) and 16(g)).

Please note that Reporting Guideline 17 states that if the activities identified in item 16 have not occurred in the reporting period, a statement of this effect must be included in the GPFR.

Disclosure of employee provisions to office holders and other employees

The Reporting Guidelines also require either the Statement of Financial Position or the notes to disclose any liability for employee benefits in respect of office holders and other employees (items 20(c) and 20(d)). Item 20(c) and 20(d) of the Reporting Guidelines also requires these provisions to be separately disclosed as follows:

- Annual leave;
- Long service leave;
- Separation and redundancies; and
- Other employee provisions.

The employee provisions note to the financial statements has disclosed annual leave and long service leave separately for office holders and employees, but does not separately disclose separation and redundancies and other employee provisions provided for officers and employees. This must be done even if the amounts are NIL.

The Reporting Guidelines require that all employee and office holder provisions be detailed separately (refer to items 20(c) and 20(d)).

Please note that Reporting Guideline 21 states that if the activities identified in item 20 have not occurred in the reporting period, a statement of this effect must be included in the GPFR.

Reporting Requirements

On the FWC website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The FWC recommends reporting units use this model as it will assist in ensuring compliance with the *Fair Work (Registered Organisations) Act 2009*, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

If you have any queries regarding this letter, please contact me on (03) 8661 7974 or via email at clatherine.bebbington@fwc.gov.au.

Yours sincerely



CATHERINE BEBBINGTON
Regulatory Compliance Branch

FAIR WORK COMMISSION

Tel: 03 8661 7974

Fax: 03 9655 0410

clatherine.bebbington@fwc.gov.au

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Internet : www.fwc.gov.au

Correspondence directed to:

Paul Griffin
GENERAL SECRETARY

P.O BOX 1289
LAUNCESTON, TASMANIA 7250

EMAIL: secretary@sdatas.asn.au

WEBSITE: www.sdatas.asn.au



TASMANIA BRANCH
ABN: 25 567 586 269

30th January, 2015

Catherine Bebbington
Fair Work Commission

Dear Catherine,

Re: Filing of Financials for Year End 30th June 2014

As per telephone conversation with Janine Wilson of this office on this day and your correspondence, we make note of the following:-

Expense Category

Separation and Redundancies and Other Employee Expenses

We confirm that the line items for officers and non-officers were Nil for this period.

Should you require any further information, please do not hesitate to contact the writer.

Yours faithfully,

A handwritten signature in black ink, appearing to be 'Paul Griffin', written over the words 'Yours faithfully,'.

Paul Griffin
GENERAL SECRETARY

HEAD OFFICE

72 York Street, Launceston 7250
Telephone (03) 6331 8166
Facsimile (03) 6334 2104

HOBART OFFICE

75 Patrick Street, Hobart 7000
Telephone (03) 6234 1118
Facsimile (03) 6234 1887



14 January 2015

Mr Paul Griffin
General Secretary-Treasurer
Tasmanian Branch
Shop, Distributive and Allied Employees Association
paul@sdatas.asn.au

CC: Rod Whitehead, Deloitte Touche Tohmatsu, by email: whitehead@deloitte.com.au
CC: ATTN Janine Wilson, by email: secretary@sdatas.asn.au

Dear Mr Griffin,

**Shop, Distributive and Allied Employees Association Tasmanian Branch
Financial Report for the year ended 30 June 2014 - [FR2014/222]**

I acknowledge receipt of the financial report of the Shop, Distributive and Allied Employees Association Tasmanian Branch. The documents were lodged with the Fair Work Commission on 22 December 2014.

The financial report has not been filed. Further information is required before the report can be filed.

Employee Expenses and Provisions

Disclosure of employee expenses to office holders and other employees

The Reporting Guidelines require reporting units to disclose in the Statement of Comprehensive Income or in the notes to the financial statements employee expenses to holders of office (item 16(f)) and employee expenses to other employees (item 16(g)). Item 16(f) and 16(g) of the Reporting Guidelines also requires these expenses to be separately disclosed as follows:

- Wages and salaries;
- Superannuation;
- Leave and other entitlements;
- Separation and redundancies; and
- Other employee expenses.

I note that the detailed statement of Profit and Loss disclosed separately:

- wages and salaries;
- superannuation;
- leave, maternity leave and long service leave;
- Allowances

However, it did not separately disclose 'separation and redundancies' and 'other' employee expenses provided for officers and employees.

Please note that Reporting Guideline 17 states that if the activities identified in item 16 have not occurred in the reporting period, a statement of this effect must be included in the GPFRR.

Please confirm that the line items for officers and employees other than officers for 'separation and redundancies' and 'other' should have been NIL or provide these figures.

Disclosure of employee provisions to office holders and other employees

The Reporting Guidelines also require either the Statement of Financial Position or the notes to disclose any liability for employee benefits in respect of office holders and other employees (items 20(c) and 20 (d)). Item 20(c) and 20(d) of the Reporting Guidelines also requires these provisions to be separately disclosed as follows:

- Annual leave;
- Long service leave;
- Separation and redundancies; and
- Other employee provisions.

Note 10 to the financial statements has disclosed annual leave and long service leave separately for office holders and employees, but does not disclose any figure for separation and redundancies and other employee provisions provided for officers and employees.

Please note that Reporting Guideline 21 states that if the activities identified in item 20 have not occurred in the reporting period, a statement of this effect must be included in the GPFR.

Please confirm that the line items for officers and employees other than officers for 'separation and redundancies' and 'other' should have been NIL or provide these figures.

If you have any queries regarding this letter, please contact me on (03) 8661 7974 or via email at catherine.bebbington@fwc.gov.au.

Yours sincerely



CATHERINE BEBBINGTON
Regulatory Compliance Branch

FAIR WORK COMMISSION

Tel: 03 8661 7974

Fax: 03 9655 0410

catherine.bebbington@fwc.gov.au

11 Exhibition Street, Melbourne Victoria 3000

GPO Box 1994, Melbourne Victoria 3001

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Designated Officer's Certificate or other Authorised Officer¹

s268 *Fair Work (Registered Organisations) Act 2009*

I Paul Orlando Griffin being the General Secretary of the Shop Distributive and Allied Employees Association – Tasmania Branch certify:

- that the copies lodged herewith are copies of the full report, *and the concise report*, referred to in s268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the *Concise Report*, was provided to members on 2nd September 2014; which included the Independent Auditors Statement; and
- that the full report was presented to the General Meeting of Members of the reporting unit on 17th November, 2014.

Signature:



Date:

22nd December 2014

Shop, Distributive and Allied Employees Association

Tasmanian Branch

Concise Financial Report
Year Ended 30 June 2014

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

The State Council presents its report on the reporting unit for the financial year ended 30 June 2014.

Review of principal activities

The Union's principle activities during the year was to promote the interests of its members through a quarterly journal and other publications outlining implementation of any new enterprise agreements, wage increases and changes to industrial legislation both Federal and State.

To set targets of member recruitment in each company where the union had members, to attain eventual 100% membership with a calendar year goal in excess of 6,000 members.

Quarterly journals and bulletins were distributed throughout the year 2014, maintaining membership with a balance at 30 June 2014 of 5,831.

Significant changes in financial affairs

There were no significant changes in the financial affairs of the Branch other than an increase in promotional material.

Right of members to resignation

A member may resign in accordance with Branch Rule 12.

Officers & employees who are superannuation fund trustee(s) (include position details) or director of a company that is a superannuation fund trustee

General Secretary/Treasurer, Paul Griffin is a Director of the Tasplan Superannuation Fund.

Number of members

The Shop Distributive and Allied Employees Association, Tasmanian Branch, reached 5,831 members as at 30 June, 2014 (2013: 5,850) which included both honorary and life members.

Number of employees

The Branch employed fourteen staff which includes one part-time and five casual.

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

General President:	Karen Synott
Vice President:	James Fitzpatrick
General Secretary/Treasurer:	Paul Griffin
State Councillors:	Tania Venn
	Leanne Porter
	Katrina Barr
	Lisa Watson
	Isabell Wells
	Katrina Riesley

SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
TASMANIAN BRANCH
OPERATING REPORT

Officers & employees who are directors of a company or a member of a board

Officers and employees are not directors of any companies, nor are they members of a board.

Signature of designated officer:



Name and title of designated officer:

Paul Orlando Griffin — General Secretary

Dated

02 09. 14.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
TASMANIAN BRANCH
DECLARATION BY STATE COUNCIL**

For the year ended 30th June 2014

On the 02/09/2014 of the State Council of the Shop, Distributive and Allied Employees Association, Tasmanian Branch passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30th June 2014:

The State Council declares that in its opinion:

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

SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
TASMANIAN BRANCH
DECLARATION BY STATE COUNCIL

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

Signature of designated officer:



.....
Name and title of designated officer:
Paul Orlando Griffin — General Secretary

.....
Dated

02 . 09 . 14 .
.....

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
TASMANIAN BRANCH
DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS**

Information on Concise Financial Report

The concise financial report is an extract from the full financial report for the year ended 30 June 2014. The financial statements and disclosures in the concise financial report have been derived from the 2014 financial report of Shop, Distributive and Allied Employees Association, Tasmanian Branch. A copy of the full financial report and auditor's report will be sent to any member, free of charge, upon request.

The discussion and analysis is provided to assist members in understanding the concise financial report. The discussion and analysis is based on Shop Distributive and Allied Employees Association, Tasmanian Branch financial statements and the information contained in the concise financial report has been derived from the full 2014 financial report of Shop, Distributive and Allied Employees Association, Tasmanian Branch.

Statement of comprehensive income

Revenue has increased by 0.6% to \$1,926,565. Membership levels have remained steady over the year.

Net loss for the year after income tax amounted to \$10,253. The decrease in profit is primarily due to an increase in marketing costs.

Statement of financial position

Trade and other receivables is \$108,480 as at 30 June 2014.

Loans to Members is \$9,027 as at 30 June 2014

Statement of cash flows

Positive cash flows is primarily due to the reduction in debtors.

Members access to financial records

Pursuant to subsection 272(5) of Fair Work (Registered Organisations) Act 2009, 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 specific 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).

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
TASMANIAN BRANCH
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014**

	2014	2013
	\$	\$
Continuing Operations		
Revenue	1,926,566	1,915,111
Commissions paid to employers	156,924	161,565
Direct member benefits expenses	329,646	266,236
Affiliation fees	217,514	215,063
Marketing expenses	114,458	108,965
Occupancy expenses	44,639	40,203
Administration expenses	265,813	220,022
Employee benefits expenses	671,296	552,265
Motor vehicle expenses	58,401	55,745
Depreciation	51,055	49,063
Loss on sale of fixed assets	0	12,057
Other expenses	27,073	9,712
	<hr/>	<hr/>
Profit/(Loss) before tax	(10,253)	224,215
Income tax expense	0	0
	<hr/>	<hr/>
Profit/(Loss) from the year from continuing operations	(10,253)	224,215
	<hr/>	<hr/>
Other comprehensive income, net of income tax		
Items that will not be reclassified subsequently to profit or loss	0	0
Items that may be reclassified subsequently to profit or loss	0	0
Other comprehensive income, net of income tax	0	0
	<hr/>	<hr/>
Total comprehensive income/(loss) for the year	(10,253)	224,215
	<hr/>	<hr/>

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
TASMANIAN BRANCH
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014**

	2014 \$	2013 \$
Current assets		
Cash and bank balances	2,130,857	2,054,329
Trade and other receivables	108,480	200,162
Inventories	9,478	5,453
Total current assets	<u>2,248,815</u>	<u>2,259,944</u>
Non-current assets		
Property, plant and equipment	513,436	525,592
Total non-current assets	<u>513,436</u>	<u>525,592</u>
Total assets	<u>2,762,251</u>	<u>2,785,536</u>
Current liabilities		
Trade and other payables	84,778	106,876
Provisions	175,161	148,546
Total current liabilities	<u>259,939</u>	<u>255,422</u>
Non-current liabilities		
Provisions	7,649	25,198
Total non-current liabilities	<u>7,649</u>	<u>25,198</u>
Total liabilities	<u>267,588</u>	<u>280,620</u>
Net assets	<u>2,494,663</u>	<u>2,504,916</u>
Equity		
Retained earnings	2,331,447	2,341,700
Reserves	163,216	163,216
Total equity	<u>2,494,663</u>	<u>2,504,916</u>

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
TASMANIAN BRANCH
STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014**

	Reserves	Retained	Total
	\$	earnings	\$
	\$	\$	\$
Balance at 1 July 2012	163,216	2,117,485	2,280,701
Profit for the year	-	224,215	224,215
Other comprehensive income for the year	-	-	-
Balance at 30 June 2013	<u>163,216</u>	<u>2,341,700</u>	<u>2,504,916</u>
Balance at 1 July 2013	163,216	2,341,700	2,504,916
Profit / (Loss) for the year	-	(10,253)	(10,253)
Other comprehensive income for the year	-	-	-
Balance at 30 June 2014	<u>163,216</u>	<u>2,331,447</u>	<u>2,494,663</u>

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
TASMANIAN BRANCH
STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014**

	2014 \$	2013 \$
Cash flows from operating activities		
Receipts from members and other third parties	2,104,269	1,916,609
Payment to suppliers and employees	<u>(2,056,528)</u>	<u>(1,767,344)</u>
Net cash provided by/(used in) operating activities	<u>47,741</u>	<u>149,265</u>
Cash flows from investing activities		
Interest received	67,686	68,424
Payments for property, plant and equipment	(38,899)	(129,201)
Proceeds from sale of property, plant and equipment	<u>-</u>	<u>17,336</u>
Net cash provided by/(used in) investing activities	<u>28,787</u>	<u>(43,441)</u>
Net increase in cash and cash equivalents	76,528	105,824
Cash and cash equivalents at the beginning of the financial year	<u>2,054,329</u>	<u>1,948,505</u>
Cash and cash equivalents at the end of the financial year	<u>2,130,857</u>	<u>2,054,329</u>

SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
TASMANIAN BRANCH
NOTES TO THE CONCISE FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

1. General information

Shop, Distributive and Allied Employees Association, Tasmanian Branch is the Tasmanian branch of the national Shop, Distributive and Allied Employees Association. The Union's registered office and its principal place of business are as follows:

Registered office

72 York Street
Launceston
TASMANIA 7250

Principal place of business

72 York Street
Launceston
TASMANIA 7250

2. Adoption of new and revised Accounting Standards

2.1 Standards and Interpretations affecting amounts reported and/or disclosures in the current period (and/or prior periods)

The following new and revised Standards and Interpretations have been adopted in the current year and have affected the amounts reported in these financial statements.

Standards affecting presentation and disclosure

AASB 13 'Fair Value Measurement' and AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13'

The AASB defines fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements. However, AASB 13 does not change the requirements regarding which items should be measured or disclosed at fair value.

AASB 119 'Employee Benefits' (2011) and AASB 2011-10 'Amendments to Australian Accounting Standards arising from AASB 119 (2011)'

An amended version of AASB 119 'Employee Benefits' with revised requirements for pensions and other post-retirement benefits, termination benefits and other changes.

AASB 2011-4 'Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements'

Amends AASB 124 Related Party Disclosures to remove the individual key management personnel (KMP) disclosures required by Australian specific paragraphs.

AASB 2012-2 'Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities'

Amends AASB 7 'Financial Instruments: Disclosures' to require an entity to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.

AASB 2012-9 'Amendment to AASB 1048 arising from the Withdrawal of Australian Interpretation 1039'

AASB 2013-9 'Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments'

Part A of AASB 2013-9 makes consequential amendments arising from the issuance of AASB CF 2013-1 noted above.

Standards and Interpretations affecting the reported results or financial position

There are no new and revised Standards and Interpretations adopted in these financial statements affecting the reporting results or financial position.

SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
TASMANIAN BRANCH
NOTES TO THE CONCISE FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

2. Adoption of new and revised Accounting Standards (cont'd)

2.2 Standards and Interpretations in issue but not yet adopted

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments' (December 2009) and AASB 2009-11 'Amendments to Australian Accounting Standards arising from AASB 9' AASB 2012-6 'Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 8 and Transition Disclosure' AASB 2013-9 'Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments'	1 January 2017	30 June 2018
AASB 9 'Financial Instruments' (December 2010), AASB 2010-7 'Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)', AASB 2012-6 'Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 8 and Transition Disclosure' AASB 2013-9 'Amendments to Australian accounting Standards – Conceptual Framework, Materiality and Financial Instruments'	1 January 2017	30 June 2018
AASB 1031 'Materiality' (2013)	1 January 2014	30 June 2015
AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities'	1 January 2014	30 June 2015
AASB 2013-3 'Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets'	1 January 2014	30 June 2015
AASB 2013-9 'Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments' Part A	1 January 2014	30 June 2015
AASB 2013-9 'Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments' Part B	1 January 2015	30 June 2016

SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
TASMANIAN BRANCH
NOTES TO THE CONCISE FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

2. Adoption of new and revised Accounting Standards (cont'd)

At the date of authorisation of the financial statements, the following IASB Standards and IFRIC Interpretations were also in issue but not yet effective, although Australian equivalent Standards and Interpretations have not yet been issued.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
IFRS 15 Revenue from Contracts with Customers	1 January 2017	30 June 2018
IFRS 9 Financial Instruments (2014) and all related amendments	1 January 2018	30 June 2019
Equity Method in Separation Financial Statements (Amendments to IAS 27)	1 January 2016	30 June 2017

3. Significant accounting policies

Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with the association's constitution, the requirements of the Fair Work (Registered Organisations) Act 2009, Accounting Standards and Interpretations, and complies with other requirements of the law. The financial report includes the financial statements of the Union. For the purposes of preparing the financial statements, the Union is a not-for-profit entity. Accounting Standards include Australian Accounting Standards.

The financial statements were authorised for issue by the State Council on 2 September 2014.

Basis of preparation

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Historical cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Borrowings

Borrowings are recorded initially at fair value, net of transaction costs.

Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the borrowing using the effective interest rate method.

(b) Borrowing costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

(c) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(d) Employee benefits

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

Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the association in respect of services provided by employees up to reporting date.

Defined contribution plans

Contributions to defined contribution superannuation plans are expensed when incurred.

(e) Financial assets

Investments are recognised and derecognised on trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Other financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' 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.

3. Significant accounting policies (cont'd)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset 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, where appropriate, a shorter period. Income is recognised on an effective interest rate basis for debt instruments other than those financial assets 'at fair value through profit or loss'.

Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss where the financial asset:

- (i) has been acquired principally for the purpose of selling in the near future;
- (ii) is a part of an identified portfolio of financial instruments that the association manages together and has a recent actual pattern of short-term profit-taking; or
- (iii) is a derivative that is not designated and effective as a hedging instrument

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss 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.

Loans 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.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where 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 impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

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 uncollectable, 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.

With the exception of available-for-sale equity instruments, 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 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 instruments, any subsequent increase in fair value after an impairment loss is recognised directly in equity.

3. Significant accounting policies (cont'd)

(f) Income Tax

The income of the Union 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 1997, as amended.

(g) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventory on hand by the method most appropriate to each particular class of inventory, with the majority being valued on a first in first out basis. Net realisable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale.

(h) Property, plant and equipment

Land is carried at cost. Buildings, plant and equipment, and low value pool assets are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. Depreciation for buildings is calculated on a straight line basis and so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. Depreciation for plant and equipment and low value pool assets is calculated on a diminishing value basis and so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis.

(i) Revenue recognition

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

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- (a) the association has transferred to the buyer the significant risks and rewards of ownership of the goods;
- (b) the association retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- (c) the amount of revenue can be measured reliably;
- (d) it is probable that the economic benefits associated with the transaction will flow to the entity; and
- (e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. Member subscriptions and car park rental income is recognised to the extent that the associated services relating to the fees have been provided.

Interest revenue

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

3. Significant accounting policies (cont'd)

(j) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

(a) where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or

(b) for receivables and payables which are recognised inclusive of GST.

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 taxation authority is classified as operating cash flows.

(k) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Union's accounting policies, which are described above, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
TASMANIAN BRANCH
NOTES TO THE CONCISE FINANCIAL REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014**

	2014	2013
	\$	\$
3. Revenue		
An analysis of the Union's revenue for the year, from continuing operations, is as follows:		
Revenue from member subscriptions	1,767,069	1,793,344
	1,767,069	1,793,344
Interest revenue	67,686	68,424
Other income		
Movie ticket sales	54,788	32,497
Car park rent	9,560	6,909
Other	27,463	13,937
	91,811	53,343
	1,926,566	1,915,111

4. Subsequent events

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

5. Segment information

The association operates in one geographical location, Tasmania. All operating income from member subscriptions. All costs are related to providing services to its members.

Independent Auditor's Report to the members of Shop, Distributive and Allied Employees Association, Tasmanian Branch

We have audited the accompanying concise financial report of Shop, Distributive and Allied Employees Association, Tasmanian Branch which comprises the statement of financial position as at 30 June 2014, the statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and related notes, derived from the audited financial report of Shop, Distributive and Allied Employees Association, Tasmanian Branch for the year ended 30 June 2014 and the discussion and analysis. The concise financial report does not contain all the disclosures required by the Australian Accounting Standards and accordingly, reading the concise financial report is not a substitute for reading the audited financial report.

The State Council's Responsibility for the Concise Financial Report

The State Council is responsible for the preparation of the concise financial report in accordance with Accounting Standard AASB 1039 *Concise Financial Reports*, the association's constitution and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009, and for such internal control as the State Council determine is necessary to enable the preparation of the concise financial report.

Auditor's Responsibility

Our responsibility is to express an opinion on the concise financial report based on our procedures which were conducted in accordance with Auditing Standard ASA 810 *Engagements to Report on Summary Financial Statements*. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of Shop, Distributive and Allied Employees Association, Tasmanian Branch for the year ended 30 June 2014. We expressed an unmodified audit opinion on that financial report in our report dated 2 September 2014. The Australian 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 for the year is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the concise financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the concise financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the concise 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.

Our procedures included testing that the information in the concise financial report is derived from, and is consistent with, the financial report for the year, and examination on a test basis, of audit evidence supporting the amounts, discussion and analysis, and other disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report complies with Accounting Standard AASB 1039 *Concise Financial Reports* and whether the discussion and analysis complies with the requirements laid down in AASB 1039 *Concise Financial Reports*.

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

Opinion

In our opinion, the concise financial report, including the discussion and analysis of Shop, Distributive and Allied Employees Association, Tasmanian Branch for the year ended 30 June 2014 complies with Accounting Standard AASB 1039 *Concise Financial Reports*.



DELOITTE TOUCHE TOHMATSU



Rod Whitehead

Partner

Chartered Accountants

Launceston, 2 September 2014

Shop, Distributive and Allied Employees Association

Tasmanian Branch

**Annual Financial Report
Year Ended 30 June 2014**

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

The State Council presents its report on the reporting unit for the financial year ended 30 June 2014.

Review of principal activities

The Union's principle activities during the year was to promote the interests of its members through a quarterly journal and other publications outlining implementation of any new enterprise agreements, wage increases and changes to industrial legislation both Federal and State.

To set targets of member recruitment in each company where the union had members, to attain eventual 100% membership with a calendar year goal in excess of 6,000 members.

Quarterly journals and bulletins were distributed throughout the year 2014, maintaining membership with a balance at 30 June 2014 of 5,831.

Significant changes in financial affairs

There were no significant changes in the financial affairs of the Branch other than an increase in promotional material.

Right of members to resignation

A member may resign in accordance with Branch Rule 12.

Officers & employees who are superannuation fund trustee(s) (include position details) or director of a company that is a superannuation fund trustee

General Secretary/Treasurer, Paul Griffin is a Director of the Tasplan Superannuation Fund.

Number of members

The Shop Distributive and Allied Employees Association, Tasmanian Branch, reached 5,831 members as at 30 June, 2014 (2013: 5,850) which included both honorary and life members.

Number of employees

The Branch employed fourteen staff which includes one part-time and five casual.

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

General President:	Karen Synott
Vice President:	James Fitzpatrick
General Secretary/Treasurer:	Paul Griffin
State Councillors:	Tania Venn
	Leanne Porter
	Katrina Barr
	Lisa Watson
	Isabell Wells
	Katrina Riesley

Officers & employees who are directors of a company or a member of a board

Officers and employees are not directors of any companies, nor are they members of a board.

SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
TASMANIAN BRANCH
OPERATING REPORT

Signature of designated officer:



.....

Name and title of designated officer:

Paul Orlando Griffin — General Secretary

.....

Dated

02. 09. 14.

.....

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
TASMANIAN BRANCH
DECLARATION BY STATE COUNCIL**

For the year ended 30th June 2014

On the 02/09/2014 of the State Council of the Shop, Distributive and Allied Employees Association, Tasmanian Branch passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30th June 2014:

The State Council declares that in its opinion:

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

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
TASMANIAN BRANCH
DECLARATION BY STATE COUNCIL**

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

Signature of designated officer:



Name and title of designated officer:

Paul Orlando Griffin — General Secretary

Dated

02. 09. 14.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
TASMANIAN BRANCH
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014**

	Note	2014 \$	2013 \$
Continuing Operations			
Revenue	4	1,926,566	1,915,111
Commissions paid to employers		156,924	161,565
Direct member benefits expenses		329,646	266,236
Affiliation fees		217,514	215,063
Marketing expenses		114,458	108,965
Occupancy expenses		44,639	40,203
Administration expenses		265,813	220,022
Employee benefits expenses		671,296	552,265
Motor vehicle expenses		58,401	55,745
Depreciation	5	51,055	49,063
Loss on sale of fixed assets	5	0	12,057
Other expenses		<u>27,073</u>	<u>9,712</u>
Profit/(Loss) before tax		(10,253)	224,215
Income tax expense		<u>0</u>	<u>0</u>
Profit/(Loss) from the year from continuing operations		<u>(10,253)</u>	<u>224,215</u>
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss		0	0
Items that may be reclassified subsequently to profit or loss		<u>0</u>	<u>0</u>
Other comprehensive income, net of income tax		<u>0</u>	<u>0</u>
Total comprehensive income/(loss) for the year		<u>(10,253)</u>	<u>224,215</u>

The Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the notes to the financial statements.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
TASMANIAN BRANCH
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014**

	Note	2014 \$	2013 \$
Current assets			
Cash and bank balances	16(a)	2,130,857	2,054,329
Trade and other receivables	6	108,480	200,162
Inventories	7	9,478	5,453
Total current assets		<u>2,248,815</u>	<u>2,259,944</u>
Non-current assets			
Property, plant and equipment	8	513,436	525,592
Total non-current assets		<u>513,436</u>	<u>525,592</u>
Total assets		<u>2,762,251</u>	<u>2,785,536</u>
Current liabilities			
Trade and other payables	9	84,778	106,876
Provisions	10	175,161	148,546
Total current liabilities		<u>259,939</u>	<u>255,422</u>
Non-current liabilities			
Provisions	10	7,649	25,198
Total non-current liabilities		<u>7,649</u>	<u>25,198</u>
Total liabilities		<u>267,588</u>	<u>280,620</u>
Net assets		<u>2,494,663</u>	<u>2,504,916</u>
Equity			
Retained earnings	11	2,331,447	2,341,700
Reserves	12	163,216	163,216
Total equity		<u>2,494,663</u>	<u>2,504,916</u>

The Statement of Financial Position should be read in conjunction with the notes to the financial statements.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
TASMANIAN BRANCH
STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014**

	Reserves	Retained earnings	Total
	\$	\$	\$
Balance at 1 July 2012	163,216	2,117,485	2,280,701
Profit for the year	-	224,215	224,215
Other comprehensive income for the year	-	-	-
Balance at 30 June 2013	<u>163,216</u>	<u>2,341,700</u>	<u>2,504,916</u>
Balance at 1 July 2013	163,216	2,341,700	2,504,916
Profit / (Loss) for the year	-	(10,253)	(10,253)
Other comprehensive income for the year	-	-	-
Balance at 30 June 2014	<u>163,216</u>	<u>2,331,447</u>	<u>2,494,663</u>

The Statement of Changes in Equity should be read in conjunction with the notes to the financial statements.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
TASMANIAN BRANCH
STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014**

	Note	2014 \$	2013 \$
Cash flows from operating activities			
Receipts from members and other third parties		2,104,269	1,916,609
Payment to suppliers and employees		<u>(2,056,528)</u>	<u>(1,767,344)</u>
Net cash provided by operating activities	16(b)	<u>47,741</u>	<u>149,265</u>
Cash flows from investing activities			
Interest received		67,686	68,424
Payments for property, plant and equipment		(38,899)	(129,201)
Proceeds from sale of property, plant and equipment		<u>-</u>	<u>17,336</u>
Net cash provided by/(used in) investing activities		<u>28,787</u>	<u>(43,441)</u>
Net increase in cash and cash equivalents		76,528	105,824
Cash and cash equivalents at the beginning of the financial year		<u>2,054,329</u>	<u>1,948,505</u>
Cash and cash equivalents at the end of the financial year	16(a)	<u>2,130,857</u>	<u>2,054,329</u>

The Statement of Cash Flows should be read in conjunction with the notes to the financial statements.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
TASMANIAN BRANCH
NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014**

1. General information

Shop, Distributive and Allied Employees Association, Tasmanian Branch is the Tasmanian branch of the national Shop, Distributive and Allied Employees Association. The Union's registered office and its principal place of business are as follows:

Registered office
72 York Street
Launceston
TASMANIA 7250

Principal place of business
72 York Street
Launceston
TASMANIA 7250

2. Adoption of new and revised Accounting Standards

2.1 Standards and Interpretations affecting amounts and/or disclosures reported in the current period (and/or prior periods)

The following new and revised Standards and Interpretations have been adopted in the current year and have affected the amounts reported in these financial statements.

Standards affecting presentation and disclosure

AASB 13 'Fair Value Measurement' and AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13'	The AASB defines fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements. However, AASB 13 does not change the requirements regarding which items should be measured or disclosed at fair value.
AASB 119 'Employee Benefits' (2011) and AASB 2011-10 'Amendments to Australian Accounting Standards arising from AASB 119 (2011)'	An amended version of AASB 119 'Employee Benefits' with revised requirements for pensions and other post-retirement benefits, termination benefits and other changes
AASB 2011-4 'Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements'	Amends AASB 124 Related Party Disclosures to remove the individual key management personnel (KMP) disclosures required by Australian specific paragraphs.
AASB 2012-2 'Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities'	Amends AASB 7 'Financial Instruments: Disclosures' to require an entity to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar
AASB 2012-9 'Amendment to AASB 1048 arising from the Withdrawal of Australian Interpretation 1039'	
AASB 2013-9 'Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments'	Part A of AASB 2013-9 makes consequential amendments arising from the issuance of AASB CF 2013-1 noted above.

Standards and Interpretations affecting the reported results or financial position

There are no new and revised Standards and Interpretations adopted in these financial statements affecting the reporting results or financial position.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
TASMANIAN BRANCH
NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014**

2. Adoption of new and revised Accounting Standards (cont'd)

2.2 Standards and Interpretations in issue but not yet adopted

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments' (December 2009) and AASB 2009-11 'Amendments to Australian Accounting Standards arising from AASB 9' AASB 2012-6 'Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 8 and Transition Disclosure' AASB 2013-9 'Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments'	1 January 2017	30 June 2018
AASB 9 'Financial Instruments' (December 2010), AASB 2010-7 'Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)', AASB 2012-6 'Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 8 and Transition Disclosure' AASB 2013-9 'Amendments to Australian accounting Standards – Conceptual Framework, Materiality and Financial Instruments'	1 January 2017	30 June 2018
AASB 1031 'Materiality' (2013)	1 January 2014	30 June 2015
AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities'	1 January 2014	30 June 2015
AASB 2013-3 'Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets'	1 January 2014	30 June 2015
AASB 2013-9 'Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments' Part A	1 January 2014	30 June 2015
AASB 2013-9 'Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments' Part B	1 January 2015	30 June 2016

At the date of authorisation of the financial statements, the following IASB Standards and IFRIC Interpretations were also in issue but not yet effective, although Australian equivalent Standards and Interpretations have not yet been issued.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
IFRS 15 Revenue from Contracts with Customers	1 January 2017	30 June 2018
IFRS 9 Financial Instruments (2014) and all related amendments	1 January 2018	30 June 2019
Equity Method in Separation Financial Statements (Amendments to IAS 27)	1 January 2016	30 June 2017

3. Significant accounting policies

Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with the association's constitution, the requirements of the Fair Work (Registered Organisations) Act 2009, Accounting Standards and Interpretations, and complies with other requirements of the law. The financial report includes the financial statements of the Union. For the purposes of preparing the financial statements, the Union is a not-for-profit entity. Accounting Standards include Australian Accounting Standards.

The financial statements were authorised for issue by the State Council on 2 September 2014.

Basis of preparation

The financial report has been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Historical cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Borrowings

Borrowings are recorded initially at fair value, net of transaction costs.

Subsequent to initial recognition, borrowings are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the borrowing using the effective interest rate method.

(b) Borrowing costs

Borrowing costs are recognised in profit or loss in the period in which they are incurred.

(c) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(d) Employee benefits

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

Liabilities recognised in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the association in respect of services provided by employees up to reporting date.

Defined contribution plans

Contributions to defined contribution superannuation plans are expensed when incurred.

(e) Financial assets

Investments are recognised and derecognised on trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Other financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' 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.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset 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, where appropriate, a shorter period. Income is recognised on an effective interest rate basis for debt instruments other than those financial assets 'at fair value through profit or loss'.

Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss where the financial asset:

- (i) has been acquired principally for the purpose of selling in the near future;
- (ii) is a part of an identified portfolio of financial instruments that the association manages together and has a recent actual pattern of short-term profit-taking; or
- (iii) is a derivative that is not designated and effective as a hedging instrument.

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss 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.

3. Significant accounting policies (cont'd)

Loans 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 interest is recognised by applying the effective interest rate.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where 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 impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

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 uncollectable, 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.

With the exception of available-for-sale equity instruments, 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 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 instruments, any subsequent increase in fair value after an impairment loss is recognised directly in equity.

(f) Income Tax

The income of the Union 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 1997, as amended.

(g) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventory on hand by the method most appropriate to each particular class of inventory, with the majority being valued on a first in first out basis. Net realisable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale.

(h) Property, plant and equipment

Land is carried at cost. Buildings, plant and equipment, and low value pool assets are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land. Depreciation for buildings is calculated on a straight line basis and so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. Depreciation for plant and equipment and low value pool assets is calculated on a diminishing value basis and so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis.

(i) Revenue recognition

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

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- (a) the association has transferred to the buyer the significant risks and rewards of ownership of the goods;
- (b) the association retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- (c) the amount of revenue can be measured reliably;
- (d) it is probable that the economic benefits associated with the transaction will flow to the entity; and
- (e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. Member subscriptions and car park rental income is recognised to the extent that the associated services relating to the fees have been provided.

Interest revenue

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
TASMANIAN BRANCH
NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

3. Significant accounting policies (cont'd)

(j) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except

- (a) where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- (b) for receivables and payables which are recognised inclusive of GST.

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 taxation authority is classified as operating cash flows.

(k) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Union's accounting policies, which are described above, management is required to make judgments, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
TASMANIAN BRANCH
NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014**

	2014 \$	2013 \$
4. Revenue		
An analysis of the Union's revenue for the year, from continuing operations, is as follows:		
Revenue from member subscriptions	<u>1,767,069</u>	<u>1,793,344</u>
Interest revenue	<u>67,686</u>	<u>68,424</u>
Other revenue		
Movie ticket sales	54,788	32,497
Car park rent	9,560	6,909
Other	<u>27,463</u>	<u>13,937</u>
	<u>91,811</u>	<u>53,343</u>
	<u>1,926,566</u>	<u>1,915,111</u>
5. Profit for the year		
Profit for the year has been arrived at after recognising the following gains and losses:		
(a) Gains and losses		
Loss on disposal of property, plant and equipment	<u>-</u>	<u>12,057</u>
(b) Other expenses		
Profit for the year includes the following expenses:		
Depreciation of non-current assets	<u>51,055</u>	<u>49,063</u>
Employee benefits expense:		
Defined contribution plans	<u>47,975</u>	<u>36,306</u>
6. Trade and other receivables		
Subscriptions in arrears	83,966	142,370
Sundry debtors and prepayments	14,467	40,393
Car park debtors	1,020	270
Member and employee loans	<u>9,027</u>	<u>17,129</u>
	<u>108,480</u>	<u>200,162</u>
<p>The average credit period on sales is 60 days. No interest is charged on outstanding trade receivables. Included in the Union's trade receivables are an immaterial amount of debtors greater than 90 days.</p> <p>The Union has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and amounts receivable are still considered recoverable.</p>		
7. Inventories		
Movie tickets	<u>9,478</u>	<u>5,453</u>

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
TASMANIAN BRANCH
NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014**

8. Property, plant and equipment

	Freehold land at cost \$	Buildings at cost \$	Plant and equipment at cost \$	Low value pool \$	Total \$
Gross carrying amount					
Balance at 30 June 2012	150,000	295,976	332,837	126,763	905,576
Additions	-	6,228	121,759	1,214	129,201
Disposals	-	-	(119,146)	-	(119,146)
Balance at 30 June 2013	150,000	302,204	335,450	127,977	915,631
Additions	-	-	36,966	1,933	38,899
Disposals	-	-	-	-	-
Balance at 30 June 2014	150,000	302,204	372,416	129,910	954,530
Accumulated depreciation					
Balance at 30 June 2012	-	(68,014)	(240,279)	(122,436)	(430,729)
Depreciation expense	-	(6,038)	(41,175)	(1,850)	(49,063)
Disposals	-	-	89,753	-	89,753
Balance at 30 June 2013	-	(74,052)	(191,701)	(124,286)	(390,039)
Depreciation expense	-	(6,074)	(43,234)	(1,747)	(51,055)
Disposals	-	-	-	-	-
Balance at 30 June 2014	-	(80,126)	(234,935)	(126,033)	(441,094)
Net book value					
As at 30 June 2013	150,000	228,152	143,749	3,691	525,592
As at 30 June 2014	150,000	222,078	137,481	3,877	513,436

The following estimated useful lives are used in the calculation of depreciation:

Class of asset	Depreciation rate
Buildings	2% - 2.5%
Plant and equipment	15% - 30%
Low value pool	19% - 38%

Aggregate depreciation allocated, whether recognised as an expense or capitalised as part of the carrying amount of other assets during the year:

	2014 \$	2013 \$
Buildings	6,074	6,038
Plant and equipment	43,234	41,175
Low value pool	1,747	1,850
	<u>51,055</u>	<u>49,063</u>

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
TASMANIAN BRANCH
NOTES TO THE FINANCIAL STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014**

	2014 \$	2013 \$
9. Trade and other payables		
Trade payables	30,860	54,121
Accruals	6,895	12,522
Other payables	13,630	10,989
Net GST payable	33,393	29,244
	<u>84,778</u>	<u>106,876</u>

The average credit period for purchases of goods and services is 30 days. No interest is charged on trade payables.

10. Provisions

Current

Annual Leave - Employees	54,377	41,075
Annual Leave - Officials	17,611	21,058
Long Service Leave - Employees	41,682	29,500
Long Service Leave - Officials	61,491	56,913
	<u>175,161</u>	<u>148,546</u>

Non-Current

Long Service Leave - Employees	7,649	25,198
Long Service Leave - Officials	0	0
	<u>7,649</u>	<u>25,198</u>

11. Retained Earnings

Balance at beginning of financial year	2,341,700	2,117,485
Net profit attributable to members of the Union	(10,253)	224,215
Balance at end of financial year	<u>2,331,447</u>	<u>2,341,700</u>

12. Reserves

Asset revaluation reserve

Balance at beginning of financial year		
Movements	163,216	163,216
Balance at end of financial year	0	0
	<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 deemed 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.

13. Commitments for expenditure

There are no capital or other expenditure commitments contracted for as at reporting date.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
TASMANIAN BRANCH
NOTES TO THE FINANCIAL STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014**

14. Key management personnel remuneration

Details of key management personnel

The members of the State Council and other members of key management personnel of the Union during the year were:

General President:	Karyn Synnott
Branch Vice President:	James Fitzpatrick
General Secretary:	Paul Griffin
State Committee:	
	Tania Venn
	Leanne Porter
	Katrina Barr
	Lisa Watson
	Isabell Wells
	Katrina Riseley

The aggregate compensation made to directors and other members of key management personnel of the Union is set out below:

	2014	2013
	\$	\$
Short-term employee benefits	78,894	77,136
Post-employment benefits	7,139	6,942
Other long term employee benefits	0	0
Termination benefits	0	0
Share based benefits	0	0
	<u>86,033</u>	<u>84,078</u>

(a) Transactions with key management personnel

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.

(b) Transactions with other related parties

Other related parties include:

- SDAEA National Office
- SDAEA International Fund

Transactions between Shop, Distributive and Allied Employees Association, Tasmanian Branch and its related parties

During the financial year, the following material transactions occurred between the association and its other related parties:

- (a) Shop, Distributive and Allied Employees Association, Tasmanian Branch paid annual affiliation fees to SDAEA National Office of \$148,344 (2013:\$130,434)
- (b) Shop, Distributive and Allied Employees Association, Tasmanian Branch paid annual affiliation fees to SDAEA International Fund of \$22,252 (2013:\$39,130)
- (c) Shop, Distributive and Allied Employees Association, Tasmanian Branch paid annual affiliation fees to ALP Tasmania of \$14,158 (2013:\$Nil)
- (d) Shop, Distributive and Allied Employees Association, Tasmanian Branch paid annual affiliation fees to Unions Tasmania \$32,760 (2013:\$Nil)

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
TASMANIAN BRANCH
NOTES TO THE FINANCIAL STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014**

	2014	2013
	\$	\$
15. Remuneration of auditors		
Auditor of the company:		
Audit of the financial report	9,375	8,900
Taxation services	8,050	6,100
	17,425	15,000

The auditor of Shop, Distributive and Allied Employees Association, Tasmanian Branch is Deloitte Touche Tohmatsu.

16. Notes to the statement of cash flows

(a) Reconciliation of cash and cash equivalents

For the purposes of the statement of cash flow, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

Petty cash - Launceston	100	100
Petty cash - Hobart	100	100
Cash at bank - trading account	550,205	541,118
CBA Term Deposit	1,530,176	1,463,977
CBA Online saver	50,276	49,034
	2,130,857	2,054,329

(b) Reconciliation of profit

Profit from the year	(10,253)	224,215
Depreciation and amortisation	51,055	49,063
Loss on sale of non-current assets	0	12,057
Interest income received and receivable	Note 4 (67,686)	(68,424)

(Increase)/decrease in assets:

Trade and other receivables	91,682	(104,315)
Inventories	(4,025)	4,295

Increase/(decrease) in liabilities:

Trade and other payables	(22,098)	33,017
Provisions	9,066	(643)

Net cash generated by operating activities	47,741	149,265
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**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
TASMANIAN BRANCH
NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014**

17. Financial Instruments

(a) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 3 to the financial statements.

(b) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the State Council, who has built an appropriate liquidity risk management framework for the management of the Union's short, medium, and long-term funding and liquidity management requirements. The Union manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Liquidity and interest risk tables

The following tables detail the Union's remaining contractual maturity from its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Union can be required to pay. The table includes both interest and principal cash flows:

	Weighted average effective interest rate %	Less than 1 month \$	1-3 months \$	3 months to 1 year \$	1 – 5 years \$	Total \$
2014						
Non-interest bearing	-	84,778	-	-	-	84,778
		<u>84,778</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>84,778</u>
2013						
Non-interest bearing	-	106,876	-	-	-	106,876
		<u>106,876</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>106,876</u>

The following tables detail the Union's expected maturity from its non-derivative financial assets. The tables have been drawn up based on the undiscounted cash flows of financial assets including interest that will be earned on those assets except where the Union anticipates that the cash flow will occur in a different period.

	Weighted average effective interest rate %	Less than 1 month \$	1-3 months \$	3 months to 1 year \$	1 – 5 years \$	Total \$
2014						
Non-interest bearing	-	658,885	-	-	-	658,885
Fixed interest rate instruments	3.15%	-	-	1,530,176	-	1,530,176
Variable interest rate instruments	2.40%	50,276	-	-	-	50,276
		<u>709,161</u>	<u>-</u>	<u>1,530,176</u>	<u>-</u>	<u>2,239,337</u>
2013						
Non-interest bearing	-	741,480	-	-	-	741,480
Fixed interest rate instruments	5.50%	-	-	1,463,977	-	1,463,977
Variable interest rate instruments	2.75%	49,034	-	-	-	49,034
		<u>790,514</u>	<u>-</u>	<u>1,463,977</u>	<u>-</u>	<u>2,254,491</u>

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
TASMANIAN BRANCH
NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014**

17. Financial Instruments (cont'd)

(c) Fair value of financial instruments

The fair values of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.
- the fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions.

The State Council considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximates their fair values.

(d) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Union. The Union has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

(e) Interest rate sensitivity analysis

The association holds both fixed interest rate and variable interest rate investments.

As at 30 June 2014, the association holds \$1,530,176 in a fixed rate term deposit. This will mature on 28 November 2014. Interest rate exposure is minimal.

As at 30 June 2014, the association holds \$50,276 in a variable rate account at 2.4% interest rate. Interest income on this account was less than \$2,000 for the financial year, therefore, interest rate exposure is considered minimal.

18. Subsequent events

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Union, the results of those operations, or the state of affairs of the Union in future financial years.

19. 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 General Manager:

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

20. Segment information

The association operates in one geographical location, Tasmania. All operating income from member subscriptions. All costs are related to providing services to its members.

SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
TASMANIAN BRANCH
DETAILED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2014

	2014		2013
	\$		\$
Revenue	1,926,566		1,915,111
Commissions paid to employers	156,924		161,565
Affiliation fees	217,514		215,063
Marketing expenses	114,458		108,965
<i>Campaigns</i>	35,179	11,423	
<i>Gifts and presentations</i>	39,182	62,680	
<i>Accident insurance - members</i>	25,222	22,893	
<i>Movie Tickets</i>	77,127	54,059	
<i>Presidential Card</i>	83,000	41,364	
<i>Scholarship Vouchers</i>	69,936	73,817	
Direct member benefits expenses	329,646		266,236
<i>Contractors</i>	5,211	5,067	
<i>Insurance - Building & Content</i>	5,878	5,263	
<i>Light & Power</i>	5,712	6,069	
<i>Rates & Land Tax</i>	19,318	12,820	
<i>Repairs & Maint - Building</i>	1,810	2,485	
<i>Repairs & Maintenance - Office</i>	6,710	8,499	
Occupancy expenses	44,639		40,203
<i>Audit fees</i>	9,375	11,789	
<i>Bad Debts</i>	2,851	0	
<i>Bank Fees</i>	400	771	
<i>Computer Expenses</i>	16,445	9,080	
<i>Consulting</i>	7,449	12,015	
<i>Delegate Expenses</i>	6,754	9,419	
<i>Delegates Meetings & Training</i>	48,523	51,607	
<i>Fines</i>	176	123	
<i>Meeting Expenses</i>	589	71	
<i>Members Financial Assistance</i>	16,190	0	
<i>Merchant Fees</i>	1,398	935	
<i>National Council/Exec Expenses</i>	10,701	11,373	
<i>Office Expenses</i>	2,258	3,113	
<i>Postage & Freight</i>	35,459	27,242	
<i>Printing & Stationery</i>	60,839	38,644	
<i>Professional & Legal Fees</i>	8,050	15,778	
<i>State Council Expenses</i>	4,734	2,799	
<i>Subscriptions</i>	4,472	2,253	
<i>Sundry Expenses</i>	393	1,376	
<i>Telephone</i>	28,757	21,634	
Administration expenses	265,813		220,022
<i>Fares & Organisers expenses</i>	1,449	2,573	
<i>Fares & Organising Interstate</i>	28,453	34,948	
<i>FBT</i>	19,797	18,706	
<i>Functions</i>	18,772	28,007	
<i>Movement in provision for Annual Leave</i>	9,855	(3,587)	
<i>Movement in provision for Long Service Leave</i>	(789)	(7,396)	
<i>Staff Amenities</i>	0	44	
<i>Workers Comp Insurance Staff</i>	6,621	4,073	
Indirect employee Costs	84,158		77,368
<i>Employees - Salaries</i>	369,901	313,523	
<i>Employees - Superannuation</i>	40,836	29,507	
<i>Employees - Annual/Sick Leave</i>	33,018	34,800	
<i>Employees - Long Service Leave</i>	14,594	10,012	
<i>Employees - Allowance</i>	3,480	3,120	
<i>Employees - Parental/Maternity</i>	39,276	0	
Direct Employee Expenses - Employees	501,105		390,962
<i>Officials - Salaries</i>	67,341	66,462	

SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
TASMANIAN BRANCH
DETAILED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 30 JUNE 2014

	2014 \$	2013 \$
<i>Officials - Superannuation</i>	7,139	6,799
<i>Officials - Leave</i>	11,553	10,674
<i>Officials - Long Service Leave</i>	0	0
<i>Officials - Allowance</i>	0	0
<i>Officials - Parental Maternity</i>	0	0
Direct Employee Expenses - Officials	86,033	83,935
Motor vehicle expenses	58,401	55,745
Depreciation	51,055	49,063
Loss on sale of fixed assets	0	12,057
Donations	27,073	9,712
Profit/(Loss) before tax	(10,253)	224,215
Income tax expense	0	0
Profit/(Loss) for the year	(10,253)	224,215

Independent Auditor's Report to the members of Shop, Distributive and Allied Employees Association, Tasmanian Branch

We have audited the accompanying financial report of Shop, Distributive and Allied Employees Association, Tasmanian Branch, which comprises the statement of financial position as at 30 June 2014, the statement of profit or loss and other comprehensive income, the statement of cash flows, the statement of changes in equity for the year then ended and the detailed statement of profit or loss, notes comprising a summary of significant accounting policies and other explanatory information, and the declaration by state council as set out on pages 3 to 22.

The State Council's Responsibility for the Financial Report

The State Council is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the association's constitution and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009, and for such internal control as the State Council determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

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. Those 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 State Council, 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.

Opinion

In our opinion, the financial report of Shop, Distributive and Allied Employees Association, Tasmanian Branch presents fairly, in all material respects, the association's financial position as at 30 June 2014 and its financial performance for the year then ended in accordance with Australian Accounting Standards and the association's constitution and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

Debbie Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

R/W

Rod Whitehead

Partner

Chartered Accountants

Launceston, 2 September 2014