Australian Government
Registered Organisations Commission

9 December 2019

Mr Paul Griffin
General Secretary/Treasurer, Tasmanian Branch
Shop, Distributive and Allied Employees Association

By e-mail:

Dear Secretary,

Re: – Shop, Distributive and Allied Employees Association, Tasmanian Branch - financial report for year ending 30 June 2019 (FR2019/146)

I refer to the financial report of the Tasmanian Branch (**the Branch**). The documents were lodged with the Registered Organisations Commission (**ROC**) on 20 November 2019.

The financial report has 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 2020 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged. However I make the following comment to assist you when preparing the next report.

Audit scope to include subsection 255(2A) report, officer declaration statement

A general purpose financial report prepared under section 253 of the RO Act also includes the expenditure report required to be prepared under subsection 255(2A) as prescribed by reporting guideline 22.

In addition, where any nil activity disclosures are contained in an officer's declaration statement in accordance with reporting guideline 21, the officer's declaration statement also forms part of a general purpose financial report prepared under section 253 of the RO Act (see subsection 253(2)(c) of the RO Act.)

Therefore the subsection 255(2A) report, and where included, an officer declaration statement, must be identified by title in the auditor's statement in accordance with paragraph 24(c) of Australian Auditing Standard *ASA 700 Forming an Opinion and Reporting on a Financial Report*.

A subsection 255(2A) report and an officer's declaration statement were included in the copy of the documents lodged with the ROC but the auditor did not refer to the report or the statement in the auditor's report.

Reporting Requirements

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 reporting guidelines and a model set of financial statements. The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 reporting guidelines and Australian Accounting Standards. Access to this information is available via this link.

If you have any questions about the above or the reporting requirements, please do not hesitate to contact me by email at stephen.kellett@roc.gov.au.

Yours faithfully

Stephen Kellett
Financial Reporting
Registered Organisations Commission

SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION – TASMANIA BRANCH

s268 *Fair Work (Registered Organisations) Act 2009*

DESIGNATED OFFICER'S CERTIFICATE OR AUTHORISED OFFICER

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

- that the documents lodged herewith are copies of the full report, for the Shop Distributive and Allied Employees' Association – Tasmania Branch for the period ended 30 June 2019, referred to in s268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report, was provided to members of the reporting unit on 27th September 2019 ; and
- that the full report was presented to State Council Committee of the reporting unit on 18th November 2019; in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009.*

Signature:

Date: 20th November 2019

Shop, Distributive and Allied Employees Association

Tasmanian Branch

Annual Financial Report

Year Ended 30 June 2019

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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

We have audited the financial report of Shop, Distributive and Allied Employees Association, Tasmanian Branch (the "Association"), which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the declaration by State Council.

In our opinion, the accompanying financial report presents fairly, in all material respects, the Association's financial position as at 30 June 2019 and of its financial performance and its cash flows 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.*

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Association in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other Information

State Council are responsible for the other information. The other information comprises the information included in the Association's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of State Council for the Financial Report

State Council are responsible for the preparation of the financial report in accordance with Australian Accounting Standards, 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 State Council determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, State Council are responsible for assessing the ability of the Association to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless State Council either intend to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Members of the State Council are responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Association's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by State Council.

- Conclude on the appropriateness of State Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with State Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Stuart Dare is an approved auditor under section 256 of the Fair Work (Registered Organisations) Act 2009. He is a member of the Chartered Accountants Australia and New Zealand (CA ANZ) and holds a current Public Practice Certificate.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

S Dare
Partner
Chartered Accountant
RO number (AA2017/152)

Launceston, 26 September 2019

SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
TASMANIAN BRANCH
CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

s.268 *Fair Work (Registered Organisations) Act 2009* (RO Act)

Certificate for the period ended 30 June 2019

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

- that the documents lodged herewith are copies of the full report for Shop, Distributive and Allied Employees Association Tasmanian Branch for the period ended 30 June 2019 referred to in s.268 of the RO Act; and

- that the full report was provided to the State Council on 25th September 2019; and

- that the full report was presented to a general meeting of the State Council of the reporting unit on 25th September 2019 in accordance with s.266 of the RO Act.

Signature of prescribed designated officer:

....

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

....

Dated

25. 09. 19.
....

SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
TASMANIAN BRANCH
OFFICER DECLARATION STATEMENT

I, Paul Orlando Griffin, being the General Secretary of Shop, Distributive and Allied Employees Association Tasmanian Branch declare that the following activities did not occur during the reporting period ending 30 June 2019.

a) Acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission

b) Have another entity administer the financial affairs of the reporting unit

c) Make payment to a former related party of the reporting unit

Signed By the Officer:..

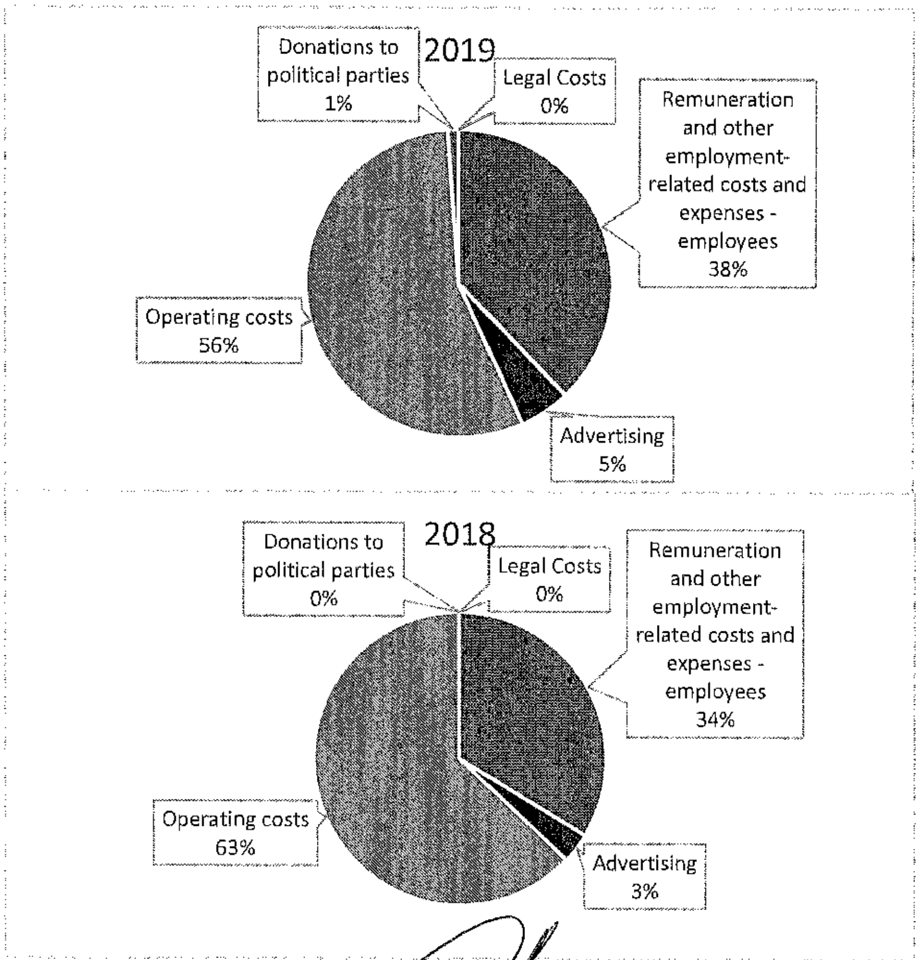
Dated: ....25. 09. 19...

SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
TASMANIAN BRANCH
S255(2A) Report

s.255(2A) *Fair Work (Registered Organisations) Act 2009* (RO Act)

The state council presents the expenditure report as required under subsection 255(2A) on the reporting unit for the year ended 30 June 2019.

SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
TASMANIAN BRANCH
EXPENDITURE AS REQUIRED UNDER s. 255(2A) RO ACT
FOR THE YEAR ENDED 30 JUNE 2019



Signature of designated officer: ....

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

Dated: 25. 09. 19.

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 2019.

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

The principal activities of the Shop, Distributive and Allied Employees Association - Tasmanian Branch (the Association) during the year were 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 Association had members, to attain eventual 100% consistent membership with a calendar year goal in excess of 6,000 members.

Significant changes in financial affairs

There were no significant changes in the financial affairs of the Association.

Right of members to resign

A member may resign in accordance with Branch Rule 12.

Officers or members who are superannuation fund trustee(s) 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 had 5,067 members as at 30 June 2019 (2018: 4,924) which included both honorary and life members, with the highest number of members throughout the 2019 financial year reaching 5,245.

Number of employees

The Association employed thirteen staff which includes three part-time and three casual staff.

Names of Committee of Management members and period positions held during the financial year
All members held these positions for the entire reporting period unless indicated otherwise.

On 19th November 2018 State Council held an election. The results became effective 31st December 2018. Changes below became effective on that date

General President:	Isabell Wells	Appointed during year
Branch Vice President:	Ross Charlton	New member
	James Fitzpatrick	Retired
General Secretary:	Paul Griffin	
State Committee:	Fiona Smith	New member
	Sharon Butcher	New member
	Aniela Harris	
	Katrina Barr	
	Karyn Synnott	General President until election
	Leanne Porter	
	Katrina Riesley	Retired
	Tania Venn	Retired

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

25 . 09. 19.

....

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

For the year ended 30 June 2019

On the 25th September 2019 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 30 June 2019:

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 any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act);

(c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;

(d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and

(e) during the financial year to which the GPFR relates and since the end of that year:

(i) meetings of the State Council were held in accordance with the rules of the organisation including the rules of a branch concerned; and

(ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and

(iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and

(iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and

(v) where information has been sought in any request by a member of the reporting unit or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and

(vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

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

This declaration is made in accordance with a resolution of the State Council.

Signature of designated officer:

....

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

....

Dated

25.09.19.
....

SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
TASMANIAN BRANCH
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 $	2018 $
Continuing Operations			
Revenue			
Membership dues	4(a)	1,767,313	1,745,234
Interest	4(e)	76,233	59,318
Other revenue	4(f)	35,144	50,995
Net gains from sale of assets	4(g)	132,999	-
		2,011,689	1,855,547
Expenditure			
Direct member benefits expenses		273,294	249,415
Affiliation fees	5(a)	14,772	13,605
Capitation fees	5(b)	209,534	204,856
Marketing expenses		192,007	157,066
Occupancy expenses		50,304	75,706
Administration expenses	5(c)	329,518	342,103
Employee benefits expenses	5(d)	688,657	593,945
Grants or donations	5(e)	29,940	5,395
Motor vehicle expenses		55,427	51,918
Depreciation	5(f)	50,423	29,363
Other expenses	5(h)	-	-
Surplus for the year		117,813	132,175
Other comprehensive income			
Items that will not he reclassified subsequently to profit or loss		-	-
Gain on revaluation of land and huildings		-	1,132,446
Items that may be reclassified subsequently to profit or loss		-	-
Other comprehensive income,		-	1,132,446
Total comprehensive income for the year		117,813	1,264,621

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 2019

	Note	2019	2018
		$	$
Current assets			
Cash and bank balances	6	185,476	2,451,221
Trade and other receivables	7	288,237	288,785
Inventories	8	7,299	8,565
Financial Assets	9	2,806,239	-
Total current assets		3,287,251	2,748,571
Non-current assets			
Property, plant and equipment	10	1,087,356	1,539,313
Total non-current assets		1,087,356	1,539,313
Total assets		4,374,607	4,287,884
Current liabilities			
Trade and other payables	11	73,579	117,389
Provisions	12	169,106	163,051
Total current liabilities		242,685	280,440
Non-current liabilities			
Provisions	12	14,764	8,099
Total non-current liabilities		14,764	8,099
Total liabilities		257,449	288,539
Net assets		4,117,158	3,999,345
Equity			
Retained earnings	13	3,307,937	2,703,683
Reserves	14	809,221	1,295,662
Total equity		4,117,158	3,999,345

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 2019

	Reserves $	Retained earnings $	Total $
Balance at 1 July 2017	163,216	2,571,508	2,734,724
Profit for the year	-	132,175	132,175
Other comprehensive income for the year	1,132,446	-	1,132,446
Balance at 30 June 2018	1,295,662	2,703,683	3,999,345
Balance at 1 July 2018	1,295,662	2,703,683	3,999,345
Profit for the year	-	117,813	117,813
Other comprehensive income for the year	-	-	-
Realisation of amount previously realised as asset revaluation reserve	(486,441)	486,441	-
Balance at 30 June 2019	809,221	3,307,937	4,117,158

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 2019

	Note	2019 $	2018 $
Cash flows from operating activities			
Receipts from members and other third parties		2,011,894	1,991,691
Payment to suppliers and employees		(2,082,166)	(1,901,991)
Interest and other costs of finance paid			
Income taxes paid			
Net cash provided by/(used in) operating activities	19(b)	(70,272)	89,700
Cash flows from investing activities			
Interest received		76,233	59,318
Payments for property, plant and equipment		(221,033)	(10,284)
Proceeds from sale of property, plant and equipment		755,566	-
Net cash (used in)/provided by investing activities		610,766	49,034
Cash flows from financing activities			
Repayment of borrowings		-	-
Net cash used in financing activities		-	-
Net increase in cash and cash equivalents		540,494	138,734
Cash and cash equivalents at the beginning of the financial year		2,451,221	2,312,487
Cash and cash equivalents at the end of the financial year	19(a)	2,991,715	2,451,221

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

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 Association'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 New and revised AASBs affecting amounts reported and/or disclosures in the financial statements

In the current year, the Association has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current annual reporting period. The adoption of these new and revised Standards and Interpretations has not had a material impact on the current or prior periods. The Association draws the attention of the users to the following accounting standard changes that have occurred during the year:

AASB 9 'Financial Instruments'

In the current year, the Association has applied AASB 9 Financial Instruments (as revised in July 2014) and the related consequential amendments to other AASB Standards that are effective for an annual period that begins on or after 1 January 2018. The transition provisions of AASB 9 allow an entity not to restate comparatives, which has been adopted given the minimal impact caused by AASB 9 on the Association.

All recognised financial assets that are within the scope of AASB 9 are required to be measured subsequently at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The Association previously measured financial assets (relating to term deposits) at amortised cost and these investments continue to measured on the same basis under AASB 9 given they held within a business model to collet contractual cash flows and these cash flows consist solely of payments of principal and interest.

Financial assets classified as loans and receivables under AASB 139, that were measured at amortised cost, continue to be measured at amortised cost under AASB 9 as they are held within a business model to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding.

In relation to the impairment of financial assets, AASB 9 requires an expected credit loss model, as opposed to an incurred credit loss model under AASB 139. The expected credit loss model requires the Association to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised but given the minimal trade receivables and member loans subject to credit terms at balance date and in the comparative period such analysis is not material.

Given the Association's only financial liabilities are measured at amortised cost, AASB 9 has had no impact on the classification and measurement of the Association's financial liabilities.

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

There were no financial assets or financial liabilities which the Association had previously designated as at FVTPL under AASB 139 that were subject to reclassification or which the Association has elected to reclassify upon the application of AASB 9. There were no financial assets or financial liabilities which the Association has elected to designate as at FVTPL at the date of initial application of AASB 9.

The application of AASB 9 has had no impact on the cash flows of the Association.

2.2 Standards and Interpretations in issue bnt not yet effective

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

AASB 16 ' Leases'	Effective to annual reporting periods beginning on or after 1 January, 2019
AASB 1058 Income of Not-for-Profit Entities (AASB 1058) and AASB 15 Revenue from Contracts with Customers (AASB 15)	Effective to annual reporting periods beginning on or after 1 January, 2019
AASB 2017-6 Amendments to Australian Accounting Standards – Prepayment Features with Negative Compensation	Effective to annual reporting periods beginning on or after 1 January, 2019
AASB 2018-1 Amendments to Australian Accounting Standards – Annual Improvements 2015–2017 Cycle	Effective to annual reporting periods beginning on or after 1 January, 2019

2.3 Adoption of new and revised Accounting Standards

The Association has assessed the future impact of the Australian Accounting Standards and Interpretations in issue that are not effective for the current year end, and they are not expected to have a material impact on financial statements, except as noted below. The Association does not intend to adopt any of these pronouncements before their effective dates.

AASB 16 Leases

AASB 16 was issued in January 2016 and it replaces AASB 117 *Leases*, AASB Interpretation 4 *Determining whether an Arrangement contains a Lease*, AASB Interpretation-115 *Operating Leases-Incentives* and AASB Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

For NFP entities, AASB 16 will commence from financial years beginning on or after 1 January 2019. Either a full retrospective application or a modified retrospective application is required for AASB 16. The Association plans to adopt AASB 16 on the required effective date 1 July 2019 of using modified retrospective method.

AASB 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under AASB 117. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.
Lessor accounting under AASB 16 is substantially unchanged from today's accounting under AASB 117. Lessors will continue to classify all leases using the same classification principle as in AASB 117 and distinguish between two types of leases: operating and finance leases.

During the financial year ended 30 June 2019, the Association performed a preliminary assessment of AASB 16.

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

As at the reporting date, the Association has non-cancellable operating lease commitments of $85,349. Of these commitments, none relate to short term or low value leases.

- For the lease commitments, the Association would expect to recognise right of use assets of approximately $76,694 on 1 July 2019 and lease liabilities of $76,694.
- Net current assets will be $11,584 lower due to the presentation of a portion of the liability as a current liability.
- Operating cash flows will increase and financing cash flows decrease by approximately $10,748 as repayment of the principal portion of the lease liabilities will be classified as cash flows from financing activities.
- The Association is not a lessor, and hence there is no impact on the financial statements.

AASB 1058 Income of Not-for-Profit Entities (AASB 1058) and AASB 15 Revenue from Contracts with Customers

AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities in conjunction with AASB 15. AASB 1058 and AASB 15 supersede all the income recognition requirements relating to private sector NFP entities, and the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 Contributions.

For NFP entities, both AASB 1058 and 15 will commence from financial years beginning on or after 1 January 2019. Either a full retrospective application or a modified retrospective application is required for AASB 15. The Association plans to adopt AASB 15 on the required effective date 1 January 2019 of using modified retrospective method.

During the financial year ended 30 June 2019, the Association performed a preliminary assessment of AASB 1058 and 15. The new income recognition requirements shift the focus from a reciprocal/non-reciprocal basis to a basis of assessment that considers the enforceability of a contract and the specificity of performance obligations. The core principle of the new income recognition requirements in AASB 1058 is when a NFP entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives, the excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately.

An example of a 'related amount' is AASB 15 and in cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, income is recognised when (or as) the performance obligations are satisfied under AASB 15, as opposed to immediate income recognition under AASB 1058. Under AASB 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. AASB 15 introduces a 5-step approach to revenue recognition, which is more prescriptive than AASB 118.

It is rare that the Association would acquire assets for significantly less than the fair value of the assets and the majority of the the revenue is largely unimpacted by enforceable contract, as the standard prescribes. As a result of this the Association does not expect a material impact on the financial statements as a result of the future adoption of these standards.

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*, Australian Accounting Standards and Interpretations, and complies with other requirements of the law. The financial report includes the financial statements of the Association. For the purposes of preparing the financial statements, the Association is a not-for-profit entity.

The financial statements were authorised for issue by the State Council on 25th September 2019.

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:

3. Significant accounting policies (cont'd)

(a) Borrowing costs

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

(b) 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.

(c) 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.

(d) Financial instruments

Financial assets and financial liabilities are recognised when the Association becomes a party to the contractual provisions of the instrument.

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

(e) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

• The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows

• The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Association does not irrevocably designate debt instruments that meet the conditions of amortised cost as fair value through other comprehensive income (FVTOCI), therefore by default all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

3. Significant accounting policies (cont'd)

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets the effective interest rate is the rate that exactly discounts estimated future cash receipts excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost (see above) are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship.

Impairment of financial assets

The Association recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost, trade receivables and contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Association always recognises lifetime ECL for trade receivables and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Association's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Association recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Association measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Write-off policy

The Association writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Association's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

3. Significant accounting policies (cont'd)

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Association's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Association in accordance with the contract and all the cash flows that the Association expects to receive, discounted at the original effective interest rate.

If the Association has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Association measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Association recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

De-recognition of financial assets

The Association derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Association neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Association recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Association retains substantially all the risks and rewards of ownership of a transferred financial asset, the Association continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

(f) Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL in certain circumstances, however the Association does not currently designate financial liabilities as FVTPL or hold liabilities for trading and therefore by default all the Association's financial liabilities are measured at amortised cost.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

The Association derecognises financial liabilities when, and only when, the Association's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3. Significant accounting policies (cont'd)

(g) Income Tax

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

(h) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs, 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.

(i) Property, plant and equipment

Purchases of land, buildings, plant and equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

(j) Revenue recognition

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

Sale of goods

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

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)

(k) 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.

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

In the application of the Association'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 State Council has engaged a third party property valuer, to determine the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of these assets, the property valuer uses market-observable date to the extent available, to establish an appropriate fair value of the assets.

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.

(m) Capitation fees and levies

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

(n) Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

(o) Going concern

The Association is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis.

The Association has not agreed to provide financial supporting to ensure another reporting unit has the ability to continue as a going concern.

	2019 $	2018 $
4. Revenue		
An analysis of the Association's revenue for the year, from continuing operations, is as follows:		
(a) Revenue from member subscriptions	1,767,313	1,745,234
(b) Capitation fees	-	-
(c) Levies	-	-
(d) Grants or donations	-	-
(e) Interest	76,233	59,318
(f) Other revenue		
Movie ticket sales	23,623	33,878
Car park rent	9,001	8,837
Other	2,521	8,280
	35,144	50,995
(g) Net gain from sale of assets	132,999	-
(h) Recovery of wages	-	-

5. Profit for the year

Profit for the year has been arrived at after recognising the following gains and losses:

	2019	2018
(a) Affiliation fees		
Australian Labour Party - Tasmania	14,772	13,605
(b) Capitation fees		
Unions Tasmania	30,086	30,962
SDAEA National Account	156,042	151,212
SDAEA International Fund	23,406	22,682
	209,534	204,856
(c) Administration fees		
Consideration to employers for payroll deductions		
Commissions paid to employers	6,123	28,770
Compulsory levies	-	-
Delegate meetings and training	52,810	44,356
Fees/allowances - meetings and conferences	-	-
Meeting expenses	795	817
Other administration costs	269,790	268,160
	329,518	342,103
(d) Employee expenses		
Holders of office:		
Wages and salaries	74,840	71,588
Superannuation	7,874	7,843
Leave and other entitlements	8,046	10,971
Separation and redundancies	-	-
Other employee expenses	22,521	6,681
	113,281	97,083

	2019 $	2018 $
5. Profit for the year (cont.)		
(d) Employee expenses (cont.)		
Employees other than office holders:		
Wages and salaries	411,556	347,773
Superannuation	43,176	37,827
Leave and other entitlements	51,464	69,276
Separation and redundancies	-	-
Other employee expenses	69,180	41,986
	575,376	496,862
Total employee expenses	688,657	593,945
(e) Grants or donations		
Grants:		
Total paid that were $1,000 or less	-	-
Total paid that exceeded $1,000	-	-
Donations:		
Total paid that were $1,000 or less	5,705	5,395
Total paid that exceeded $1,000	24,235	-
	29,940	5,395
(f) Depreciation and amortisation		
Depreciation of non-current assets	50,423	29,363
	50,423	29,363
(g) Legal costs		
Litigation	-	-
Other legal matters	-	-
	-	-
(h) Other expenses		
Penalties - via RO Act or RO Regulations	-	-
	-	-
6. Cash and cash equivalents		
Petty cash - Launceston	100	100
Petty cash - Hobart	100	100
Undeposited Funds	648	-
Cash at bank - trading account	184,628	495,995
CBA Term Deposit	-	1,902,327
CBA Online saver	-	52,699
	185,476	2,451,221
7. Trade and other receivables		
Subscriptions in arrears	168,134	145,120
Sundry debtors and prepayments	13,979	53,566
Car park debtors	420	960
Member and employee loans	69,185	67,807
Accrued interest income	36,519	21,332
Receivables from other reporting units	-	-
	288,237	288,785
Less allowance for expected credit losses	-	-

	2019	2018
	$	$
7. Trade and other receivables cont.		
Net trade and other receivables	288,237	288,785

The average credit period on sales is 60 days. No interest is charged on outstanding trade receivables. Included in the Association's trade receivables are an immaterial amount of debtors greater than 90 days.

The Association 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.

	2019	2018
8. Inventories		
Movie tickets	7,299	8,565
9. Financial Assets		
Term Deposits	2,806,239	-

10. Property, plant and equipment

	Freehold land at fair value $	Buildings at fair value $	Plant and equipment at cost $	Low value pool $	Total $
Gross carrying amount					
Balance at 30 June 2017 ^	150,000	302,204	404,228	132,149	988,581
Additions	-	-	10,286	-	10,286
Disposals	-	-	-	-	-
Revaluation	500,000	534,994			1,034,994
Balance at 30 June 2018 ^	650,000	837,198	414,514	132,149	2,033,861
Additions	-	-	246,941	-	246,941
Disposals	-	(600,000)	(192,765)	-	(792,765)
Revaluation			-	-	-
Balance at 30 June 2019	650,000	237,198	468,690	132,149	1,488,037
Accumulated depreciation					
Balance at 30 June 2017 ^	-	(98,365)	(334,237)	(130,033)	(562,635)
Depreciation expense	-	(5,954)	(22,615)	(794)	(29,363)
Disposals	-	-	-	-	-
Revaluation		97,450			97,450
Balance at 30 June 2018 ^	-	(6,869)	(356,852)	(130,827)	(494,548)
Depreciation expense	-	(5,781)	(44,146)	(496)	(50,423)
Disposals	-	-	144,290	-	144,290
Revaluation	-		-	-	-
Balance at 30 June 2019	-	(12,650)	(256,708)	(131,323)	(400,681)
Net book value					
As at 30 June 2018	650,000	830,329	57,662	1,322	1,539,313
As at 30 June 2019	650,000	224,548	211,982	826	1,087,356

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

Class of asset	Depreciation rate
Buildings	2% - 2.5%
Plant and equipment	10% - 67%
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:

	2019 $	2018 $
Buildings	5,781	5,954
Plant and equipment	44,146	22,615
Low value pool	496	794
	50,423	29,363

^ Refer to note 14

	2019 $	2018 $
11. Trade and other payables		
Trade payables	25,529	73,308
Accruals	-	684
Other payables	47,459	43,397
Payables to other reporting units	-	-
Consideration to employers for payroll deductions	591	-
Legal costs	-	-
	73,579	117,389

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

12. Provisions

	2019 $	2018 $
Employee Provisions		
Office Holders		
Annual Leave	12,005	12,287
Long Service Leave	73,171	68,464
Separation and redundancies	-	-
Other	-	-
	85,176	80,751
Employees other than office holders:		
Annual Leave	48,815	39,716
Long Service Leave	49,879	50,683
Separation and redundancies	-	-
Other	-	-
	98,694	90,399
	183,870	171,150
Current	169,106	163,051
Non Current	14,764	8,099
	183,870	171,150

	2019 $	2018 $
13. Retained Earnings		
Balance at beginning of financial year	2,703,683	2,571,508
Net profit attributable to members of the Association	117,813	132,175
Transfer from reserves	486,441	-
Balance at end of financial year	3,307,937	2,703,683

	2019 $	2018 $
14. Reserves		
Asset revaluation reserve		
Balance at beginning of financial year	1,295,662	163,216
Movements	-	1,132,446
Transfer to retained earnings	(486,441)	
Balance at end of financial year	809,221	1,295,662

14. Reserves (cont.)

The asset revaluation reserve relates to land and buildings. In the 2018 financial year the Association decided that it was appropriate to carry land and buildings at fair value. The balance of the asset revaluation reserve is available to absorb future write-downs or decrements in the carrying value of land and buildings.

The fair value of the freehold land and buildings was determined by independent valuation. The valuation of 72 York Street, Launceston was carried out on 14 June 2018 by Opteon, independent valuers unrelated to the entity. Opteon have appropriate qualifications and recent experience in the valuations of properties in the Launceston area. The fair value was determined based on the market comparable approach that reflects recent transactions for similar properties and the capitalisation of net income method, where the market rentals of all lettable units of the properties are assessed by reference to the rentals achieved in the lettable units as well as the other lettings of similar properties in the neighbourhood. The capitalisation rate adopted is made by reference to the yield rates, observed by the valuers for similar properties in the locality and adjusted based on the valuers' knowledge of the factors specific to the respective properties.

In estimating the fair value of the properties, the highest and best use of the properties is their current use.

15. Equity

	2019 $	2018 $
Other specific disclosures - Funds		
Compulsory levy/voluntary contribution fund - if invested in assets	-	-
Other funds required by rules	-	-
	-	-

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

17. Key management personnel remuneration

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

General President:	Isabell Wells	Appointed during year
Branch Vice President:	Ross Charlton	New member
	James Fitzpatrick	Retired
General Secretary:	Paul Griffin	
State Committee:	Fiona Smith	New member
	Sharon Butcher	New member
	Aniela Harris	
	Katrina Barr	
	Karyn Synnott	General President until election
	Leanne Porter	
	Katrina Riesley	Retired
	Tania Venn	Retired

17. Key management personnel remuneration (cont.)

The aggregate remuneration made to state councillors and other members of key management personnel of the Association is set out below:

	2019 $	2018 $
Short-term employee benefits	82,886	82,559
Post-employment benefits	7,874	7,843
Other long term employee benefits	-	-
Termination benefits	-	-
Share based benefits	-	-
	90,760	90,402

(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

(c) Loans to related parties

Loans to related parties include the following:

	2019 $	2018 $
Matthew and Katrina Barr	16,780	17,360

The above loans relate to financial assistance provided to Matthew and Katrina Barr. The loan have been provided interest free and have an undefined term.

(d) 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 capitation fees to SDAEA National Office of $156,042 (2018: $151,212)

(b) Shop, Distributive and Allied Employees Association, Tasmanian Branch paid annual capitation fees to SDAEA International Fund of $23,406 (2018: $22,682)

(c) Shop, Distributive and Allied Employees Association, Tasmanian Branch paid annual affiliation fees to ALP Tasmania of $14,772 (2018: $13,605)

(d) Shop, Distributive and Allied Employees Association, Tasmanian Branch paid annual capitation fees to Unions Tasmania $30,086 (2018: $30,962)

18. Remuneration of auditors

	2019 $	2018 $
Auditor of the Association:		
Audit of the financial report	10,505	10,280
Taxation services	14,150	16,100
	24,655	26,380

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

19. 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:

	2019 $	2018 $
Petty cash - Hobart	200	200
Undeposited Funds	648	-
Cash at bank - trading account	184,628	495,995
Term Deposits	2,806,239	1,902,327
CBA Online saver	-	52,699
	2,991,715	2,451,221

(b) Reconciliation of profit for the year to net cash flows from operating activities:

	2019	2018
Profit/(loss) from the year	117,813	1,264,621
Depreciation and amortisation	50,423	29,363
Gain on revaluation	-	(1,132,446)
Interest income received and receivable	(76,233)	(59,318)
Gain on sale of buildings	(132,999)	
(Increase)/decrease in assets:		
Trade and other receivables	548	(10,793)
Inventories	1,267	606
Increase/(decrease) in liabilities:		
Trade and other payables	(43,810)	19,202
Provisions	12,720	(21,535)
Net cash generated by operating activities	(70,272)	89,700

(c) Cash flow information:

	2019	2018
Cash inflows from another reporting unit or controlled entity	-	-
	-	-
Cash outflows to another reporting unit or controlled entity	-	-
	-	-

20. 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 Association's short, medium, and long-term funding and liquidity management requirements. The Association 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 Association'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 Association 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
	%	$	$	$	$	$
2019 Amortised cost						
Non-interest bearing	-	73,579	-	-	-	73,579
		73,579	-	-	-	73,579
2018						
Non-interest bearing	-	117,389	-	-	-	117,389
		117,389	-	-	-	117,389

The following tables detail the Association'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 Association 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
	%	$	$	$	$	$
2019 Amortised cost						
Non-interest bearing	-	473,713	-	-	-	473,713
Fixed interest rate instruments	2.75%	-	-	2,806,239	-	2,806,239
		473,713	-	2,806,239	-	3,279,952

20. Financial Instruments (cont'd)

2018						
Non-interest bearing	-	784,980	-	-	-	784,980
Fixed interest rate instruments	3.20%	-	-	1,902,327	-	1,902,327
Variable interest rate instruments	0.54%	52,699	-	-	-	52,699
		837,679	-	1,902,327	-	2,740,006

(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 financials 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 Association. The Association 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 fixed interest rate investments.
As at 30 June 2019, the Association holds $2,806,239 in a fixed rate term deposit. Interest rate exposure is minimal.

21. 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 Association, the results of those operations, or the state of affairs of the Association in future financial years.

22. Section 272 Fair Work (Registered Organisations) Act 2009

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

Information to be provided to members or Commissioner:

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

(2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.

(3) A reporting unit must comply with an application made under subsection (1).

23. Segment information

The Association operates in one geographical location, Tasmania. All operating income is derived 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
(UNAUDITED)
FOR THE YEAR ENDED 30 JUNE 2019

		2019 $		2018 $
Revenue		2,011,688		1,855,547
Commissions paid to employers		6,123		28,770
Affiliation fees		224,306		218,461
Marketing expenses		192,007		157,066
Campaigns	27,099		32,971	
Promotional and presentations	40,299		38,538	
Accident insurance - members	35,733		23,561	
Movie Tickets	38,412		39,883	
Presidential Card	74,645		54,798	
Scholarship Vouchers	57,105		59,664	
Direct member benefits expenses		273,294		249,415
Contractors	-		733	
Insurance - Building & Content	6,492		6,483	
Light & Power	5,922		5,648	
Rates & Land Tax	15,114		17,333	
Rental - Building	11,391		-	
Repairs & Maintenance - Building	4,518		39,429	
Repairs & Maintenance - Office	6,866		6,080	
Occupancy expenses		50,304		75,706
Audit fees	10,505		10,280	
Bad Debts	-		-	
Bank Fees	1,919		1,999	
Computer Expenses	14,995		16,204	
Consulting	9,232		10,000	
Delegate Expenses	31,454		18,389	
Delegates Meetings & Training	52,810		44,356	
Fees/allowances - meetings and conferences	-		-	
Fines	106		145	
Meeting Expenses	795		817	
Members Financial Assistance	73,120		66,310	
Merchant Fees	763		763	
National Council/Exec Expenses	4,800		15,233	
Office Expenses	6,689		6,371	
Postage & Freight	36,698		35,193	
Printing & Stationery	37,892		34,097	
Professional Fees	14,150		16,100	
State Council Expenses	3,995		3,045	
Subscriptions	3,815		3,365	
Sundry Expenses	1,803		12,142	
Telephone	17,855		15,889	
Valuation Fees	-		2,635	
Administration expenses		323,395		313,333
Fares & Organisers expenses	1,582		2,013	
Fares & Organising Interstate	36,815		29,073	
FBT	21,249		19,001	
Functions	15,372		13,928	
Movement in provision for Annual Leave	8,817		(13,604)	
Movement in provision for Long Service Leave	3,904		(7,931)	
Staff Amenities	-		-	
Staff Training	-		2,203	
Workers Comp Insurance Staff	3,960		3,984	
Indirect employee Costs		91,699		48,667
Employees - Salaries	405,243		344,473	
Employees - Superannuation	43,176		37,827	
Employees - Annual/Sick Leave	37,003		47,311	
Employees - Long Service Leave	14,461		21,965	

SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
TASMANIAN BRANCH
DETAILED STATEMENT OF PROFIT OR LOSS
(UNAUDITED)
FOR THE YEAR ENDED 30 JUNE 2019

		2019 $		2018 $
Employees - Allowance	6,313		3,300	
Employees - Workers Comp Invoices - Staff	-		-	
Employees - Parental/Maternity	-		-	
Direct Employee Expenses - Employees		506,196		454,876
Officials - Salaries	74,840		71,588	
Officials - Superannuation	7,874		7,843	
Officials - Annual/Sick Leave	8,046		10,971	
Officials - Long Service Leave	-		-	
Officials - Allowance	-		-	
Officials - Parental/Maternity	-		-	
Direct Employee Expenses - Officials		90,760		90,402
Motor vehicle expenses		55,427		51,918
Depreciation		50,423		29,363
Loss on sale of fixed assets		-		-
Donations		29,940		5,395
Profit/(Loss) before tax		117,813		132,175
Income tax expense		-		-
Profit/(Loss) for the year		117,813		132,175