



Mr Michael Donovan
State Secretary
Shop, Distributive and Allied Employees Association -Victorian Branch
65 Southbank Boulevard
SOUTHBANK VIC 3006

By email: info@sdavic.org

Dear Mr Donovan

Re: Financial reports for year ended 30 June 2006 (FR2006/397)

I acknowledge receipt of the financial report of the Shop, Distributive and Allied Employees Association - Victorian Branch for the year ended 30 June 2006. The documents were lodged in the Industrial Registry on 6 December 2006. I apologise for the delay in replying to your letter.

The financial report has been filed.

I make the following comments to assist you when you next prepare a financial report. You are not required to take any further action in respect of the report lodged.

AUDITOR'S REPORT

Auditor's Opinion

The term "true and fair view" was used in the superseded legislation. Subsection 257(5) of Schedule 1 of the Workplace Relations Act 1996 (Schedule 1) sets out the matters upon which an auditor is required to make an opinion on whether the general purpose financial report is presented fairly in accordance with applicable Australian Accounting Standards and other requirements of Schedule 1. The following wording in the auditor's opinion would satisfy the requirements:

"In our opinion the general purpose financial report is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of Schedule 1 of the Workplace Relations Act 1996".

Auditor's Qualifications

In future years the Auditor's Report should be amended so that it provides details of the Auditor's qualifications to confirm he or she is an 'approved auditor' under section 256 of the Schedule 1 and Regulation 4 of the Workplace Relations (Registration and Accountability of Organisations) Regulations (RAO Regulations).

Regulation 4 defines an approved auditor as a person who is a member of CPA Australia, The Institute of Chartered Accountants in Australia or the National Institute of Accountants and holds a current Public Practice Certificate.

References to Schedule 1B

The Auditor's Report contains references to Schedule 1B of the *Workplace Relations Act 1996*. Such references should now be to Schedule 1.

Income Statement

Paragraph 86 of AASB 101 Presentation of Financial Statements requires items of income and expense that are material to be disclosed separately in the financial report. I note the Income Statement refers to an item "Other expenses" of (\$1,074,811). In Note 3 **of the Notes to the Financial Statements for the year ended 30 June 2006** there is an item "Other revenue" of \$794,596. It would appear that the amounts in question may be material and should have been dealt with in accordance with the standard and disclosed separately. An item is not considered material if it is less than 5% of the base referred.

I would be pleased if you would bring these matters to the attention of your Auditor.

COMMITTEE OF MANAGEMENT STATEMENT

Recovery of Wages

I note that the accounts do not provide any information in relation to any recovery of wages activity. Items 16-23, 25(f) and 27(b) of the Guidelines govern the financial reporting of recovery of wages activity.

In circumstances where the reporting unit has not undertaken any recovery of wages activity for the financial year, a statement by the auditor or a declaration in the Committee of Management Statement to the effect that there was no recovery of wages activity for the financial year would be sufficient.

Donations, Grants or Loans

As no subsection 237(1) statement has been lodged we assume that no single donation/loan/grant exceeds \$1000. I remind you that a statement should be lodged with the Registry in relation to any donation/loan/grant which exceeds \$1000.

Documents not lodged in Registry within 14 days of meeting

The documents were presented to a State Council meeting on 15 November 2006 but were not lodged in the Registry until 6 December 2006.

In future financial years, the documents should be lodged in the Industrial Registry within 14 days of the meeting at which they were presented (s268 of Schedule 1).

Electronic Lodgment

I encourage you to take advantage of the electronic lodgment service provided by the Registry for future lodgments. You may register as a user and then lodge your documents via the Electronic Lodgment page of the AIRC website at www.airc.gov.au. Alternatively, you may send an email with the documents attached to riateam2@air.gov.au. Please note

that the Rules of the Commission allow for electronic signature to be used, other than for statutory declarations (see subrule 74A(1)). Where documents are lodged electronically, there will be no need to forward hard copies of the documents.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, please contact me on (03) 8661-7822 or email: margaret.williams@air.gov.au.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Margaret Williams', followed by a period.

Margaret Williams
Statutory Services Officer
Statutory Services Branch (Melbourne)

12 September 2007

FR2006/397



Level 3
65 Southbank Boulevard
Southbank Vic 3006

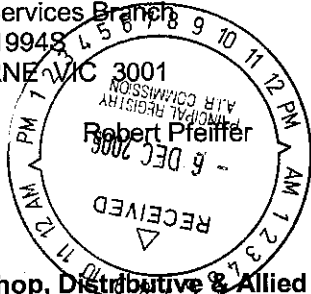
tel	(03) 9698 1400
freecall	1800 133 048
fax	(03) 9698 1401
email	info@sdivic.org
web	www.sdivic.org

State Secretary: Michael Donovan

29 November 2006

Industrial Registrar
Australian Industrial Registry
Statutory Services Branch
GPO Box 19948
MELBOURNE VIC 3001

Attention:



Robert Pfeiffer

Dear Sir

Re: **Shop, Distributive & Allied Employees' Association, Victorian Branch
Financial Accounts for the year ended 30 June 2005**

I attach a copy of the following documents of the Victorian Branch of the Shop, Distributive and Allied Employees' Association:

- the Financial Report for year ending 30 June 2006;
- the Auditor's report in relation to the inspection and audit of the Branch's financial records; and
- the Operating Report to which the Financial Report relates.

I certify that these documents were presented to and adopted by the State Council of the SDA Victorian Branch at a meeting on 15 November 2006 subsequent to being presented to all members of the organisation via the Spring 2006 edition of our Journal, *The Shop Assistant*, in October 2006.

Yours sincerely

Michael Donovan
State Secretary

Attachs.

**The Shop, Distributive and Allied Employees' Association
(Victorian Branch)**

**Financial Report
For the Year Ended 30 June 2006**

The Shop, Distributive and Allied Employees' Association (Victorian Branch)

For the Year Ended 30 June 2006

CONTENTS

	<u>Page</u>
Financial Statements	
Operating Report	1
Committee of Management Statement	2
Income Statement	3
Statement of Recognised Income & Expenses	3
Balance Sheet	4
Statement of Cash Flows	5
Summary of Significant Accounting Policies	6
Notes to the Financial Statements	10
Independent Audit Report	26

The Shop, Distributive and Allied Employees' Association (Victorian Branch)

Operating Report

30 June 2006

Membership of the Victorian Branch of the Association as at 30 June 2006 was 47,324.

At the end of the financial year there were 68.72 full-time equivalent employees of the Branch.

The finances of the Branch are stable and there were no significant changes in the Branch's financial affairs during the year.

Persons eligible to do so under the rules of the Association were actively encouraged to join the Association. Persons join or resign through the Victorian Branch of the Association in accordance with Branch Rules 23 and 24.

The members of the Committee of Management of the Branch for the relevant period were:

Branch Secretary-Treasurer	-	Michael Donovan
Branch Assistant Secretaries	-	Gary Ward
	-	Patricia Connelly (from 1.2.06)
Branch President	-	Elizabeth Shaw
Branch Vice President	-	Thelma Sheean
Branch Vice President	-	Lorraine Vallaro
Committee of Management	-	John Whateley
	-	Jennifer Siwek
	-	Maria Rowe (to 25.6.06)
	-	Valerie Bollitho
	-	Antony Burke
	-	Denis Parker
	-	Suzanne Hollingsworth
	-	Trudy Woodward (to 25.6.06)
	-	Sue Nance
	-	Ewan (Jock) Hastie
	-	Bernadette Kerford (from 25.6.06)
	-	Tammy Trimble (from 25.6.06)
	-	Mark Goldsmith (from 25.6.06)
	-	Ada Scibilia (from 25.6.06)

The Branch maintained its industrial awards and agreements at a high, up-to-date standard.

New Enterprise Agreements and Awards were negotiated with a wide range of employers including Coles Myer, Woolworths, David Jones, Ikea, Supercheap Auto, The Just Group, Pretty Girl, Yum!, Red Rooster, Dominos, McDonald's and others. These agreements all resulted in improved wages and working conditions for the employees that they covered.

Throughout the year the Branch has conducted periodic training courses for Delegates in respect of Occupational Health and Safety, Delegates Training Levels 1 and 2 and Agreement specific training.

During the relevant period the Branch represented and/or assisted its members in industrial matters at the workplace.

The Association is affiliated to the Australian Council of Trade Unions.

The Association is affiliated to the Australian Labor Party (Victorian Branch) and Delegates from the Branch were credentialed to the ALP State Conference.

Joe de Bruyn and Jim Maher are Employee Directors of the Retail Employees Superannuation Trust (REST).

The Branch Secretary, Michael Donovan, is an Alternate Employee Director of the Retail Employees Superannuation Trust (REST). Ian Blandthorn is an Alternate Employee Director of the Retail Employees Superannuation Trust (REST).

The Victorian Branch maintained its rules and reported according to statutory requirements.

A quarterly magazine is produced and posted to members of the Branch and periodic information and wages Bulletins are posted to Delegates and members.

The Branch produces a range of publications for its members including such matters as Occupational Health & Safety, Workers Compensation, Equal Opportunity, Superannuation and other matters.

.....
Michael Donovan, State Secretary

On behalf of State Council, SDA Victorian Branch

The Shop, Distributive and Allied Employees' Association (Victorian Branch)

Committee of Management Statement

On 20 September 2006 the Committee of Management of the Shop, Distributive & Allied Employees' Association passed the following resolution in relation to the general purpose financial report of the Association for the financial year ended 30 June 2006:

The Committee of Management declares in relation to the general purpose financial report that in its opinion:

- (a) the financial statements and notes comply with Australian Accounting Standards;
- (b) the financial statements and notes comply with reporting guidelines of the Industrial Registrar;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the general purpose financial report relates and since the end of the year:
 - (i) meetings of the Committee of Management were held in accordance with rules of the Association
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the Association
 - (iii) the financial records of the Association have been kept and maintained in accordance with Schedule 1B of the Workplace Relations Act 1996 – Registration and Accountability of Organisations Schedule ("RAO Schedule") and the RAO Regulations
 - (iv) the financial records of the Association have been kept, as far as practicable, in a consistent manner to each of the other branches of the Association
 - (v) no information has been sought in any request of a member of the Association or a Registrar duly made under Section 272 of the RAO Schedule during the period; and
 - (vi) no orders for inspection of financial records have been made by the Commission under Section 273 of the RAO Schedule.

Signed on behalf of the Committee of Management by:

Michael Donovan

Dated this day of 20

The Shop, Distributive and Allied Employees' Association (Victorian Branch)

**Income Statement
For the Year Ended 30 June 2006**

	Note	Economic Entity		Parent Entity	
		2006 \$	2005 \$	2006 \$	2005 \$
Revenue from continuing operations	2	11,267,804	10,486,594	10,865,398	10,092,667
Other revenue	2	350,466	436,534	-	-
Employee costs	3	(5,184,362)	(5,108,817)	(5,184,362)	(5,108,817)
Depreciation, amortisation and impairments	3	(865,916)	(527,133)	(663,731)	(327,681)
Affiliation expenses		(1,310,461)	(1,256,849)	(1,310,461)	(1,256,849)
Delegate expenses		(163,695)	(156,136)	(163,695)	(156,136)
Legal expenses		(180,028)	(101,991)	(176,301)	(91,699)
Member service expenses		(707,852)	(507,309)	(707,852)	(507,309)
Office administration expenses		(1,210,986)	(1,161,944)	(1,253,266)	(1,205,489)
Property expenses		(253,367)	(279,287)	-	-
Travel expenses		(154,583)	(180,626)	(154,583)	(180,626)
Secretarial & accounting expenses		(71,257)	(76,901)	-	-
Other expenses		(1,074,811)	(748,318)	(1,052,204)	(743,753)
Surplus attributable to members		440,952	817,817	198,943	514,308

**Statement of Recognised Income & Expenses
For the Year Ended 30 June 2006**

	Note	Economic Entity		Parent Entity	
		2006 \$	2005 \$	2006 \$	2005 \$
Equity as at the beginning of period		24,353,113	23,161,950	25,617,976	24,730,322
Changes					
Surplus attributable to members		440,952	817,817	198,943	514,308
Actuarial gains on retirement benefit asset	10(e)	369,229	373,346	369,229	373,346
Equity as at 30 June		25,163,294	24,353,113	26,186,148	25,617,976

The Shop, Distributive and Allied Employees' Association (Victorian Branch)

Balance Sheet
As at 30 June 2006

	Note	Economic Entity		Parent Entity	
		2006 \$	2005 \$	2006 \$	2005 \$
ASSETS					
Current assets					
Cash and cash equivalents	4	2,797,798	2,977,221	2,637,649	2,755,484
Trade and other receivables	5	1,689,520	1,867,043	1,632,047	1,823,273
Financial assets	6	2,477,160	2,343,392	-	-
Other current assets	8	20,300	24,650	-	-
Total current assets		6,984,778	7,212,306	4,269,696	4,578,757
Non-current assets					
Trade and other receivables	5	-	-	12,504,542	12,504,542
Financial assets	6	6,126,904	5,845,862	7,099,404	6,818,362
Property, plant and equipment	9	12,167,379	11,762,231	2,395,567	2,179,719
Retirement benefit asset	10	1,407,601	1,007,488	1,407,601	1,007,488
Other non-current assets	8	29,500	49,850	-	-
Total non-current assets		19,731,384	18,665,431	23,407,114	22,510,111
TOTAL ASSETS		26,716,162	25,877,737	27,676,810	27,088,868
LIABILITIES					
Current liabilities					
Trade and other payables	11	619,072	624,058	556,866	570,326
Provisions	12	846,695	821,958	846,695	821,958
Total current liabilities		1,465,767	1,446,016	1,403,561	1,392,284
Non-current liabilities					
Provisions	12	87,101	78,608	87,101	78,608
Total non-current liabilities		87,101	78,608	87,101	78,608
TOTAL LIABILITIES		1,552,868	1,524,624	1,490,662	1,470,892
NET ASSETS		25,163,294	24,353,113	26,186,148	25,617,976
EQUITY					
Members funds		25,163,294	24,353,113	26,186,148	25,617,976
TOTAL EQUITY		25,163,294	24,353,113	26,186,148	25,617,976

The Shop, Distributive and Allied Employees' Association (Victorian Branch)

**Statement of Cash Flows
For the Year Ended 30 June 2006**

	Note	Economic Entity		Parent Entity	
		2006 \$	2005 \$	2006 \$	2005 \$
Cash from operating activities:					
Cash Receipts from members		11,418,900	10,797,001	11,125,103	10,573,799
Cash payments to employees and suppliers		(11,155,084)	(10,268,436)	(10,833,321)	(9,871,382)
Distributions received		296,650	-	296,650	-
Interest received		618,032	575,091	476,867	441,502
Net cash provided by operating activities	19(a)	1,178,498	1,103,656	1,065,299	1,143,919
Cash flows from investing activities:					
Proceeds from sale of plant and equipment		134,461	138,615	134,461	138,615
Proceeds from investments		407,490	141,935	407,490	-
Acquisition of property, plant and equipment		(766,104)	(690,727)	(725,085)	(641,941)
Acquisition of investments		(1,133,768)	(403,430)	(1,000,000)	(403,430)
Net cash used in investing activities		(1,357,921)	(813,607)	(1,183,134)	(906,756)
Cash flows from financing activities:					
Repayment of borrowings		-	-	-	(22,659)
Net cash used in financing activities		-	-	-	(22,659)
Net increase (decreases) in cash held		(179,423)	290,049	(117,835)	214,504
Cash at beginning of financial year		2,977,221	2,687,172	2,755,484	2,540,980
Cash at end of financial year	4	2,797,798	2,977,221	2,637,649	2,755,484

The Shop, Distributive and Allied Employees' Association (Victorian Branch)

Notes to the Financial Statements

For the Year Ended 30 June 2006

1 Statement of Significant Accounting Policies

(a) General Information

This general purpose financial report covers the economic entity of The Shop, Distributive and Allied Employees' Association (Victorian Branch) and controlled entity and the Shop, Distributive & Allied Employees Association as an individual entity.

The following is a summary of the material accounting policies adopted by the Association in the preparation of the financial report.

(b) Basis of preparation

The financial statements have been prepared in accordance with the Australian equivalents to International Financial Reporting Standards (AIFRS), Urgent Issues Group Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Workplace Relations Act 1996.

First-time Adoption of Australian Equivalents to International Financial Reporting Standards

In accordance with the requirements of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards, adjustments to the financial statements resulting from the introduction of AIFRS have been applied retrospectively to 2005 comparatives. These financial statements are the first financial statements of the Association to be prepared in accordance with AIFRS.

Reconciliations and descriptions of the effect of the transition from previous Australian GAAP to AIFRS have been included in Note 15 to this report.

Compliance with IFRS

Australian Accounting Standards include Australian Equivalents to International Financial Reporting Standards (AIFRSs). Compliance with AIFRS ensures that the financial statements and notes of The Shop, Distributive and Allied Employees' Association (Victorian Branch) comply with International Financial Reporting Standards (IFRS).

Early Adoption of Standards

The Association has elected to apply the following amendments, which are not yet effective but which can be adopted early, to the annual reporting period beginning 1 July 2005

- AASB 119: Employee benefits – Accounting for actuarial gains and losses and group plans

These amendments have affected the recognition and measurement of these items, and have been applied to the comparative figures in accordance with AASB 1: First Time Adoption of Australian Equivalents to International Financial Reporting Standards.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs as modified by the revaluation of available for sale financial assets, financial assets and liabilities at fair value through profit or loss.

The accounting policies set out below have been consistently applied to all years presented, except as noted above.

(c) Principles of consolidation

A controlled entity is any entity controlled by the Shop, Distributive & Allied Employees' Association. Control exists where the Shop, Distributive & Allied Employees' Association has the capacity to dominate the decision-making in relation to the financial and operating policies of another entity so that the other entity operates with the Shop, Distributive & Allied Employees' Association to achieve the objectives of the Shop, Distributive & Allied Employees' Association. Details of the controlled entity are contained in Note 7.

All inter-company balances and transactions between entities in the Association, including any unrealised profits or losses, have been eliminated on consolidation.

The Shop, Distributive and Allied Employees' Association (Victorian Branch)

Notes to the Financial Statements

For the Year Ended 30 June 2006

1 Statement of Significant Accounting Policies (Cont'd)

(d) Income Tax

No provision for income tax has been raised as the Association is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

(e) Property, Plant and Equipment

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

(i) Property

Freehold land and buildings are measured on the cost basis. The carrying amount of freehold land and buildings is reviewed annually by the Association to ensure it is not in excess of the anticipated recoverable amount which is based on the depreciated replacement cost.

A current independent valuation valued the land and building at \$11,100,000. The discounted cash flow equivalent or fair value as at balance date is \$8,300,000.

(ii) Plant and Equipment

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

The carrying amount of plant and equipment is reviewed annually by committee members for indications of impairment. If any such indications exist, an impairment test is carried out, and any impairment losses on the assets recognised.

The cost of fixed assets constructed includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Association and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

(iii) Depreciation

The depreciable amount of all fixed assets including buildings, but excluding land, is depreciated on a straight-line basis over their useful lives (commencing from the time the asset is ready for use). Leasehold improvements are depreciated over the estimated useful lives of the improvements.

The depreciable amount is the carrying value of the asset less estimated residual amounts. The residual amount is based on what a similar asset of the expected condition of the asset at the end of its useful life could be sold for.

Property, plant and equipment is measured initially at cost. Cost includes all directly attributable expenditure incurred including costs to get the asset ready for its use as intended by management, and an estimate of any expenditure expected to be incurred at the end of the asset's useful life, including restoration, rehabilitation and decommissioning costs.

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

Class of Fixed Asset	Depreciation Rate
Buildings	2%-15%
Leasehold improvements	2.5%-7.5%
Motor vehicles	22.5%
Office equipment	33.3%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

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

The Shop, Distributive and Allied Employees' Association (Victorian Branch)

Notes to the Financial Statements

For the Year Ended 30 June 2006

1 Statement of Significant Accounting Policies (Cont'd)

(f) Impairment

At each reporting date, the Association reviews the carrying values of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

(g) Financial Instruments

Financial assets and financial liabilities are recognised on the Association's balance sheet when the Association becomes a party to the contractual provisions of the instrument.

Trade Receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Amortised cost is the total receivable less any amounts received and impairment losses. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the amount expected to be recovered.

Trade receivables are non-interest bearing.

Investments

Investments in subsidiaries are accounted for at cost in the parent entity financial report.

Available for Sale Financial Assets

Available for sale investments are non-derivatives that are either designated in this category or not classified in any of the other categories.

Available for sale investments are subsequently held at fair value, with changes in fair value being recognised directly in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in profit or loss for the period.

Cash and Cash Equivalents

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

Trade Payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost. Amortised cost is the initial amount payable less any repayments.

Trade payables are non-interest bearing.

(h) Employee Benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to balance sheet date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Most employees belong to the Association's superannuation scheme, which is of the defined benefit type. The defined benefit members receive lump sum benefits on retirement, death, disablement and withdrawal. The Plan is open to new members.

The Shop, Distributive and Allied Employees' Association (Victorian Branch)

Notes to the Financial Statements

For the Year Ended 30 June 2006

1 Statement of Significant Accounting Policies (Cont'd)

(h) Employee Benefits (Cont'd)

A liability or asset in respect of defined benefit superannuation plans is recognised in the balance sheet, and is measured as the present value of the defined benefit obligation at the reporting date plus unrecognized actuarial gains less the fair value of the super fund's assets at that date and any unrecognized service costs. The present value of the obligation is based on expected future payments which arise from membership of the fund to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as close as possible, the estimated future cashflows.

Future taxes, such as taxes on investment income and employer contributions are taken into account in the actuarial assumptions used to determine the relevant components of the employer's defined benefit liability or asset.

Actuarial gains and losses are recognised in the Statement of Recognised Income and Expenses in the year in which they occur.

Contributions to other defined contribution superannuation schemes are recognised as an expense in the period that it is payable.

(i) Revenue Recognition

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

Membership revenue is recognised when the right to receive the subscription has been established and is net of expenses incurred as consideration for employers making payroll deductions of membership subscriptions.

Interest revenue is recognised on an effective interest rate method in relation to the outstanding financial asset.

Distribution revenue is recognised when the right to receive a distribution has been established.

Rental and other revenue is recognised when the right to receive the revenue has been established.

All revenue is stated net of the amount of goods and services tax (GST).

(j) Information to be provided to Members or Registrar

In accordance with the requirements of the Workplace Relations Act 1996 and specifically subsection 272(5) of the RAO Schedule the attention of members is drawn to the provisions of sub-sections (1), (2) and (3) of Section 272 of the Workplace Relations Act 1996 which states:

1. A member of a reporting unit, or a Registrar, 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; and
3. A reporting unit must comply with an application made under subsection (1).

The Shop, Distributive and Allied Employees' Association (Victorian Branch)

Notes to the Financial Statements

For the Year Ended 30 June 2006

2 Revenue

	Economic Entity		Parent Entity	
	2006	2005	2006	2005
Note	\$	\$	\$	\$
Operating activities				
- Membership subscriptions	9,984,114	9,551,728	9,984,114	9,551,728
- rental revenue for property	261,241	258,504	-	-
- interest received	618,032	575,091	476,867	441,502
- distributions received	296,650	-	296,650	-
- other revenue	107,767	101,271	107,767	99,437
	11,267,804	10,486,594	10,865,398	10,092,667
Other Revenue				
- Impairment reversals	350,446	436,534	-	-

Impairment reversals were recognised during the current and prior year in relation to land and buildings. An initial impairment loss on transition to AIFRS of \$1,235,039 was recognised. Refer Note 15 for further information.

3 Expenses

(a) Surplus includes the following specific expenses:

	Economic Entity		Parent Entity	
	2006	2005	2006	2005
Note	\$	\$	\$	\$
Depreciation:				
Buildings	202,185	199,452	-	-
Leasehold improvements	26,615	20,981	26,615	20,981
Motor vehicles	201,265	191,975	201,265	191,975
Office equipment	124,383	114,725	124,383	114,725
9(b)	554,448	527,133	352,263	327,681
Affiliation fees – Shop, Distributive & Allied Employees Association (National Office)	1,110,191	1,052,199	1,110,191	1,052,199
Affiliation fees – Australian Labor Party	200,270	204,650	200,270	204,650
Donations	24,521	60,191	18,521	60,191
Impairment losses:				
Financial assets – shares in related body corporates	311,468	-	311,468	-

Impairment losses were recognised at balance date after indicators of impairment in relation to shares in related body corporates became apparent. Distributions were however received during the year from one investment of \$296,650, for which an impairment loss was subsequently recognised at balance date of \$225,748.

The Shop, Distributive and Allied Employees' Association (Victorian Branch)

Notes to the Financial Statements

For the Year Ended 30 June 2006

3 Expenses (Cont'd)

(a) Surplus includes the following specific expenses (Cont'd)

	Note	Economic Entity		Parent Entity	
		2006	2005	2006	2005
		\$	\$	\$	\$
Employee benefits expense:					
Salaries & wages		3,565,474	3,415,696	3,565,474	3,415,696
Annual leave		275,545	253,112	275,545	253,112
Long service leave		54,412	82,604	54,412	82,604
Superannuation		494,335	604,363	494,335	604,363
Other		794,596	753,042	794,596	753,042
		5,184,362	5,108,817	5,184,362	5,108,817

Officials' remuneration is included in the above disclosure and includes salaries and wages of \$374,389 (2005: \$278,001), annual leave of \$5,800 (2005: \$5,980), long service leave of \$16,551 (2005: \$10,375) and superannuation of \$44,926 (2005: \$33,384).

4 Cash and Cash Equivalents

	Economic Entity		Parent Entity	
	2006	2005	2006	2005
	\$	\$	\$	\$
Cash on hand	900	900	850	850
Cash at bank	2,796,898	2,976,321	2,636,799	2,754,634
	2,797,798	2,977,221	2,637,649	2,755,484

Cash on hand is non-interest bearing.

Cash at bank is bearing floating interest rates between 0.1% and 5.5% (2005: 0.1% and 5.5%).

5 Trade and Other Receivables

	Note	Economic Entity		Parent Entity	
		2006	2005	2006	2005
		\$	\$	\$	\$
CURRENT					
Trade receivables		872,728	1,204,461	849,037	929,127
Provision for receivables		-	(256,887)	-	-
		872,728	947,574	849,037	929,127
Prepayments		712,959	863,354	700,884	842,489
Other receivables		103,833	56,115	82,126	51,657
		1,689,520	1,867,043	1,632,047	1,823,273

The Shop, Distributive and Allied Employees' Association (Victorian Branch)

Notes to the Financial Statements
For the Year Ended 30 June 2006

5 Trade and Other Receivables (Cont'd)

	Note	Economic Entity		Parent Entity	
		2006 \$	2005 \$	2006 \$	2005 \$
NON-CURRENT					
Amounts receivable from:					
- controlled entity		-	-	12,504,542	12,504,542
		-	-	12,504,542	12,504,542

6 Financial Assets

	Note	Economic Entity		Parent Entity	
		2006 \$	2005 \$	2006 \$	2005 \$
CURRENT					
Available for sale financial assets	(a)	2,477,160	2,343,392	-	-
NON-CURRENT					
Shares in subsidiaries	7	-	-	972,500	972,500
Available for sale financial assets	(a)	6,126,904	5,845,862	6,126,904	5,845,862
		6,126,904	5,845,862	7,099,404	6,818,362

(a) Available-for-sale Financial Assets Comprise

CURRENT

Bank bills and floating rate notes	2,477,160	2,343,392	-	-
------------------------------------	-----------	-----------	---	---

NON CURRENT

Shares in related body corporates	288,534	812,852	288,534	812,852
Floating rate notes	5,000,000	4,000,000	5,000,000	4,000,000
Term deposits	838,370	1,033,010	838,370	1,033,010
	6,126,904	5,845,862	6,126,904	5,845,862

7 Controlled entities

Name	Country of Incorporation	Percentage Owned	
		2006	2005
Parent Entity:			
Shop, Distributive & Allied Employees' Association	Australia		
Subsidiaries of parent entity:			
FEDSDA Unit Trust	Australia	100%	100%

The Shop, Distributive and Allied Employees' Association (Victorian Branch)

Notes to the Financial Statements

For the Year Ended 30 June 2006

8 Other Assets

	Economic Entity		Parent Entity	
	2006	2005	2006	2005
	\$	\$	\$	\$
CURRENT				
Lease incentive asset	20,300	24,650	-	-
NON-CURRENT				
Lease incentive asset	29,500	49,850	-	-

9 Property, plant and equipment

(a) Property Plant and Equipment

	Economic Entity		Parent Entity	
	2006	2005	2006	2005
	\$	\$	\$	\$
Land & Buildings				
Land and Buildings – At cost	10,998,850	10,957,831	-	-
Less accumulated depreciation & impairment losses	(1,227,038)	(1,375,319)	-	-
Total land & buildings	9,771,812	9,582,512	-	-
Leasehold improvements				
At cost	1,070,047	1,051,615	1,070,047	1,051,615
Less accumulated depreciation	(69,401)	(42,786)	(69,401)	(42,786)
Total Leasehold improvements	1,000,646	1,008,829	1,000,646	1,008,829
Plant & equipment				
Motor vehicles				
At cost	1,284,706	1,134,739	1,284,706	1,134,739
Less accumulated depreciation	(368,599)	(434,758)	(368,599)	(434,758)
	916,107	699,981	916,107	699,981
Office equipment				
At cost	903,642	771,353	903,642	771,353
Less accumulated depreciation	(424,828)	(300,444)	(424,828)	(300,444)
	478,814	470,909	478,814	470,909
Total property, plant and equipment	12,167,379	11,762,231	2,395,567	2,179,719

The Shop, Distributive and Allied Employees' Association (Victorian Branch)

Notes to the Financial Statements

For the Year Ended 30 June 2006

9 Property, Plant and equipment (Cont'd)

(b) Movements in Carrying Amounts - 2006

Parent

	Land & Buildings	Leasehold improvements	Motor Vehicles	Office Equipment	Total
	\$	\$	\$	\$	\$
Balance at the beginning of year	-	1,008,829	699,981	470,909	2,179,719
Additions	-	18,432	574,365	132,288	725,085
Depreciation expense	-	(26,615)	(201,265)	(124,383)	(352,263)
Disposals	-	-	(156,974)	-	(156,974)
Carrying amount at the end of year	-	1,000,646	916,107	478,814	2,395,567

Economic Entity

	Land & Buildings	Leasehold improvements	Motor Vehicles	Office Equipment	Total
	\$	\$	\$	\$	\$
Balance at the beginning of year	9,582,512	1,008,829	699,981	470,909	11,762,231
Additions	41,019	18,432	574,365	132,288	766,104
Depreciation expense	(202,185)	(26,615)	(201,265)	(124,383)	(554,448)
Impairment reversals	350,466	-	-	-	350,466
Disposals	-	-	(156,974)	-	(156,974)
Carrying amount at the end of year	9,771,812	1,000,646	916,107	478,814	12,167,379

10 Retirement Benefit asset

	Economic Entity		Parent Entity	
	2006	2005	2006	2005
	\$	\$	\$	\$
NON-CURRENT				
Retirement benefit asset	1,407,601	1,007,488	1,407,601	1,007,488
	1,407,601	1,007,488	1,407,601	1,007,488

(a) Superannuation plan

Refer Note 1(h)

The Shop, Distributive and Allied Employees' Association (Victorian Branch)

Notes to the Financial Statements

For the Year Ended 30 June 2006

10 Retirement Benefit asset (Cont'd)

(b) Balance sheet amounts

The amounts recognised in the balance sheet are determined as follows:

	Note	Economic Entity		Parent Entity	
		2006 \$	2005 \$	2006 \$	2005 \$
Present value of the defined benefit obligation	(d)	3,744,453	3,419,147	3,744,453	3,419,147
Fair value of defined benefit plan assets	(d)	5,152,054	4,426,635	5,152,054	4,426,635
		<u>1,407,601</u>	<u>1,007,488</u>	<u>1,407,601</u>	<u>1,007,488</u>

(c) Categories of plan assets

The major categories of plan assets are as follows:

	2006	2005
Australian equity	30%	30%
International equity	20%	19%
Fixed income	18%	25%
Property	7%	8%
Cash	10%	8%
Other	15%	10%

(d) Reconciliations

	2006 \$	2005 \$
<i>Reconciliation of the present value of the defined benefit obligation:</i>		
Balance at the beginning of the year	3,419,147	3,255,807
Current service cost	500,313	497,568
Interest cost	145,496	157,163
Actuarial (gains) and losses	(75,493)	(139,319)
Benefits paid and transferred in	(155,790)	(263,539)
Taxes, premiums and expenses paid	(89,220)	(88,533)
Balance at the end of the year	<u>3,744,453</u>	<u>3,419,147</u>
<i>Reconciliation of the fair value of plan assets:</i>		
Balance at the beginning of the year	4,426,635	3,918,087
Expected return on plan assets	284,815	250,500
Actuarial (gains) and losses	293,736	234,028
Employer contributions	391,877	376,092
Benefits paid and transferred in	(155,790)	(263,539)
Taxes, premiums and expenses paid	(89,219)	(88,533)
Balance at the end of the year	<u>5,152,054</u>	<u>4,426,635</u>

The Shop, Distributive and Allied Employees' Association (Victorian Branch)

Notes to the Financial Statements

For the Year Ended 30 June 2006

10 Retirement Benefit asset (Cont'd)

(e) Amounts recognised in income statement

The amounts recognised in the income statement are as follows:

	2006 \$	2005 \$
Current service cost	500,313	497,568
Interest cost	145,496	157,163
Expected return on plan assets	<u>(284,815)</u>	<u>(250,500)</u>
Total included in employee benefits expense	<u>360,994</u>	<u>404,231</u>
Actual return on plan assets	578,551	484,528
Actuarial gain	369,229	373,346
Cumulative amount of actuarial gain	742,575	373,346

(f) Principal actuarial assumptions

The principal actuarial assumptions used (expressed as weighted averages) were as follows:

Discount rate	4.90%	4.30%
Expected return on plan assets	6.50%	6.50%
Future salary increases	4.00%	4.00%

The expected return on assets assumption is determined by weighting the expected long-term return for each class by the target allocation of assets to each asset class. The returns used for each asset class are net of investment tax and investment fees.

(g) Employer contributions

The Association intends to continue to contribute to the defined benefit section of the plan at a rate of 12% of salaries in line with the actuary's latest recommendations. Expected contributions for the year ended 30 June 2007 is \$369,916.

The method used to determine the employer contribution recommendations at the last actuarial review was the "Entry Age Normal". Under this method, the 'normal cost' is set at the expected cost of providing benefits for a new member. Any surplus or deficit expected to arise as a result of future SDA's contributions at rate for existing members is spread over a number of years to determine the short term employer contribution rate. Over the longer term the required SDA's contribution rate is expected to trend toward the long term rate.

(h) Net financial position of plan

In accordance with AAS 25 "Financial Reporting by Superannuation Plans", the plan's net financial position is determined as the difference between the present value of the accrued benefits and the net market value of plan assets. This has been determined as at the date of the most recent financial report of the superannuation fund (1 March 2004) and a surplus of \$810,000 was reported.

Note that the figures stated above relate to the Plan as a whole, which includes other employers, and the additional accumulation account balances of the members.

The Shop, Distributive and Allied Employees' Association (Victorian Branch)

Notes to the Financial Statements For the Year Ended 30 June 2006

10 Retirement Benefit asset (Cont'd)

(i) Historic summary

	2006	2005
	\$	\$
Defined benefit plan obligation	3,744,453	3,419,147
Plan assets	5,152,054	4,426,635
Surplus/(deficit)	<u>1,407,601</u>	<u>1,007,488</u>
Experience adjustments arising on plan liabilities	293,736	234,028
Experience adjustments arising on plan assets	14,412	195,596

(j) Nature of asset

SDA has recognised an asset in the balance sheet in respect of its defined benefit superannuation arrangements. If a surplus exists in the Plan, SDA may be able to take advantage of it in the form of a reduction in the required contribution rate, depending on the advice of the Plan's actuary.

SDA may at any time by notice to the Trustee terminate its contributions. SDA has a liability to pay the contributions prior to the effective date of notice, but there is no requirement for the employer to pay any further contributions, irrespective of the financial condition of the Plan.

11 Trade and Other Payables

	Economic Entity		Parent Entity	
	2006	2005	2006	2005
	\$	\$	\$	\$
CURRENT				
Unsecured liabilities				
Trade payables	57,102	53,732	-	-
Other payables	561,970	570,326	556,866	570,326
	<u>619,072</u>	<u>624,058</u>	<u>556,866</u>	<u>570,326</u>

12 Provisions

	Economic Entity		Parent Entity	
	2006	2005	2006	2005
	\$	\$	\$	\$
Employee entitlements:				
Current	846,695	821,958	846,695	821,958
Non-current	87,101	78,608	87,101	78,608
Aggregate employee entitlements liability	<u>933,796</u>	<u>900,566</u>	<u>933,796</u>	<u>900,566</u>

Annual leave in the current year totals \$359,400 (2005: \$337,188) and all liabilities are current. The remainder of employee benefits relate to long service leave.

Officers' annual leave owing as at 30 June 2006 was \$67,214 (2005: \$63,392). Officers' long service leave owing as at 30 June 2006 was \$164,765 (2005: \$152,866).

The Shop, Distributive and Allied Employees' Association (Victorian Branch)

Notes to the Financial Statements

For the Year Ended 30 June 2006

13 Officers and Key Management Personnel

(a) Officers

The following persons were officers of the Association during the financial year:

Michael Donovan	Gary Ward	Elizabeth Shaw
Thelma Sheean	Lorraine Vallaro	Patricia Connelly

(b) Other key management personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of the Association, directly or indirectly through the year.

Denis Parker	John Whateley	Antony Burke
Ada Scibilia	Valerie Bolitho	Suzanne Hollingsworth
Jennifer Siwek	Jock Hastie	Mark Goldsmith
Bernadette Kerford	Tammy Trimble	Maria Rowe
Sue Nance	Trudy Woodward	

(c) Compensation

	Economic Entity		Parent Entity	
	2006	2005	2006	2005
	\$	\$	\$	\$
Short-term employment benefits	773,607	707,570	773,607	707,570
Post-employment benefits	74,923	69,696	74,923	69,696
	<u>848,530</u>	<u>777,266</u>	<u>848,530</u>	<u>777,266</u>

14 Financial instruments

(a) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

(b) Fair Value

The aggregate net fair values and carrying amounts of financial assets and liabilities are disclosed in the balance sheet and in the notes to the financial report.

(c) Interest Rate Risk

The Association's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is detailed in the notes to the financial statements.

The Shop, Distributive and Allied Employees' Association (Victorian Branch)

Notes to the Financial Statements

For the Year Ended 30 June 2006

15 First-time Adoption of Australian Equivalents to International Financial Reporting Standards

Economic Entity - Reconciliation of Equity (start of prior year)

Reconciliation of Equity at 1 July 2004

		Effect of Transition to Australian Equivalents to IFRS	Australian Equivalents to IFRS at July 2004	
Note	Previous GAAP as at July 2004 \$	\$	\$	
Current assets				
	Cash and cash equivalents	2,687,172	-	2,687,172
	Trade and other receivables	(i) 1,722,291	1,197	1,723,488
	Financial assets	2,485,327	-	2,485,327
	Total current assets	6,894,790	1,197	6,895,987
Non-current assets				
	Financial assets	5,442,432	-	5,442,432
	Property, plant and equipment	(ii) 12,566,845	(1,235,039)	11,331,806
	Retirement benefit asset	(iii) -	662,282	662,282
	Total non-current assets	18,009,277	(572,757)	17,436,520
	TOTAL ASSETS	24,904,067	(571,560)	24,332,507
LIABILITIES				
Current liabilities				
	Trade and other payables	299,656	-	299,656
	Provisions	786,937	-	786,937
	Total current liabilities	1,086,593	-	1,086,593
Non-current liabilities				
	Provisions	83,964	-	83,964
	Total non-current liabilities	83,964	-	83,964
	TOTAL LIABILITIES	1,170,557	-	1,170,557
	NET ASSETS	23,733,510	(571,560)	23,161,950

The Shop, Distributive and Allied Employees' Association (Victorian Branch)

Notes to the Financial Statements

For the Year Ended 30 June 2006

15 First-time Adoption of Australian Equivalents to International Financial Reporting Standards

Economic Entity - Reconciliation of Equity (end of prior year)

Reconciliation of Equity at 30 June 2005

		Effect of Transition to Australian Equivalents to IFRS	Australian Equivalents to IFRS at June 2005
Note	Previous GAAP as at June 2005 \$	\$	\$
Current assets			
	2,977,221	-	2,977,221
Cash and cash equivalents			
Trade and other receivables	1,856,876	10,167	1,867,043
(i)			
Financial assets	2,343,392	-	2,343,392
Other current assets	24,650	-	24,650
Total current assets	7,202,139	10,167	7,212,306
Non-current assets			
Financial assets	5,845,862	-	5,845,862
Property, plant and equipment	12,560,736	(798,505)	11,762,231
(ii)			
Retirement benefit asset	-	1,007,488	1,007,488
(iii)			
Other non-current assets	49,850	-	49,850
Total non-current assets	18,456,448	208,983	18,665,431
TOTAL ASSETS	25,658,587	219,150	25,877,737
LIABILITIES			
Current liabilities			
Trade and other payables	624,058	-	624,058
Provisions	821,958	-	821,958
Total current liabilities	1,446,016	-	1,446,016
Non-current liabilities			
Provisions	78,608	-	78,608
Total non-current liabilities	78,608	-	78,608
TOTAL LIABILITIES	1,524,624	-	1,524,624
NET ASSETS	24,133,963	219,150	24,353,113

The Shop, Distributive and Allied Employees' Association (Victorian Branch)

Notes to the Financial Statements

For the Year Ended 30 June 2006

15 First-time Adoption of Australian Equivalents to International Financial Reporting Standards

Parent - Reconciliation of Equity (start of prior year)

Reconciliation of Equity at 1 July 2004

	Previous GAAP as at July 2004	Effect of Transition to Australian Equivalents to IFRS	Australian Equivalents to IFRS at July 2004
Note	\$	\$	\$
Current assets			
Cash and cash equivalents	2,540,980	-	2,540,980
Trade and other receivables	1,667,955	-	1,667,955
Total current assets	4,208,935	-	4,208,935
Non-current assets			
Trade and other receivables	12,481,883	-	12,481,883
Financial assets	6,414,932	-	6,414,932
Property, plant and equipment	2,035,162	-	2,035,162
Retirement benefit asset	-	662,282	662,282
(ii)			
Total non-current assets	20,931,977	662,282	21,594,259
TOTAL ASSETS	25,140,912	662,282	25,803,194
LIABILITIES			
Current liabilities			
Trade and other payables	201,971	-	201,971
Provisions	786,937	-	786,937
Total current liabilities	988,908	-	988,908
Non-current liabilities			
Provisions	83,964	-	83,964
Total non-current liabilities	83,964	-	83,964
TOTAL LIABILITIES	1,072,872	-	1,072,872
NET ASSETS	24,068,040	662,282	24,730,322

The Shop, Distributive and Allied Employees' Association (Victorian Branch)

Notes to the Financial Statements

For the Year Ended 30 June 2006

15 First-time Adoption of Australian Equivalents to International Financial Reporting Standards

Parent Entity - Reconciliation of Equity (end of prior year)

Reconciliation of Equity at 30 June 2005

Note	Previous GAAP as at June 2005 \$	Effect of Transition to Australian Equivalents to IFRS \$	Australian Equivalents to IFRS at June 2005 \$
Current assets			
Cash and cash equivalents	2,755,484	-	2,755,484
Trade and other receivables	1,823,273	-	1,823,273
Total current assets	4,578,757	-	4,578,757
Non-current assets			
Trade and other receivables	12,504,542	-	12,504,542
Financial assets	6,818,362	-	6,818,362
Property, plant and equipment	2,179,719	-	2,179,719
Retirement benefit asset	-	1,007,488	1,007,488
Total non-current assets	21,502,623	1,007,488	22,510,111
TOTAL ASSETS	26,081,380	1,007,488	27,088,868
LIABILITIES			
Current liabilities			
Trade and other payables	570,326	-	570,326
Provisions	821,958	-	821,958
Total current liabilities	1,392,284	-	1,392,284
Non-current liabilities			
Provisions	78,608	-	78,608
Total non-current liabilities	78,608	-	78,608
TOTAL LIABILITIES	1,470,892	-	1,470,892
NET ASSETS	24,610,488	1,007,488	25,617,976

The Shop, Distributive and Allied Employees' Association (Victorian Branch)

Notes to the Financial Statements For the Year Ended 30 June 2006

15 First-time Adoption of Australian Equivalents to International Financial Reporting Standards

Economic entity - reconciliation of surplus for 2005

	Note	Previous GAAP \$	Effect of adoption \$	Australian Equivalents to IFRS \$
Revenue from continuing operations	(i)	10,477,624	8,970	10,486,594
Other revenue	(ii)	-	436,534	436,534
Employee costs	(iii)	(5,080,677)	(28,140)	(5,108,817)
Depreciation, amortisation and impairments		(527,133)	-	(527,133)
Affiliation expenses		(1,256,849)	-	(1,256,849)
Delegate expenses		(156,136)	-	(156,136)
Legal expenses		(101,991)	-	(101,991)
Member service expenses		(507,309)	-	(507,309)
Office administration expenses		(1,161,944)	-	(1,161,944)
Property expenses		(279,287)	-	(279,287)
Travel expenses		(180,626)	-	(180,626)
Secretarial & accounting expenses		(76,901)	-	(76,901)
Other expenses		(748,318)	-	(748,318)
Surplus attributable to members		400,453	417,364	817,817

Parent entity - reconciliation of surplus for 2005

	Note	Previous GAAP \$	Effect of adoption \$	Australian Equivalents to IFRS \$
Revenue from continuing operations		10,092,667	-	10,092,667
Employee costs	(ii)	(5,080,677)	(28,140)	(5,108,817)
Depreciation, amortisation and impairments		(327,681)	-	(327,681)
Affiliation expenses		(1,256,849)	-	(1,256,849)
Delegate expenses		(156,136)	-	(156,136)
Legal expenses		(91,699)	-	(91,699)
Member service expenses		(507,309)	-	(507,309)
Office administration expenses		(1,205,489)	-	(1,205,489)
Property expenses		-	-	-
Travel expenses		(180,626)	-	(180,626)
Secretarial & accounting expenses		-	-	-
Other expenses		(743,753)	-	(743,753)
Surplus attributable to members		542,448	(28,140)	514,308

Effect of A-IFRS on the cash flow statement for the year ended 30 June 2005

There are no material differences between the cash flow statement presented under A-IFRS and the cash flow statement presented under the superseded policies.

The Shop, Distributive and Allied Employees' Association (Victorian Branch)

Notes to the Financial Statements

For the Year Ended 30 June 2006

15 First-time Adoption of Australian Equivalents to International Financial Reporting Standards

Notes to the reconciliation of income and equity

(i) Rental Debtors

As at 1 July 2004 and for the financial year ended 30 June 2005, rental debtors arising from the straight-lining of rental income of \$1,197 and \$10,167 (included in 'revenue') which were not recognised under the superseded policies were recognised under A-IFRS, with a corresponding increase in members funds.

(ii) Land and Building Impairment

As at 1 July 2004, an impairment loss was recognised on land and buildings of \$1,235,039. Impairment reversals have since been recognised with \$436,534 recognised as at 30 June 2005.

(iii) Retirement benefit assets

As at 1 July 2004 and for the financial year ended 30 June 2005, a retirement benefit asset arising from the prescribed treatment of such assets under AASB119: Employee Benefits, of \$662,282 and \$1,007,488 (included in 'retirement benefit assets') which were not recognised under the superseded policies were recognised under A-IFRS, with the corresponding entry recognised as actuarial gains (\$373,346) in the statement of recognised income and expenses for the year and \$28,140 recognised in "employee costs".

16 Auditors' Remuneration

	Economic Entity		Parent	
	2006	2005	2006	2005
	\$	\$	\$	\$
Remuneration of the auditor of the parent entity for:				
- Auditing or reviewing the financial report	40,404	30,039	24,737	25,918

17 Segment Reporting

The Association operates in one business and geographical segment, this being the trade union sector providing union services to members of the Association throughout Victoria, Australia.

18 Events After the Balance Sheet Date

No events have occurred subsequent to balance date, which 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 periods.

The Shop, Distributive and Allied Employees' Association (Victorian Branch)

Notes to the Financial Statements For the Year Ended 30 June 2006

19 Cash Flow Information

(a) Reconciliation of Cash Flow from Operations with Profit after Income Tax

	Economic Entity		Parent	
	2006	2005	2006	2005
	\$	\$	\$	\$
Net income/loss for the period	440,952	817,817	198,943	514,308
Cash flows excluded from profit attributable to operating activities				
Depreciation & impairment	865,916	527,133	663,731	327,681
Lease incentives	24,700	(74,500)	-	-
Net loss on disposal of plant and equipment	22,513	31,088	22,513	31,088
Impairment reversal	(350,466)	(436,534)	-	-
Non-cash defined benefit adjustment	(30,884)	28,140	(30,884)	28,140
Changes in assets and liabilities				
(Increase)/decrease in receivables	177,523	(143,553)	191,226	(155,318)
(Increase)/decrease in other assets				
Increase/(decrease) in payables	(4,986)	324,400	(13,460)	368,355
Increase/(decrease) in other liabilities				
Increase/(decrease) in provisions	33,230	29,665	33,230	29,665
Cash flows from operations	<u>1,178,498</u>	<u>1,103,656</u>	<u>1,065,299</u>	<u>1,143,919</u>

20 Association Details

The registered office of the Association is:

The Shop, Distributive and Allied Employees' Association (Victorian Branch)

Level 3

65 Southbank Boulevard

Southbank VIC 3006