



Australian Government
Australian Industrial Registry

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Mr Michael Donovan
Branch Secretary
Shop, Distributive and Allied Employees Association
Victorian Branch

email: info@sdavic.org

Dear Mr Donovan

**Re: Financial Report for the Shop, Distributive and Allied Employees Association,
Victorian Branch for year ended 30 June 2007 – FR2007/381**

I acknowledge receipt of the financial report for the Shop, Distributive and Allied Employees Association, Victorian Branch for year ended 30 June 2007. This document was lodged with the Registry on 8 February 2008.

The financial report has now 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.

Operating Report

The Operating Report although signed was not dated. Could you ensure that the required documentation is signed and dated accordingly.

Audit Report

Auditor's Qualification

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

Documents not lodged in Registry within 14 days of meeting

The documents were presented to a meeting of the State Council of the Victoria Branch on 21 November 2007 but were not lodged in the Registry until 8 February 2008.

In future financial years the documents should be lodged in the Industrial Registry within 14 days of the meeting at which they were presented - see s268 of the RAO Schedule.

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

Yours sincerely

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

Kevin Donnellan

Statutory Services Branch
21 February 2008



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State Secretary: Michael Donovan

6 February 2008



Industrial Registrar
Australian Industrial Registry
Statutory Services Branch
GPO Box 1994S
MELBOURNE VIC 3001

Attention: Robert Pfeiffer

Dear Sir

**Re: Shop, Distributive & Allied Employees' Association, Victorian Branch
Financial Accounts for the year ended 30 June 2007**

In accordance with Section 268 of Schedule 1 of the Workplace Relations Act, I attach a copy of the financial statements of the Victorian Branch of the Shop, Distributive and Allied Employees' Association together with my certificate as State Secretary.

Yours sincerely

Michael Donovan
State Secretary

Attachs.

SHOP, DISTRIBUTIVE & ALLIED EMPLOYEES' ASSOCIATION
VICTORIAN BRANCH

Certificate of Secretary

I, **MICHAEL JOHN DONOVAN**, of 65 Southbank Boulevard, Southbank, in the State of Victoria, being the State Secretary of the SDA Victorian Branch, certify:

1. That the documents lodged herewith are copies of the full report, referred to in s268 of the RAO Schedule; and
2. That the full report was provided to members by way of our union journal, *The Shop Assistant*, in October 2007; and
3. That the full report was presented to and adopted by a meeting of the State Council of the Victorian Branch on 21 November 2007.

Michael Donovan

Michael Donovan
State Secretary

Dated: *6 FEB 2008*

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

**Financial Report
For the Year Ended 30 June 2007**

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

For the Year Ended 30 June 2007

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

Operating Report

30 June 2007

Membership of the Victorian Branch of the Association as at 30 June 2007 was 49,149.

At the end of the financial year there were 65.1 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 Secretary	-	Patricia Connelly
Branch President	-	Elizabeth Shaw
Branch Vice President	-	Thelma Sheean
Branch Vice President	-	Lorraine Vallaro
Committee of Management	-	John Whateley
	-	Jennifer Siwek
	-	Valerie Bollitho
	-	Antony Burke
	-	Denis Parker
	-	Suzanne Hollingsworth
	-	Sue Nance
	-	Ewan (Jock) Hastie
	-	Bernadette Kerford
	-	Tammy Trimble
	-	Mark Goldsmith
	-	Ada Scibilia

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 Officeworks, Just Jeans Group, Safeway, Bunnings, Big W, Suzanne Grae, Priceline, Kmart and Dan Murphy's.

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 18th September 2007 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 2007:

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 1 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) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
 - (vi) no orders for inspection of financial records have been made by the Commission under Section 273 of the RAO Schedule.
- (f) the Branch has not derived revenues for the financial year in respect of recovery of wages activity.

Signed on behalf of the Committee of Management by:


Michael Donovan

Dated this 18th day of SEPTEMBER 2007

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

Income Statements For the Year Ended 30 June 2007

	Note	Economic Entity		Parent Entity	
		2007	2006	2007	2006
		\$	\$	\$	\$
Revenue from continuing operations	2	10,848,120	11,267,804	10,366,655	10,865,398
Other revenue	2	486,335	350,466	-	-
Employee costs	3	(5,135,720)	(5,184,362)	(5,135,720)	(5,184,362)
Depreciation, amortisation and impairments	3	(620,582)	(865,916)	(383,192)	(663,731)
Affiliation expenses	3	(1,350,413)	(1,310,461)	(1,350,413)	(1,310,461)
Delegate expenses		(161,961)	(163,695)	(161,961)	(163,695)
Legal expenses		(139,001)	(180,028)	(138,237)	(176,301)
Member service expenses		(672,333)	(707,852)	(672,333)	(707,852)
Office administration expenses		(1,330,395)	(1,210,986)	(1,385,427)	(1,253,266)
Property expenses		(313,682)	(253,367)	-	-
Travel expenses		(183,626)	(154,583)	(183,626)	(154,583)
Secretarial & accounting expenses		(81,067)	(71,257)	-	-
Other expenses		(1,102,806)	(1,074,811)	(1,087,309)	(1,052,204)
Surplus attributable to members		242,869	440,952	(131,563)	198,943

Statements of Recognised Income & Expenses For the Year Ended 30 June 2007

	Note	Economic Entity		Parent Entity	
		2007	2006	2007	2006
		\$	\$	\$	\$
Equity as at the beginning of period		25,163,294	24,353,113	26,186,148	25,617,976
Changes					
Surplus attributable to members		242,869	440,952	(131,563)	198,943
Actuarial gains on retirement benefit asset	10(e)	723,063	369,229	723,063	369,229
Equity as at 30 June		26,129,226	25,163,294	26,777,648	26,186,148

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

Balance Sheets As at 30 June 2007

	Note	Economic Entity		Parent Entity	
		2007 \$	2006 \$	2007 \$	2006 \$
ASSETS					
Current assets					
Cash and cash equivalents	4	2,541,340	2,797,798	2,425,819	2,637,649
Trade and other receivables	5	1,650,117	1,689,520	1,584,089	1,632,047
Financial assets	6	4,686,389	2,477,160	2,060,914	-
Other current assets	8	19,446	20,300	-	-
Total current assets		8,897,292	6,984,778	6,070,822	4,269,696
Non-current assets					
Trade and other receivables	5	-	-	12,504,542	12,504,542
Financial assets	6	4,125,451	6,126,904	5,097,951	7,099,404
Property, plant and equipment	9	12,175,603	12,167,379	2,146,771	2,395,567
Retirement benefit asset	10	2,369,597	1,407,601	2,369,597	1,407,601
Other non-current assets	8	30,691	29,500	-	-
Total non-current assets		18,701,342	19,731,384	22,118,861	23,407,114
TOTAL ASSETS		27,598,634	26,716,162	28,189,683	27,676,810
LIABILITIES					
Current liabilities					
Trade and other payables	11	584,615	619,072	527,242	556,866
Provisions	12	800,623	846,695	800,623	846,695
Total current liabilities		1,385,238	1,465,767	1,327,865	1,403,561
Non-current liabilities					
Provisions	12	84,170	87,101	84,170	87,101
Total non-current liabilities		84,170	87,101	84,170	87,101
TOTAL LIABILITIES		1,469,408	1,552,868	1,412,035	1,490,662
NET ASSETS		26,129,226	25,163,294	26,777,648	26,186,148
EQUITY					
Members funds		26,129,226	25,163,294	26,777,648	26,186,148
TOTAL EQUITY		26,129,226	25,163,294	26,777,648	26,186,148

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

Statements of Cash Flows For the Year Ended 30 June 2007

	Note	Economic Entity		Parent Entity	
		2007	2006	2007	2006
		\$	\$	\$	\$
Cash from operating activities:					
Cash Receipts from members		11,106,061	11,418,900	10,765,998	11,125,103
Cash payments to employees and suppliers		(11,716,143)	(11,155,084)	(11,320,352)	(10,833,321)
Distributions received		-	296,650	-	296,650
Interest received		717,291	618,032	547,947	476,867
Net cash provided by operating activities	19(a)	107,209	1,178,498	(6,857)	1,065,299
Cash flows from investing activities:					
Proceeds from sale of plant and equipment		121,733	134,461	121,733	134,461
Proceeds from investments		2,000,000	407,490	2,000,000	407,490
Acquisition of property, plant and equipment		(277,625)	(766,104)	(267,245)	(725,085)
Acquisition of investments		(2,207,775)	(1,133,768)	(2,059,461)	(1,000,000)
Net cash used in investing activities		(363,667)	(1,357,921)	(204,973)	(1,183,134)
Cash flows from financing activities:					
Repayment of borrowings		-	-	-	-
Net cash used in financing activities		-	-	-	-
Net increase (decreases) in cash held		(256,458)	(179,423)	(211,830)	(117,835)
Cash at beginning of financial year		2,797,798	2,977,221	2,637,649	2,755,484
Cash at end of financial year	4	2,541,340	2,797,798	2,425,819	2,637,649

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

Notes to the Financial Statements

For the Year Ended 30 June 2007

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 Accounting Standards, AASB Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Workplace Relations Act 1996.

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).

Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Association's accounting policies. The area involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 10 as these all relate to the Association's defined benefit superannuation plan.

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.

(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 (as at 14 June 2007) valued the land and buildings at \$10,350,000.

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

Notes to the Financial Statements

For the Year Ended 30 June 2007

1 Statement of Significant Accounting Policies (Cont'd)

(e) Property, Plant and Equipment (Cont'd)

(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	20%-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.

(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.

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

Notes to the Financial Statements For the Year Ended 30 June 2007

1 Statement of Significant Accounting Policies (Cont'd)

(g) Financial Instruments (Cont'd)

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.

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 income is recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives provided to tenants under lease agreements are recognised as lease incentive assets and amortised over the life of the tenant lease.

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

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

Notes to the Financial Statements For the Year Ended 30 June 2007

1 Statement of Significant Accounting Policies (Cont'd)

(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).

(k) Accounting standards and interpretations issued, not yet effective, and not early adopted

The following new accounting standards, amendments to standards and interpretations have been issued, but are not mandatory for financial reporting years ended on 30 June 2007. They are expected to impact the Association in the period of initial application. All of the following are available for early adoption, but have not been applied in preparing this financial report:

AASB 7: Financial Instruments: Disclosures (released August 2005)

AASB 7 replaces the disclosure requirements for financial instruments in AASB 132 Financial Instruments: Disclosure and Presentation and is applicable to annual reporting periods commencing on or after 1 January 2007. The Association expects to adopt the new standard on this date. Application will not affect any of the amounts recognised in the financial report, but will require significant additional disclosures in relation to financial instruments.

AASB 2005-10: Amendments to Australian Accounting Standards (released September 2005)

AASB 2005-10 makes consequential amendments to AASB 132 and nine other standards arising from the release of AASB 7 and is applicable to annual reporting periods commencing on or after 1 January 2007. The Association expects to adopt the amendments arising from the adoption of AASB 7 for the financial year ended 30 June 2008. Application will not affect any of the amounts recognised in the financial report, but will affect some disclosures.

AASB 101: Presentation of Financial Statements (released October 2006)

The revised version of AASB 101 results from an Australian Accounting Standards Board's (AASB) decision that, in principle, all options that currently exist under International Financial Reporting Standards (IFRS) should be included in Australian Equivalents to International Financial Reporting Standards (AIFRS), and additional Australian disclosures initially required should be eliminated, other than those now considered particularly relevant in the Australian reporting environment or where there would be a conflict with the Corporations Act. The revised standard is applicable for annual reporting periods commencing on or after 1 January 2007, and the Association will adopt the revised standard from that date. Application is not expected to affect any of the amounts recognised in the financial report, but will affect some disclosures.

AASB 2007-4: Amendments to Australian Accounting Standards arising from ED 151 and Other Amendments (released April 2007)

AASB 2007-4 makes amendments to 34 standards as a result of an AASB decision that, in principle, all options that currently exist under IFRS should be included in AIFRS, and additional Australian disclosures initially included should be eliminated, other than those now considered particularly relevant in the Australian reporting environment or where there would be a conflict with the Corporations Act. The amendment is applicable to annual reporting periods commencing on or after 1 July 2007, and the Association will adopt these changes from that date. Application is not expected to affect any of the amounts recognised in the financial report, but will affect some disclosures.

AASB 8: Operating Segments (released February 2007) and AASB 2007-3: Amendments to Australian Accounting Standards arising from AASB 8 (released February 2007)

AASB 8: Operating Segments replaces the disclosure requirements of AASB 114: Segment Reporting. AASB 2007-3 makes consequential amendments to 10 other standards as a result of the adoption of AASB 8. AASB 8 and its consequential amendments are applicable to annual reporting periods commencing on or after 1 January 2009. Application will not affect any of the amounts recognised in the financial report, but will involve no longer including disclosures previously presented under AASB 114: Segment Reporting as AASB 8 only applies to listed and similar types of entities. The Association expects to adopt the new standard, together with its consequential changes, for the financial year ending 30 June 2010.

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

Notes to the Financial Statements For the Year Ended 30 June 2007

2 Revenue

	Economic Entity		Parent Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
Operating activities				
- membership subscriptions	9,705,265	9,984,114	9,705,265	9,984,114
- rental revenue for property	297,731	261,241	-	-
- interest received	717,291	618,032	547,497	476,867
- distributions received	-	296,650	-	296,650
- other revenue	127,833	107,767	113,893	107,767
	<u>10,848,120</u>	<u>11,267,804</u>	<u>10,366,655</u>	<u>10,865,398</u>
Other Revenue				
- impairment reversals	486,335	350,446	-	-

Impairment reversals were recognised during the current and prior year in relation to land and buildings. These reversals were based on revised assessments of the depreciated replacement cost. These are supported by an independent valuation as at 14 June 2007 and client prepared schedules for the year ended 30 June 2006.

An initial impairment loss on transition to AIFRS of \$1,235,039 was recognised and now has been fully reversed.

3 Expenses

(a) Surplus includes the following specific expenses:

	Note	Economic Entity		Parent Entity	
		2007	2006	2007	2006
		\$	\$	\$	\$
Depreciation:					
Buildings		237,390	202,185	-	-
Leasehold improvements		26,751	26,615	26,751	26,615
Motor vehicles		224,416	201,265	224,416	201,265
Office equipment		132,025	124,383	132,025	124,383
	9(b)	<u>620,582</u>	<u>554,448</u>	<u>383,192</u>	<u>352,263</u>
Affiliation fees – Shop, Distributive & Allied Employees Association (National Office)		1,154,391	1,110,191	1,154,391	1,110,191
Affiliation fees – Australian Labor Party		196,022	200,270	196,022	200,270
		<u>1,350,413</u>	<u>1,310,461</u>	<u>1,350,413</u>	<u>1,310,461</u>
Donations		67,641	24,521	67,641	18,521
Impairment losses:					
Financial assets – shares in related body corporates		-	311,468	-	311,468

Impairment losses were recognised at balance date in the prior year after indicators of impairment in relation to shares in related body corporates became apparent. Distributions were however received during the prior 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 2007

3 Expenses (Cont'd)

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

	Economic Entity		Parent Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
Employee benefits expense:				
Salaries & wages	3,376,493	3,565,474	3,376,493	3,565,474
Annual leave	298,043	275,545	298,043	275,545
Long service leave	80,946	54,412	80,946	54,412
Superannuation	597,581	494,335	597,581	494,335
Other	782,657	794,596	782,657	794,596
	<u>5,135,720</u>	<u>5,184,362</u>	<u>5,135,720</u>	<u>5,184,362</u>

Officials' remuneration is included in the above disclosure and includes salaries and wages of \$559,352 (2006: \$374,389), annual leave of \$3,762 (2006: \$5,800), long service leave of \$28,510 (2006: \$16,551) and superannuation of \$67,122 (2006: \$44,926).

4 Cash and Cash Equivalents

	Economic Entity		Parent Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
Cash on hand	900	900	850	850
Cash at bank	2,540,440	2,796,898	2,424,969	2,636,799
	<u>2,541,340</u>	<u>2,797,798</u>	<u>2,425,819</u>	<u>2,637,649</u>

Cash on hand is non-interest bearing.

Cash at bank is bearing floating interest rates between 0.1% and 6% (2006: 0.1% and 5.5%).

5 Trade and Other Receivables

	Economic Entity		Parent Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
CURRENT				
Trade receivables	939,147	872,728	894,033	849,037
Provision for receivables	-	-	-	-
	<u>939,147</u>	<u>872,728</u>	<u>894,033</u>	<u>849,037</u>
Prepayments	620,865	712,959	607,459	700,884
Other receivables	90,105	103,833	82,597	82,126
	<u>1,650,117</u>	<u>1,689,520</u>	<u>1,584,089</u>	<u>1,632,047</u>

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

Notes to the Financial Statements

For the Year Ended 30 June 2007

5 Trade and Other Receivables (Cont'd)

	Note	Economic Entity		Parent Entity	
		2007	2006	2007	2006
		\$	\$	\$	\$
NON-CURRENT					
Amounts receivable from:					
- controlled entity	18	-	-	12,504,542	12,504,542

6 Financial Assets

	Note	Economic Entity		Parent Entity	
		2007	2006	2007	2006
		\$	\$	\$	\$
CURRENT					
Available for sale financial assets	(a)	4,686,389	2,477,160	2,060,914	-
NON-CURRENT					
Shares in subsidiaries	7	-	-	972,500	972,500
Available for sale financial assets	(a)	4,125,451	6,126,904	4,125,451	6,126,904
		<u>4,125,451</u>	<u>6,126,904</u>	<u>5,097,951</u>	<u>7,099,404</u>

(a) Available for sale financial assets comprise

CURRENT

Bank bills and floating rate notes	4,686,389	2,477,160	2,060,914	-
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NON CURRENT

Shares in related body corporates	288,534	288,534	288,534	288,534
Floating rate notes	3,000,000	5,000,000	3,000,000	5,000,000
Term deposits	836,917	838,370	836,917	838,370
	<u>4,125,451</u>	<u>6,126,904</u>	<u>4,125,451</u>	<u>6,126,904</u>

Bank bills and floating rate notes classified as current mature within 12 months. Floating rate notes and term deposits classified as non-current mature within 12 months - 2 years. Floating rate notes are bearing floating interest rates between 7.0% and 8.5% (2006: 6.5% and 8.0%). Term deposits are bearing floating interest rates between 6.0% and 6.35% (2006: 5.0% and 6.0%).

7 Controlled entities

Name	Country of Incorporation	Percentage Owned	
		2007	2006
Parent Entity:			
Shop, Distributive & Allied Employees' Association (Victorian Branch)	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 2007

8 Other Assets

	Economic Entity		Parent Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
CURRENT				
Lease incentive asset	19,446	20,300	-	-
NON-CURRENT				
Lease incentive asset	30,691	29,500	-	-

9 Property, plant and equipment

(a) Property Plant and Equipment

	Economic Entity		Parent Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
Land & Buildings				
At cost	11,006,924	10,998,850	-	-
Less accumulated depreciation & impairment losses	(978,092)	(1,227,038)	-	-
Total land & buildings	10,028,832	9,771,812	-	-
Leasehold improvements				
At cost	1,070,047	1,070,047	1,070,047	1,070,047
Less accumulated depreciation	(96,152)	(69,401)	(96,152)	(69,401)
Total Leasehold improvements	973,895	1,000,646	973,895	1,000,646
Plant & equipment				
Motor vehicles				
At cost	1,225,088	1,284,706	1,225,088	1,284,706
Less accumulated depreciation	(417,378)	(368,599)	(417,378)	(368,599)
	807,710	916,107	807,710	916,107
Office equipment				
At cost	922,018	903,642	922,018	903,642
Less accumulated depreciation	(556,852)	(424,828)	(556,852)	(424,828)
	365,166	478,814	365,166	478,814
Total property, plant and equipment	12,175,603	12,167,379	2,146,771	2,395,567

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

Notes to the Financial Statements For the Year Ended 30 June 2007

9 Property, Plant and equipment (Cont'd)

(b) Movements in Carrying Amounts - 2007

Parent

	Land & Buildings	Leasehold improvements	Motor Vehicles	Office Equipment	Total
	\$	\$	\$	\$	\$
Balance at the beginning of year	-	1,000,646	916,107	478,814	2,395,567
Additions	-	-	248,868	18,377	267,245
Depreciation expense	-	(26,751)	(224,416)	(132,025)	(383,192)
Disposals	-	-	(132,849)	-	(132,849)
Carrying amount at the end of year	-	973,895	807,710	365,166	2,146,771

Economic Entity

	Land & Buildings	Leasehold improvements	Motor Vehicles	Office Equipment	Total
	\$	\$	\$	\$	\$
Balance at the beginning of year	9,771,812	1,000,646	916,107	478,814	12,167,379
Additions	8,074	-	248,868	18,377	275,319
Depreciation expense	(237,389)	(26,751)	(224,416)	(132,025)	(620,581)
Impairment reversals	486,335	-	-	-	486,335
Disposals	-	-	(132,849)	-	(132,849)
Carrying amount at the end of year	10,028,832	973,895	807,710	365,166	12,175,603

(c) Amounts recognised in profit and loss for property, plant & equipment

	Economic Entity		Parent Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
Rental income	366,400	303,521	-	-
Direct operating expenses that generated rental income	(313,433)	(253,367)	-	-
Total	52,967	50,154	-	-

(c) Leasing arrangements

A small area within the property is leased to tenants under long-term operating leases with rentals payable monthly. Minimum lease payments under non-cancellable operating leases not recognised in the financial statements are receivable as follows:

	Economic Entity		Parent Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
Within 1 year	233,418	187,939	-	-
Later than 1 year but not later than 5 years	445,019	248,876	-	-
Total	678,437	436,815	-	-

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

Notes to the Financial Statements

For the Year Ended 30 June 2007

10 Retirement Benefit asset

	Economic Entity		Parent Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
NON-CURRENT				
Retirement benefit asset	2,369,597	1,407,601	2,369,597	1,407,601

(a) Superannuation plan

The Association sought Mercer Human Resources Consulting to prepare a valuation report to assist with the measurement, recognition and disclosure requirements of AASB119 "Employee Benefits". The report covered the superannuation plan of The Shop, Distributive & Allied Employees Association (Victorian Branch), but included members that are employees of the National Branch. Apportionment of the amounts included in the report (and as disclosed in Note 10) between the Victorian Branch and the National Branch is based on the percentage of the superannuation asset attributed to each branch's members to the total superannuation asset. Employer contributions disclosed in Note 10(d) are the only exception to this with the expense being representative of actual contributions made. A different methodology in regards to the apportionment of the superannuation amounts could result in a change to the carrying value of the retirement benefit asset.

(b) Balance sheet amounts

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

	Note	Economic Entity		Parent Entity	
		2007	2006	2007	2006
		\$	\$	\$	\$
Present value of the defined benefit obligation	(d)	3,776,390	3,744,453	3,776,390	3,744,453
Fair value of defined benefit plan assets	(d)	6,145,987	5,152,054	6,145,987	5,152,054
		<u>2,369,597</u>	<u>1,407,601</u>	<u>2,369,597</u>	<u>1,407,601</u>

(c) Categories of plan assets

The major categories of plan assets are as follows:

	2007 **	2006 *
Australian equity	29%	30%
International equity	22%	20%
Fixed income	16%	18%
Property	7%	7%
Cash	14%	10%
Other	12%	15%

* 2006 figures based on the plan's benchmark asset allocation as actual asset allocation as at 30 June 2006 was not available.

** 2007 figures based on asset allocation at 30 June 2006 as actual asset allocation as at 30 June 2007 was not available.

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

Notes to the Financial Statements For the Year Ended 30 June 2007

10 Retirement Benefit asset (Cont'd)

(d) Reconciliations

	2007	2006
	\$	\$
<i>Reconciliation of the present value of the defined benefit obligation:</i>		
Balance at the beginning of the year	3,744,453	3,419,147
Current service cost	638,935	500,313
Interest cost	193,922	145,496
Actuarial (gains) and losses	(213,386)	(75,493)
Benefits paid	(500,305)	(155,790)
Taxes, premiums and expenses paid	(87,229)	(89,220)
	3,776,390	3,744,453
<i>Reconciliation of the fair value of plan assets:</i>		
Balance at the beginning of the year	5,152,054	4,426,635
Expected return on plan assets	349,637	284,815
Actuarial (gains) and losses	509,676	293,736
Employer contributions	722,154	391,877
Benefits paid	(500,305)	(155,790)
Taxes, premiums and expenses paid	(87,229)	(89,219)
	6,145,987	5,152,054

(e) Amounts recognised in income statement

The amounts recognised in the income statement are as follows:

	2007	2006
	\$	\$
Current service cost	638,935	500,313
Interest cost	193,922	145,496
Expected return on plan assets	(349,637)	(284,815)
Total included in employee benefits expense	483,220	360,994
Actual return on plan assets	859,313	578,551
Actuarial gain	723,063	369,229
Cumulative amount of actuarial gain	1,465,638	742,575

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

Notes to the Financial Statements

For the Year Ended 30 June 2007

10 Retirement Benefit asset (Cont'd)

(f) Principal actuarial assumptions

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

Discount rate	5.30%	4.90%
Expected return on plan assets (active members)	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 and allowing for the correlations of the investment returns between asset classes. The returns used for each asset class are net of investment tax and investment fees.

(g) Employer contributions

The current contribution recommendations, as set out in the report of the most recent actuarial valuation of the plan as 30 June 2006, are 12% of salaries of defined benefit members up to 30 June 2007, then 9% of defined benefit members thereafter. The Association will continue to contribute at these rates.

The method used to determine the employer contribution recommendations at the last actuarial review was the "Entry Age Normal". This method adopted affects the timing of the cost to the Association. Under the 'Entry Age Normal' method, a "normal cost" is calculated which is the estimated employer contribution rate required to provide benefit in respect of a typical new entrant to the plan. The 'normal' cost is then adjusted to take into account any surplus (or deficiency) of the value of assets and future benefits for existing members. Any surplus or deficiency can be used to reduce or increase the 'normal' employer contribution rate over a suitable period of time.

(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 (\$5,722,000) and the net market value of plan assets (\$7,501,000). This has been determined as at the date of the most recent financial report of the superannuation fund and a surplus of \$1,779,000 was reported.

Note that the figures stated above relate only to the defined benefit section of the plan and include other members of the fund who are employees of the related organisation, The Shop, Distributive & Allied Employees' Association (National).

(i) Historic summary

	2007	2006	2005
	\$	\$	\$
Defined benefit obligation	3,776,390	3,744,453	3,419,147
Plan assets	6,145,989	5,152,054	4,426,635
Surplus/(deficit)	<u>2,369,597</u>	<u>1,407,601</u>	<u>1,007,488</u>
Experience adjustments arising on plan liabilities	509,676	293,736	234,028
Experience adjustments arising on plan assets	208,340	14,412	195,596

(j) Nature of asset

The Association has recognised an asset in the balance sheet in respect of its defined benefit superannuation arrangements. If a surplus exists in the plan, the Association 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.

The Association may at any time by notice to the Trustee terminate its contributions. The Association 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.

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

Notes to the Financial Statements

For the Year Ended 30 June 2007

11 Trade and Other Payables

	Economic Entity		Parent Entity	
	2007	2006	2007	2006
CURRENT	\$	\$	\$	\$
Unsecured liabilities				
Trade payables	53,738	57,102	-	-
Other payables	530,877	561,970	527,242	556,866
	<u>584,615</u>	<u>619,072</u>	<u>527,242</u>	<u>556,866</u>

12 Provisions

	Economic Entity		Parent Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
Employee entitlements:				
Current	800,623	846,695	800,623	846,695
Non-current	84,170	87,101	84,170	87,101
Aggregate employee entitlements liability	<u>884,793</u>	<u>933,796</u>	<u>884,793</u>	<u>933,796</u>

Annual leave in the current year totals \$338,327 (2006: \$359,400) and all liabilities are current. The remainder of employee benefits relate to long service leave. Officers' annual leave owing as at 30 June 2007 was \$66,227 (2006: \$67,214). Officers' long service leave owing as at 30 June 2007 was \$145,459 (2006: \$164,765).

13 Officers and Key Management Personnel

(a) Officers

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

Michael Donovan	Patricia Connelly	Elizabeth Shaw
Thelma Sheean	Lorraine Vallaro	

(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 Scibilla	Valerie Bolitho	Suzanne Hollingsworth
Jennifer Siwek	Jock Hastie	Mark Goldsmith
Bernadette Kerford	Tammy Trimble	Sue Nance

(c) Compensation

	Economic Entity		Parent Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
Short-term employment benefits	706,001	773,607	706,001	773,607
Post-employment benefits	67,122	74,923	67,122	74,923
	<u>773,123</u>	<u>848,530</u>	<u>773,123</u>	<u>848,530</u>

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

Notes to the Financial Statements

For the Year Ended 30 June 2007

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.

15 Auditors' Remuneration

	Economic Entity		Parent	
	2007	2006	2007	2006
	\$	\$	\$	\$
Remuneration of the auditor of the parent entity for:				
- Auditing or reviewing the financial report	49,252	40,404	35,633	24,737

16 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.

17 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.

18 Related Parties

(a) Interest free loans from related parties

The Shop, Distributive and Allied Employees' Association (Victorian Branch), the ultimate controlling entity, has granted interest free loans of \$ 12,504,542 to the controlled entity, FEDSDA Unit Trust, of which \$12,504,542 is receivable as at 30 June 2007 (refer Note 5). These loans are without specific terms of repayment and are included in non-current receivables in the balance sheet.

(b) Transactions with related parties

	Economic Entity		Parent	
	2007	2006	2007	2006
	\$	\$	\$	\$
Rent paid to the FEDSDA Unit Trust	-	-	63,004	42,236

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

Notes to the Financial Statements

For the Year Ended 30 June 2007

19 Cash Flow Information

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

	Economic Entity		Parent	
	2007	2006	2007	2006
	\$	\$	\$	\$
Net income for the period	242,867	440,952	(131,563)	198,943
Cash flows excluded from profit attributable to operating activities				
Depreciation & impairment	620,582	865,916	383,192	663,731
Lease incentives	(337)	24,700	-	-
Net loss on disposal of plant and equipment	13,420	22,513	11,116	22,513
Impairment reversal	(486,335)	(350,466)	-	-
Non-cash defined benefit adjustment	(238,933)	(30,884)	(238,993)	(30,884)
Changes in assets and liabilities				
(Increase)/decrease in receivables	39,404	177,523	47,958	191,226
Increase/(decrease) in payables	(34,456)	(4,986)	(29,624)	(13,460)
Increase/(decrease) in provisions	(49,003)	33,230	(49,003)	33,230
Cash flows from operations	<u>107,209</u>	<u>1,178,498</u>	<u>(6,857)</u>	<u>1,065,299</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



BDO Kendalls

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INDEPENDENT AUDITOR'S REPORT

To the members of Shop, Distributive & Allied Employees' Association (Victorian Branch)

Report on the Financial Report

We have audited the accompanying financial report of Shop, Distributive & Allied Employees' Association (Victorian Branch), which comprises the balance sheet as at 30 June 2007, and the income statement, statement of recognised income and expenses and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the committee of management statement of the consolidated entity comprising the Shop, Distributive & Allied Employees' Association (Victorian Branch) and the entities it controlled at the year's end or from time to time during the financial year.

Committee of Managements' Responsibility for the Financial Report

The committee of management of the Shop, Distributive & Allied Employees' Association (Victorian Branch) are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Workplace Relations Act 1996*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee of management, as well as evaluating the overall presentation of the financial report.

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



BDO Kendalls

Independence

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

Auditor's Opinion

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

A handwritten signature in cursive script that reads 'BDO Kendalls'.

BDO Kendalls Audit & Assurance (VIC) Pty Ltd
Chartered Accountants

A handwritten signature in cursive script that reads 'N Burne'.

Nicholas E. Burne
Director

Melbourne, Victoria
Dated: 19 September 2007