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State Secretary: Michael Donovan

10 December 2008

Mr Kevin Donnellan
Statutory Services Branch
Australian Industrial Relations Commission
GPO Box 1994
Melbourne Vic 3000

Dear Sir

**Re: Financial Report for the Shop, Distributive & Allied Employees' Association,
Victorian Branch for the year ended 30 June 2008 – FR2008/318**

In response to your letter of 9th December, the Victorian Branch states as follows:

Operating Report

I confirm that the Operating Report was included in the material provided to members via our Journal. Please see enclosed a photo copy of the relevant page of the Spring edition of The Shop Assistant. I also confirm that this journal which contained the full financial report was presented to State Councilors at a meeting on 12th November 2008.

Notes to the Financial Statements

I confirm that the all donations which were in excess of \$1,000.00 were disclosed in our statement of loans, grants and donations which has been provided to the Registry. The disparity between the total of \$80,480.02 in that statement and the \$82,451.02 in the Financial Report can be explained by various donations of amounts less than \$1,000.00

I note that other comments included in your letter do not require any action in respect of the report lodged and that they have been provided to assist us in the preparation of next year's report.

Yours sincerely

Michael Donovan
State Secretary

THE SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION (VICTORIAN BRANCH) FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2008

OPERATING REPORT - 30 JUNE 2008

Membership of the Victorian Branch of the Association as at 30 June 2008 was 48,166.
At the end of the financial year there were 87.9 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 Bolitho
	- Antony Burke
	- Denis Parker
	- Suzanne Hollingsworth
	- Sue Nance
	- Ewan (Jock) Hastie
	- Bernadette Kerford
	- Tammy Trimble
	- Mark Goldsmith
	(resigned 8 March 2008)
	- Ada Scibilia

The Branch maintained its industrial awards and agreements at a high, up-to-date standard and new Enterprise Agreements and Awards were negotiated with a wide range of employers including Bunnings, Coles Supermarkets, Myer, Freedom Furniture, Suzanne Grae, Pretty Girl Fashion Group, Noni B, and Dulux Trade Centres.

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 credentialled 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
17 SEPTEMBER 2008

COMMITTEE OF MANAGEMENT STATEMENT

On 17 September 2008, the Committee of Management of the Shop, Distributive & Allied Employees' Association (Victorian Branch) passed the following resolution in relation to the general purpose financial report of the Association for the financial year ended 30 June 2008.

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

- the financial statements and notes comply with Australian Accounting Standards;
- the financial statements and notes comply with reporting guidelines of the Industrial Registrar;
- 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;
- there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable;
- during the financial year to which the general purpose financial report relates and since the end of the year:
 - meetings of the Committee of Management were held in accordance with rules of the Association
 - the financial affairs of the reporting unit have been managed in accordance with the rules of the Association
 - 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
 - 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
 - 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
 - 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, STATE SECRETARY
DATED: 17 SEPTEMBER 2008

INCOME STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	Note	Economic Entity		Parent Entity	
		2008 \$	2007 \$	2008 \$	2007 \$
Revenue	3	11,551,846	10,848,120	11,072,301	10,366,655
Other Revenue	3	-	486,335	-	-
Employee costs	4	(5,735,656)	(5,135,720)	(5,735,656)	(5,135,720)
Depreciation, amortisation and impairments	4	(533,004)	(620,581)	(334,897)	(383,192)
Advertising and promotion		(253,265)	(253,170)	(253,265)	(253,170)
Affiliation expenses	4	(1,357,242)	(1,350,413)	(1,357,242)	(1,350,413)
Delegate expenses		(166,854)	(161,961)	(166,854)	(161,961)
Legal expenses		(7,421)	(139,001)	(7,421)	(138,237)
Member service expenses		(862,133)	(872,333)	(862,133)	(872,333)
Office administration expenses		(1,295,411)	(1,426,959)	(1,250,332)	(1,385,427)
Property expenses		(349,801)	(313,682)	-	-
Travel expenses		(136,140)	(183,626)	(136,140)	(183,626)
Other expenses		(996,493)	(834,140)	(996,493)	(834,139)
Surplus (deficiency) attributable to members		(141,574)	242,869	(28,132)	(131,563)

The accompanying notes form part of the financial statements.

STATEMENT OF RECOGNISED INCOME & EXPENSES FOR THE YEAR ENDED 30 JUNE 2008

	Note	Economic Entity		Parent Entity	
		2008 \$	2007 \$	2008 \$	2007 \$
Equity as at the beginning of period		26,609,191	25,643,259	27,546,145	26,954,645
Changes					
Surplus (deficiency) attributable to members		(141,574)	242,869	(28,132)	(131,563)
Actuarial (losses)/gains on retirement benefit asset recognised directly in equity	14(e)	(331,000)	723,063	(331,000)	723,063
Total income and expense for the period		(472,574)	965,932	(359,132)	591,500
Equity as at 30 June		26,136,617	26,609,191	27,187,013	27,546,145

The accompanying notes form part of the financial statements.

BALANCE SHEETS AS AT 30 JUNE 2008

	Note	Economic Entity		Parent Entity	
		2008 \$	2007 \$	2008 \$	2007 \$
ASSETS					
Current assets					
Cash and cash equivalents	5	1,397,878	2,541,340	1,274,332	2,425,819
Trade and other receivables	6	1,957,312	2,190,467	13,908,558	14,628,980
Financial assets	9	3,452,650	3,680,044	2,223,086	2,080,914
Other current assets	11	12,616	19,446	-	-
Total current assets		6,820,456	8,431,297	17,405,976	19,115,713
Non-current assets					
Investments accounted for using the equity method	7	228,149	228,149	-	-
Financial assets	9	6,853,215	4,843,262	7,336,051	5,326,099
Property, plant and equipment	12	11,896,890	12,175,603	2,063,905	2,146,771
Intangible assets	13	257,250	-	257,250	-
Retirement benefit asset	14	1,908,597	2,369,597	1,908,597	2,369,597
Other non-current assets	11	2,115	30,691	-	-
Total non-current assets		21,146,216	19,647,302	11,565,803	9,842,467
TOTAL ASSETS		27,966,672	28,078,599	28,971,779	28,958,180
LIABILITIES					
Current liabilities					
Trade and other payables	15	670,813	584,615	625,524	527,242
Provisions	16	1,072,391	800,623	1,072,391	800,623
Total current liabilities		1,743,204	1,385,238	1,697,915	1,327,865
Non-current liabilities					
Provisions	16	86,851	84,170	86,851	84,170
Total non-current liabilities		86,851	84,170	86,851	84,170
TOTAL LIABILITIES		1,830,055	1,469,408	1,784,766	1,412,035
NET ASSETS		26,136,617	26,609,191	27,187,013	27,546,145
EQUITY					
Members funds		26,136,617	26,609,191	27,187,013	27,546,145
TOTAL EQUITY		26,136,617	26,609,191	27,187,013	27,546,145

The accompanying notes form part of the financial statements.

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2008

	Note	Economic Entity		Parent Entity	
		2008 \$	2007 \$	2008 \$	2007 \$
Cash from operating activities:					
Cash receipts from members		13,360,547	11,106,061	11,910,063	10,765,998
Cash payments to employees and suppliers		(12,955,793)	(11,716,142)	(11,464,355)	(11,320,352)
Interest received		778,930	717,291	812,714	547,947
Net cash provided by operating activities	21	1,183,684	107,209	1,058,422	(6,857)
Cash flows from investing activities:					
Proceeds from sale of plant and equipment		42,344	121,733	42,346	121,733
Proceeds from investments		2,389,568	2,000,000	2,000,000	2,000,000
Acquisition of property, plant and equipment		(329,683)	(277,625)	(327,423)	(267,245)

Statement continued on next page



Australian Government
Australian Industrial Registry

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

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

email: fcashman@sdavic.org

Dear Mr Donovan

**Re: Financial Report for the Shop, Distributive and Allied Employees Association,
Victorian Branch for year ended 30 June 2008 – FR2008/318**

I acknowledge receipt of the financial report for the Shop, Distributive and Allied Employees Association, Victorian Branch for the year ended 30 June 2008. The report was lodged with the Registry on 20 November 2008.

Before filing the report could the Branch address the following matters.

Operating Report

The Operating Report included in the financial report was not dated. Can the Branch confirm that the Operating Report was included in the material provided to members via publication in the Journal and presented to the State Council.

Notes to the Financial Statements

The Branch has previously provided the Registry with a statement of loans, grants and donations for amounts exceeding \$1,000 for the year ending 30 June 2008. Note 4 of the notes to the financial statements makes reference to donations for the year ending 30 June 2008 and I also note the amount of donations disclosed in note 4. Given the apparent disparity between the disclosed figures, can you please confirm that no donations, in the aggregate amount contained in note 4, exceed \$1,000 other than the amounts previously disclosed in the statement of loans, grants and donations.

Once the Branch has addressed the above matters the financial report can be taken to have 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.

Committee of Management Statement

Membership of Committee of Management

The Committee of Management Statement is required to “specify the date of passage of the resolution” of the Committee of Management as required by item 26(b) of the RAO Reporting Guidelines of the Industrial Registrar.

Recovery of wages activity

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

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

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

Could you ensure that this information is included in future reports.

Notes to the Financial Statements

Notice under Section 272(5) of the RAO Schedule

As you are aware, the Notes to the General Purpose Financial Report are required to include a notice drawing attention to the fact that information that is prescribed by the RAO Regulations is available to members on request.

The wording of section 272(5) of the RAO Schedule is as follows (emphasis added):

*“(5) A general purpose financial report prepared under section 253, a concise report prepared under section 265 and a report prepared under subsection 270(4) must include a notice drawing attention to subsections (1), (2) and (3) of this section **and setting out those subsections.**”*

Would you please ensure in future that the Notes contain this extract of the RAO Schedule, word for word:

“272 Information to be provided to members or Registrar

(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. The period must not be less than 14 days after the application is given to the reporting unit.

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

Note: This subsection is a civil penalty provision (see section 305).”

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

Yours sincerely

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

Kevin Donnellan
Statutory Services Branch

9 December 2008



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65 Southbank Boulevard
Southbank Vic 3006

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web	www.sdivic.org

20 November 2008

State Secretary: Michael Donovan

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

Dear Sir

**Re: Shop, Distributive & Allied Employees' Association, Victorian Branch
Financial Accounts for the year ended 30 June 2008**

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*, during the week of 20th October 2008; and
3. That the full report was presented to and adopted by a meeting of the State Council of the Victorian Branch on 12 November 2008.

Michael Donovan

.....
Michael Donovan
State Secretary



Dated: *20 November 2008*

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

Financial Report
For the Year Ended 30 June 2008



BDO Kendalls

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

For the Year Ended 30 June 2008

CONTENTS

Financial Statements	<u>Page</u>
Operating Report	1
Committee of Management Statement	2
Income Statements	3
Statements of Recognised Income & Expenses	3
Balance Sheets	4
Statements of Cash Flows	5
Notes to the Financial Statements	6
Independent Audit Report	27

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

Operating Report

30 June 2008

Membership of the Victorian Branch of the Association as at 30 June 2008 was 48,166.

At the end of the financial year, there were 67.9 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 Bolitho
	-	Antony Burke
	-	Denis Parker
	-	Suzanne Hollingsworth
	-	Sue Nance
	-	Ewan (Jock) Hastie
	-	Bernadette Kerford
	-	Tammy Trimble
	-	Mark Goldsmith (resigned 8 March 2008)
	-	Ada Scibilia

The Branch maintained its industrial awards and agreements at a high, up-to-date standard and New Enterprise Agreements and Awards were negotiated with a wide range of employers including Bunnings, Coles Supermarkets, Myer, Freedom Furniture, Suzanne Grae, Pretty Girl Fashion Group, Noni B, Dulux Trade Centres.

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 also 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).

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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 _____ the Committee of Management of the Shop, Distributive & Allied Employees' Association (Victorian Branch) passed the following resolution in relation to the general purpose financial report of the Association for the financial year ended 30 June 2008.

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) 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
State Secretary

Dated this 17th day of SEPTEMBER 2008

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

Income Statements

For the Year Ended 30 June 2008

	Note	Economic Entity		Parent Entity	
		2008	2007	2008	2007
		\$	\$	\$	\$
Revenue	3	11,551,846	10,848,120	11,072,301	10,366,655
Other revenue	3	-	486,335	-	-
Employee costs	4	(5,735,656)	(5,135,720)	(5,735,656)	(5,135,720)
Depreciation, amortisation and impairments	4	(533,004)	(620,581)	(334,897)	(383,192)
Advertising and promotion		(253,265)	(253,170)	(253,265)	(253,170)
Affiliation expenses	4	(1,357,242)	(1,350,413)	(1,357,242)	(1,350,413)
Delegate expenses		(166,854)	(161,961)	(166,854)	(161,961)
Legal expenses		(7,421)	(139,001)	(7,421)	(138,237)
Member service expenses		(862,133)	(672,333)	(862,133)	(672,333)
Office administration expenses		(1,295,411)	(1,426,959)	(1,250,332)	(1,385,427)
Property expenses		(349,801)	(313,682)	-	-
Travel expenses		(136,140)	(183,626)	(136,140)	(183,626)
Other expenses		(996,493)	(834,140)	(996,493)	(834,139)
Surplus (deficiency) attributable to members		(141,574)	242,869	(28,132)	(131,563)

Statements of Recognised Income & Expenses

For the Year Ended 30 June 2008

	Note	Economic Entity		Parent Entity	
		2008	2007	2008	2007
		\$	\$	\$	\$
Equity as at the beginning of period		26,609,191	25,643,259	27,546,145	26,954,645
Changes					
Surplus (deficiency) attributable to members		(141,574)	242,869	(28,132)	(131,563)
Actuarial (losses)/ gains on retirement benefit asset recognised directly in equity	14(e)	(331,000)	723,063	(331,000)	723,063
Total income and expense for the period		(472,574)	965,932	(359,132)	591,500
Equity as at 30 June		26,136,617	26,609,191	27,187,013	27,546,145

The accompanying notes form part of the financial statements

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

Balance Sheets

As at 30 June 2008

		Economic Entity		Parent Entity	
		2008	2007	2008	2007
	Note	\$	\$	\$	\$
ASSETS					
Current assets					
Cash and cash equivalents	5	1,397,878	2,541,340	1,274,332	2,425,819
Trade and other receivables	6	1,957,312	2,190,467	13,908,558	14,628,980
Financial assets	9	3,452,650	3,680,044	2,223,086	2,060,914
Other current assets	11	12,616	19,446	-	-
Total current assets		6,820,456	8,431,297	17,405,976	19,115,713
Non-current assets					
Investments accounted for using the equity method	7	228,149	228,149	-	-
Financial assets	9	6,853,215	4,843,262	7,336,051	5,326,099
Property, plant and equipment	12	11,896,890	12,175,603	2,063,905	2,146,771
Intangible assets	13	257,250	-	257,250	-
Retirement benefit asset	14	1,908,597	2,369,597	1,908,597	2,369,597
Other non-current assets	11	2,115	30,691	-	-
Total non-current assets		21,146,216	19,647,302	11,565,803	9,842,467
TOTAL ASSETS		27,966,672	28,078,599	28,971,779	28,958,180
LIABILITIES					
Current liabilities					
Trade and other payables	15	670,813	584,615	625,524	527,242
Provisions	16	1,072,391	800,623	1,072,391	800,623
Total current liabilities		1,743,204	1,385,238	1,697,915	1,327,865
Non-current liabilities					
Provisions	16	86,851	84,170	86,851	84,170
Total non-current liabilities		86,851	84,170	86,851	84,170
TOTAL LIABILITIES		1,830,055	1,469,408	1,784,766	1,412,035
NET ASSETS		26,136,617	26,609,191	27,187,013	27,546,145
EQUITY					
Members funds		26,136,617	26,609,191	27,187,013	27,546,145
TOTAL EQUITY		26,136,617	26,609,191	27,187,013	27,546,145

The accompanying notes form part of the financial statements

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

Statements of Cash Flows

For the Year Ended 30 June 2008

	Note	Economic Entity		Parent Entity	
		2008 \$	2007 \$	2008 \$	2007 \$
Cash from operating activities:					
Cash receipts from members		13,360,547	11,106,061	11,910,063	10,765,998
Cash payments to employees and suppliers		(12,955,793)	(11,716,142)	(11,464,355)	(11,320,352)
Interest received		778,930	717,291	612,714	547,497
Net cash provided by operating activities	21	<u>1,183,684</u>	<u>107,210</u>	<u>1,058,422</u>	<u>(6,857)</u>
Cash flows from investing activities:					
Proceeds from sale of plant and equipment		42,344	121,733	42,346	121,733
Proceeds from investments		2,389,568	2,000,000	2,000,000	2,000,000
Acquisition of property, plant and equipment		(329,683)	(277,625)	(327,423)	(267,245)
Acquisition of intangible assets		(257,250)	-	(257,250)	-
Acquisition of investments		(4,172,125)	(2,207,776)	(4,172,124)	(2,059,461)
Net cash used in investing activities		<u>(2,327,146)</u>	<u>(363,668)</u>	<u>(2,714,451)</u>	<u>(204,973)</u>
Cash flows from financing activities:					
Proceeds from related party borrowings		-	-	504,542	-
Net cash used in financing activities		<u>-</u>	<u>-</u>	<u>504,542</u>	<u>-</u>
Net increase (decrease) in cash held		(1,143,462)	(256,458)	(1,151,487)	(211,830)
Cash at beginning of financial year		2,541,340	2,797,798	2,425,819	2,637,649
Cash at end of financial year	5	<u>1,397,878</u>	<u>2,541,340</u>	<u>1,274,332</u>	<u>2,425,819</u>

The accompanying notes form part of the financial statements

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

Notes to the Financial Statements

For the Year Ended 30 June 2008

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 (economic entity) and the Shop, Distributive & Allied Employees' Association (Victorian Branch) 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, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Workplace Relations Act 1996*.

Early adoption of accounting standards

The Association has elected to early adopt the accounting standard AASB 8: Operating Segments and AASB2007-3: Amendments to Australian Accounting Standards arising from AASB 8 to the annual financial period commencing 1 July 2006. These standards are applicable for annual reporting periods commencing on or after 1 January 2009. The impact of early adoption of AASB 8 has been to remove the disclosures previously presented under AASB 114: Segment Reporting as the standard only applies to listed and similar entities. AASB2007-3 makes minor consequential amendments to other accounting standards arising from the adoption of AASB 8 that have no effect on the Association.

Critical accounting estimates and significant judgements

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 following areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 14 relating to the Association's defined benefit superannuation plan, and classification of held to maturity investments in note 9. Actual results may differ from these estimates.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

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 and 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.

Items included in the financial statements are measured using the currency of the primary economic environment in which the Association operates ("the functional currency"). The consolidated financial statements are presented in Australian dollars, which is the Association's functional and presentational currency.

(c) Principles of consolidation

(i) Subsidiaries

A controlled entity is any entity controlled by the Shop, Distributive & Allied Employees' Association (Victorian Branch). Control exists where the Shop, Distributive & Allied Employees' Association (Victorian Branch) 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 (Victorian Branch) to achieve the objectives of the Shop, Distributive & Allied Employees' Association (Victorian Branch). Details of the controlled entity are contained in Note 10. All inter-entity balances and transactions between entities in the Association, including any unrealised profits or losses, have been eliminated on consolidation.

Investments in subsidiaries are carried at cost under AASB 127 'Consolidated and Separate Financial Statements', less any impairment in the investment value.

(ii) Associates – note 8

An associate is an entity over which the Association has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for in the parent entity financial statements using the cost method and in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost.

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

Notes to the Financial Statements

For the Year Ended 30 June 2008

1 Statement of significant accounting policies (cont'd)

(c) Principles of consolidation (cont'd)

(ii) Associates – note 8 (cont'd)

The Association's share of its associates' post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Distributions/dividends receivable from associates are recognised in the parent entity's income statement, while in the consolidated financial statements they reduce the carrying amount of the investment.

When the Association's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured long-term receivables, the Association does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Association and its associates are eliminated to the extent of the Association's interest in the associates.

Change in Accounting policy and correction

Historically the investments in associates were not equity accounted and instead were treated as available for sale assets and accounted for under AASB139 Financial Instruments: Measurement and Disclosure. These investments were carried at their fair value.

A change in accounting treatment has resulted in the following amendments to prior year financial information:

- Parent entity – No financial impact. Fair value was representative of the cost of the investments.
- Economic entity – A decrease in assets and members funds of \$288,532. No impact was reported on the income statement for the year ended 30 June 2007. The adjustment was the result of reflecting the net asset deficiency of one of the associates. The carrying value of the investment has been reduced to nil.

(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.

The most recent independent valuation at 14 June 2007 valued the land and buildings at \$10,350,000.

(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.

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

Notes to the Financial Statements

For the Year Ended 30 June 2008

1 Statement of significant accounting policies (cont'd)

(e) Property, plant and equipment

(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 are 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:

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>		
Buildings	2%	-	15%
Leasehold improvements	2.5%	-	7.5%
Motor vehicles	22.5%		
Office equipment	0%	-	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

Recognition and derecognition

Regular purchases and sales of financial assets and liabilities are recognised on trade date – the date on which the economic entity commits to the financial assets or financial liabilities. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the economic entity has transferred substantially all the risks and rewards of ownership.

(i) Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(ii) Trade and other receivables

All receivables are categorised as 'Loans and Receivables' under the requirements of AASB 139 "Financial Instruments: Recognition and Measurement" and are recognised initially at fair value, and subsequently at amortised cost. All trade and other receivables are current and non-interest bearing. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

An allowance for doubtful debts is based on a review of outstanding balances at balance sheet date, and is accounted for in a separate account. Indicators of impairment include where there is objective evidence of significant financial difficulties, debtor bankruptcy, financial reorganisation or default in payment (more than 90 days overdue). Bad debts which have previously been provided for are eliminated against the allowance for doubtful debts. In all other cases, bad debts have been written off as an expense directly in the income statement.

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

Notes to the Financial Statements

For the Year Ended 30 June 2008

1 Statement of significant accounting policies (cont'd)

(g) Financial instruments

(ii) Trade and other receivables

During the current year, financial information became available that resulted in an amount receivable from an associate being recorded in the financial report of the Association. This loan balance is the result of prior year distributions not recorded in the financial report of the Association for years up to 30 June 2005. As such, the receivable has been reinstated in the financial information for the year ended 30 June 2007 and has had the effect of increasing trade and other receivables by \$540,350 and increasing members funds as at 1 July 2006 and 30 June 2007 of \$540,350.

(iii) Other financial assets

Investments in bank bills and, floating rate notes are designated as held to maturity. Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the economic entity's management has the positive intention and ability to hold to maturity. If the economic entity were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

Impairment of investments

At each reporting date, the economic entity assesses whether there is objective evidence that any of the investments are impaired.

During the current year, comparative information was amended to reflect an adjustment made to the carrying value of the investments in prior years. During the year ended 30 June 2006, an impairment of \$228,149 was recognised. In light of current financial information, this impairment was not appropriate as the entity had adequate net assets to support the carrying value of the investment. This correction was made against members funds as at 1 July 2006 and had the impact of increasing investments by \$228,149 and increasing members funds by \$228,149.

(iv) Trade and other payables

Trade and other payables, including accruals, are recorded initially at fair value, and subsequently at amortised cost. Trade and other 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 (the "Plan"), 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 unrecognised actuarial gains less the fair value of the super fund's assets at that date and any unrecognised 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.

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

Notes to the Financial Statements

For the Year Ended 30 June 2008

1 Statement of significant accounting policies (cont'd)

(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.

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).

(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 2008. 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 101: Presentation of Financial Statements (reissued September 2007)

The reissued AASB 101 makes amendments to the presentation and naming of the financial statements. The reissued standard is applicable for annual reporting periods commencing on or after 1 January 2009. Application is not expected to affect amounts disclosed in the financial statements, however there will be various changes to the presentation of financial statements and the names of the individual statements.

AASB-I 14 The Limit of a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

AASB-I 14 will be effective for annual reporting periods commencing on or after 12 January 2008. It provides guidance on the maximum amount that may be recognised as an asset in relation to a defined benefit plan and the impact of minimum funding requirements on such an asset. The Association will apply AASB-I 14 from 1 July 2008, but it is not expected to impact the financial statements.

None of the other standards, amendments to standards or interpretations issue but not yet effective are expected to impact the Association.

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

Notes to the Financial Statements

For the Year Ended 30 June 2008

2 Financial risk management

The parent's and economic entity's activities expose it to the primary financial risks of liquidity, credit risk and changes in interest rates. The parent and economic entities overall risk management approach is to identify the risks and implement safeguards which seek to minimise potential adverse effects on the financial performance of the parent and economic entity. The committee is responsible for monitoring and managing the financial risks of the parent and the economic entity. They monitor these risks through bi-monthly committee meetings where management accounts are presented and analysed in terms of the economic entity's documented risk management policies. Any changes identified are communicated to the branch accountant who implement the changes.

Neither the parent entity nor the economic entity uses any derivative financial instruments.

Liquidity risk

Liquidity risk is the risk that the economic entity will not be able to meet its financial obligations as they fall due.

The economic entity has both short term and long term facilities which enable sufficient cash to be available to settle obligations as they fall due. The branch accountant monitors the parent entity's cash position. A cash management account, returning bank bill interest, is used to manage cash on a daily basis. Action is dictated by the results of monitoring the cash position on line. Surplus funds are transferred from the operating account to the cash management account and any anticipated shortfall is prepared for by transferring sufficient funds to the operating account.

Credit risk

Credit risk is the risk of financial loss to the economic entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The parent and economic entity have exposure to credit risk through its receivables, investments in floating rate interest securities, and deposits with banks. Credit risk for the economic entity is \$1,186,669 (2007: \$1,569,602) arising from total receivables (see note 6), \$6,853,215 (2007: \$4,843,262) arising from bank bills and floating rate notes (see note 9), and \$1,397,878 (2007: \$2,541,340) arising from cash and deposits with banks (see note 5). The parent has exposure to credit risk through its receivables of \$13,151,151 (2007: \$14,021,522) (see note 6), \$8,069,956 (2007: \$5,987,832) arising from bank bills and floating rate notes (see note 9) and cash and deposits with banks of \$1,274,332 (2007: \$2,425,819) (see note 5).

The unique characteristic of receipt of income by the parent entity dictates credit risk management on two levels. Employers collect the majority of membership fees on behalf of union members and forward the collective amount to the union on regular basis, generally monthly. Timing of receipt of fees is regularly monitored and followed up if not received when expected. The status of individual union members is also regularly monitored on the internal database to ensure continuity of membership. Under this system trust and co-operation between the parent entity and employer is crucial.

All investments are managed through one financial institution, with all investment decisions based on a minimum independent rating of "AA" at the time of investment.

Interest rate risk

The Association's interest rate risk arises from bank bills, floating rate notes and cash at bank and deposits.

All financial liabilities and financial assets at floating rates expose the Association to cash flow interest rate risk.

The Association does not hedge any of its interest rate risk and is therefore subject to short term fluctuations in interest rates. Details of cash at bank and on deposit can be found in note 5, and bank bills and floating rate notes can be found in note 9.

Foreign currency risk

All transactions are denominated in Australian Dollars. The Association is not subject to any foreign currency risk.

Other market price risks

No transactions give rise to any other market risk

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

Notes to the Financial Statements

For the Year Ended 30 June 2008

3 Revenue

	Note	Economic Entity		Parent Entity	
		2008 \$	2007 \$	2008 \$	2007 \$
Revenue					
- membership subscriptions		10,313,387	9,705,265	10,313,387	9,705,265
- rental revenue for property		313,329	297,731	-	-
- interest received	(a)	778,930	717,291	612,714	547,497
- other revenue		146,200	127,833	146,200	113,893
		<u>11,551,846</u>	<u>10,848,120</u>	<u>11,072,301</u>	<u>10,366,655</u>
Other income					
- impairment reversals		-	486,335	-	-

Impairment reversals were recognised during 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.

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

(a) Interest received

	Economic Entity		Parent Entity	
	2008 \$	2007 \$	2008 \$	2007 \$
Interest on cash balances and deposits	170,257	162,135	143,695	157,304
Interest on financial assets	608,673	555,156	469,019	390,193
Total interest received	<u>778,930</u>	<u>717,291</u>	<u>612,714</u>	<u>547,497</u>

4 Expenses

(a) Surplus/(deficiency)

Surplus/(deficiency) includes the following specific expenses:

	Note	Economic Entity		Parent Entity	
		2008 \$	2007 \$	2008 \$	2007 \$
Depreciation:					
Buildings		198,107	237,389	-	-
Leasehold improvements		26,825	26,751	26,825	26,751
Motor vehicles		198,669	224,416	198,669	224,416
Office equipment		109,403	132,025	109,403	132,025
	12(a)	<u>533,004</u>	<u>620,581</u>	<u>334,897</u>	<u>383,192</u>

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

Notes to the Financial Statements

For the Year Ended 30 June 2008

4 Expenses (cont'd)

(a) Surplus (cont'd):

Affiliation fees:

Shop, Distributive & Allied Employees
Association (National Office)

1,163,463	1,154,391	1,163,463	1,154,391
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Australian Labor Party

193,779	196,022	193,779	196,022
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1,357,242	1,350,413	1,357,242	1,350,413
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Donations

82,451	67,641	82,451	67,641
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Employee benefits expense:

Salaries & wages

4,188,443	3,376,493	4,188,443	3,376,493
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Annual leave

208,447	298,043	208,447	298,043
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Long service leave

215,273	80,946	215,273	80,946
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Superannuation

475,444	597,581	475,444	597,581
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Other

648,049	782,657	648,049	782,657
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5,735,656	5,135,720	5,735,656	5,135,720
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Officials' remuneration is included in the above disclosure and includes salaries and wages of \$607,323 (2007: \$559,352), annual leave of \$316 (2007: \$3,762), long service leave of \$19,905 (2007: \$28,510) and superannuation of \$72,879 (2007: \$67,122).

5 Cash and cash equivalents

	Economic Entity		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
Cash on hand	900	900	850	850
Cash at bank	1,186,357	2,329,819	1,062,861	2,214,348
Cash on deposit	210,621	210,621	210,621	210,621
	1,397,878	2,541,340	1,274,332	2,425,819

Cash on hand is non-interest bearing, and as such is not subject to interest rate risk.

Cash at bank and on deposit is subject to interest rate risks as it earns interest at floating rates. Cash at bank in 2008, the average floating rates for the economic entity were 6.66% (2007: 5.10%) and for the parent were 7.00% (2007: 5.17%).

The fair value of cash and cash equivalents is equal to the amounts disclosed in note 5. In respect to Cash on deposit, the average floating rates for 2008 for the economic entity were 3.67% (2007: 3.48%) and for the parent entity were 3.90% (2007: 3.35%).

(a) Sensitivity analysis

At 30 June 2008, the Association's cash and cash equivalents give rise to interest rate risk. The Association believes that the sensitivity of cash will not have a material effect on reported profit and loss.

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

Notes to the Financial Statements

For the Year Ended 30 June 2008

6 Trade and other receivables

CURRENT	Note	Economic Entity		Parent Entity	
		2008	2007	2008	2007
		\$	\$	\$	\$
Trade receivables		537,318	939,147	519,278	894,033
Less provision for impairment of receivables		-	-	-	-
		<u>537,318</u>	<u>939,147</u>	<u>519,278</u>	<u>894,033</u>
Prepayments		770,643	620,865	757,407	607,458
Other receivables		109,001	90,105	91,523	82,597
Amounts receivable from associates	20(a)	540,350	540,350	540,350	540,350
Amounts receivable from controlled entity	20(a)	-	-	12,000,000	12,504,542
		<u>1,957,312</u>	<u>2,190,467</u>	<u>13,908,558</u>	<u>14,628,980</u>

The carrying amounts of all current trade and other receivables are equal to their fair values as they are short term receivables and non-interest bearing.

(a) Ageing and impairment losses

	Economic Entity			
	Gross 2008 \$	Impairment 2008 \$	Gross 2007 \$	Impairment 2007 \$
Not past due	18,040	-	-	-
Past due 0 – 30 days	493,476	-	922,229	-
Past due 31 – 60 days	15,636	-	8,975	-
Past due over 60 days	10,166	-	7,943	-
	<u>537,318</u>	<u>-</u>	<u>939,147</u>	<u>-</u>

	Parent Entity			
	Gross 2008 \$	Impairment 2008 \$	Gross 2007 \$	Impairment 2007 \$
Not past due	-	-	-	-
Past due 0 – 30 days	493,476	-	877,115	-
Past due 31 – 60 days	15,636	-	8,975	-
Past due over 60 days	10,166	-	7,943	-
	<u>519,278</u>	<u>-</u>	<u>894,033</u>	<u>-</u>

There have been no amounts recorded for impairment for the economic or parent entity.

Based on past experience, the economic entity believes that no impairment of receivables which are not past due, and not impaired, is necessary.

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

Notes to the Financial Statements

For the Year Ended 30 June 2008

6 Trade and other receivables (cont'd)

(b) Other receivables

Other receivables arise from interest due from cash at bank. None of the other current receivables are impaired or past due.

(c) Receivables from controlled entities and associates

Based on the underlying net assets of these entities, no impairment losses have been recognised as it is expected that these amounts will be recovered in full. Comparative information relating to amounts received from associates has been amended. Please refer to note 1(g) for further information.

(d) Credit risk

The maximum exposure to credit risk for both the economic and parent entity is the gross amount of all receivables (less prepayments).

The economic entity's most significant customer, a retailer, accounts for \$339,740 (2007: \$385,325) of receivables at the reporting date.

(e) Interest rate risk

All current receivables are non-interest bearing.

(f) Foreign Currency Risk

The parent and economic entity are not exposed to foreign currency risk as described in note 2.

(g) Renegotiation of Terms

No extension on credit terms have been given to customers during the year.

7 Non-current assets – Investments accounted for using the equity method

	Consolidated		Parent Entity	
	2008	2007	2008	2007
Note	\$	\$	\$	\$
Shares in associates	228,149	228,149	-	-

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting (note 8) and are carried at cost by the parent entity. This is a change in accounting policy this year. Refer note 1(c) for details.

8 Investments in associates

	Consolidated	
	2008	2007
	\$	\$
(a) Movements in Carrying amounts		
Carrying amount at the beginning of the financial year	228,149	228,149
Share of profits after income tax	-	-
Dividends received/receivable	-	-
Carrying amount at the end of the financial year	228,149	228,149

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

Notes to the Financial Statements

For the Year Ended 30 June 2008

8 Investments in associates (cont'd)

(b) Summarised financial information of associates

The Economic Entity's share of the results of its principle associates and its aggregated assets (including goodwill) and liabilities are as follows:

	Ownership Interest %	Group's share of:			
		Assets \$	Liabilities \$	Revenues \$	Profit \$
2008					
IPP Property Trust	23.9	768,497	540,348	-	-
Industrial Printing and Publishing Pty Ltd	23.9	714,926	905,089	1,220,988	178,749
		<u>1,483,423</u>	<u>1,445,437</u>	<u>1,220,988</u>	<u>178,749</u>
2007					
IPP Property Trust	23.9	768,497	540,348	-	-
Industrial Printing and Publishing Pty Ltd	23.9	679,020	879,774	918,578	42,096
		<u>1,447,517</u>	<u>1,420,122</u>	<u>918,578</u>	<u>42,096</u>

All of the above associates are incorporated in Australia

(c) Contingent liabilities of associates

There are no contingent liabilities incurred jointly with other investors.

(d) Associate Information

IPP Property trust is not currently a trading entity. Industrial Printing and Publishing Pty Ltd as at 30 June 2008 and 30 June 2007 has a net asset deficiency. The economic entity's share of profit after income tax for the year ended 30 June 2008 was \$178,748 and 30 June 2007 was \$42,096. These profits have not increased the carrying amounts of Industrial Printing and Publishing Pty Ltd as a net asset deficiency still exists and the carrying amount of the investment is zero.

9 Other financial assets

	Note	Economic Entity		Parent Entity	
		2008 \$	2007 \$	2008 \$	2007 \$
CURRENT					
<i>Held to maturity investments</i>					
- Bank bills and floating rate notes	(a)	<u>3,452,650</u>	<u>3,680,044</u>	<u>2,223,086</u>	<u>2,060,914</u>
NON-CURRENT					
<i>At cost</i>					
- Investments in subsidiaries		-	-	972,500	972,500
- Investments in associates		-	-	516,681	516,681
		-	-	<u>1,489,181</u>	<u>1,489,181</u>
<i>Held to maturity investments</i>					
- Bank bills and floating rate notes	(a)	6,006,345	4,006,345	5,000,000	3,000,000
- Term deposits	(b)	846,870	836,917	846,870	836,918
		<u>6,853,215</u>	<u>4,843,262</u>	<u>5,846,870</u>	<u>3,836,918</u>
		<u>6,853,215</u>	<u>4,843,262</u>	<u>7,336,051</u>	<u>5,326,099</u>
<i>Held to maturity investments - total</i>		<u>6,853,215</u>	<u>4,843,262</u>	<u>8,069,956</u>	<u>5,897,831</u>

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

Notes to the Financial Statements

For the Year Ended 30 June 2008

9 Other financial assets

(a) Bank Bills and Floating Rate Notes

Bank bills and floating rate notes classified as current mature within 12 months. Floating rate notes, bank bills and term deposits classified as non-current mature within 12 months - 2 years. Floating rate notes and bank bills are bearing floating interest rates between 8.6% and 8.8% (2007: 7.0% and 8.5%) for the economic entity and the parent entity.

(b) Term Deposits

Term deposits bear floating interest at rates between 7% and 8% (2007: 6.0% and 6.35%).

(c) Interest Rate Risk - Sensitivity analysis

The economic entity's investments in floating rate interest securities are not quoted on the Australian Stock Exchange.

The Association's floating rate notes, bank bills and term deposits expose it to a risk of change in their fair value or future cash flows due to changes in interest rates. There are no financial assets where the fair value of the asset differs materially from the carrying value.

A 100 point (2007: 100 point) increase in the BBSW at the reporting date would have increased the economic entity surplus by \$103,990 (2007: \$114,500), and an equal change in the opposite direction would have decreased surplus by \$103,990 (2007: \$114,500). The same change would have increased the parent entity surplus by \$81,694 (2007: \$88,309) and an equal change in the opposite direction would have decreased the surplus by \$81,694 (2007: \$88,309).

(d) Credit Risk

Concentrations of risk

The economic entity's investment in bank bills and floating rate notes is in a total of 2 securities and 5 term deposits issued by Commonwealth Bank and Transcomm Credit Union. All investments were issued by entities rated "A" or higher. None of the held-to-maturity investments are either past due or impaired.

Maximum exposure to credit risk

The maximum exposure to credit risk at reporting date is the total of bank bills, floating rate notes and term deposits.

10 Controlled entity

Name	Country of Incorporation	Percentage Owned 2008	Percentage Owned 2007
Parent Entity:			
Shop, Distributive & Allied Employees' Association (Victorian Branch)	Australia		
Subsidiaries of parent entity:			
FEDSDA Unit Trust	Australia	100%	100%

11 Other assets

	Economic Entity		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
CURRENT				
Lease incentive asset	12,616	19,446	-	-
NON-CURRENT				
Lease incentive asset	2,115	30,691	-	-

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

Notes to the Financial Statements

For the Year Ended 30 June 2008

12 Property, plant and equipment

	Economic Entity		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
Land & Buildings – at cost	11,009,184	11,006,924	-	-
Less accumulated depreciation	(1,176,199)	(978,092)	-	-
Total land & buildings	9,832,985	10,028,832	-	-
Leasehold improvements – at cost	1,070,047	1,070,047	1,070,047	1,070,047
Less accumulated depreciation	(122,977)	(96,152)	(122,977)	(96,152)
Total leasehold improvements	947,070	973,895	947,070	973,895
Motor vehicles – at cost	1,371,357	1,225,088	1,371,357	1,225,088
Less accumulated depreciation	(526,654)	(417,378)	(526,654)	(417,378)
Total motor vehicles	844,703	807,710	844,703	807,710
Office equipment – at cost	938,387	922,018	938,387	922,018
Less accumulated depreciation	(666,255)	(556,852)	(666,255)	(556,852)
Total office equipment	272,132	365,166	272,132	365,166
Total property, plant and equipment	11,896,890	12,175,603	2,063,905	2,146,771

(a) Movements in carrying amounts

2008 – Economic Entity	Land & Buildings	Leasehold improvements	Motor Vehicles	Office Equipment	Total
	\$	\$	\$	\$	\$
Balance at the beginning of year	10,028,832	973,895	807,710	365,166	12,175,603
Additions	2,260	-	311,054	16,369	329,683
Depreciation expense	(198,107)	(26,825)	(198,669)	(109,403)	(533,004)
Disposals	-	-	(75,392)	-	(75,392)
Carrying amount at the end of year	9,832,985	947,070	844,703	272,132	11,896,890

2008 – Parent Entity	Land & Buildings	Leasehold improvements	Motor Vehicles	Office Equipment	Total
	\$	\$	\$	\$	\$
Balance at the beginning of year	-	973,895	807,710	365,166	2,146,771
Additions	-	-	311,054	16,369	327,423
Depreciation expense	-	(26,825)	(198,669)	(109,403)	(334,897)
Disposals	-	-	(75,392)	-	(75,392)
Carrying amount at the end of year	-	947,070	844,703	272,132	2,063,905

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

Notes to the Financial Statements

For the Year Ended 30 June 2008

12 Property, plant and equipment (cont'd)

(a) Movements in carrying amounts

2007 – 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	10,380	-	248,868	18,377	277,625
Asset write off	(2,306)	-	-	-	(2,306)
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

2007 – Parent Entity	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

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

	Economic Entity		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
Rental income	341,383	297,731	-	-
Direct operating expenses that generated rental income	(349,801)	(313,433)	-	-
Total	(8,418)	(15,702)	-	-

(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	
	2008	2007	2008	2007
	\$	\$	\$	\$
Within 1 year	182,447	233,418	-	-
Later than 1 year but not later than 5 years	331,912	445,019	-	-
Total	514,359	678,437	-	-

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

Notes to the Financial Statements

For the Year Ended 30 June 2008

13 Intangible assets

	Economic Entity		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
Software – at cost	257,250	-	257,250	-
Accumulated amortisation	-	-	-	-
Net carrying value	257,250	-	257,250	-

The asset is expected to be amortised over a period of 5 years. Amortisation will commence once the asset is completed and is in use.

(a) Reconciliation of net book amount

2008 – Economic Entity and Parent Entity

	Software	Total
	\$	\$
Balance beginning of year	-	-
Additions	257,250	257,250
Amortisation	-	-
Balance end of year	257,250	257,250

14 Retirement benefit asset

	Economic Entity		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
NON-CURRENT				
Retirement benefit asset	1,908,597	2,369,597	1,908,597	2,369,597

(a) Superannuation plan

The Association sought Professional Financial Solutions 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 Office. Apportionment of the amounts included in the report (and as disclosed in Note 14) between the Victorian Branch and the National Office is based on the percentage of the superannuation asset attributed to each entity's members to the total superannuation asset. 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.

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

Notes to the Financial Statements

For the Year Ended 30 June 2008

14 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	
		2008 \$	2007 \$	2008 \$	2007 \$
Present value of the defined benefit obligation	(d)	3,955,880	3,776,390	3,955,880	3,776,390
Fair value of defined benefit plan assets	(d)	5,864,477	6,145,987	5,864,477	6,145,987
		<u>1,908,597</u>	<u>2,369,597</u>	<u>1,908,597</u>	<u>2,369,597</u>

(c) Categories of plan assets

The major categories of plan assets are as follows:

	2008 *	2007 **
Australian equity	30%	29%
International equity	24%	22%
Fixed income	15%	16%
Property	9%	7%
Cash	8%	14%
Other	14%	12%

* 2008 figures based on asset allocation at 30 June 2007 as actual asset allocation as at 30 June 2008 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.

(d) Reconciliations

	2008 \$	2007 \$
<i>Reconciliation of the present value of the defined benefit obligation:</i>		
Balance at the beginning of the year	3,776,390	3,744,453
Current service cost	459,850	638,935
Interest cost	198,355	193,922
Actuarial (gains) and losses	(284,565)	(213,386)
Benefits paid	(142,984)	(500,305)
Taxes, premiums and expenses paid	(51,166)	(87,229)
Balance at the end of the year	<u>3,955,880</u>	<u>3,776,390</u>

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

Notes to the Financial Statements

For the Year Ended 30 June 2008

14 Retirement benefit asset (cont'd)

(d) Reconciliations

	2008	2007
	\$	\$
<i>Reconciliation of the fair value of plan assets:</i>		
Balance at the beginning of the year	6,145,987	5,152,054
Expected return on plan assets	253,627	349,637
Actuarial (gains) and losses	(615,565)	509,676
Employer contributions	274,578	722,154
Benefits paid	(142,984)	(500,305)
Taxes, premiums and expenses paid	<u>(51,166)</u>	<u>(87,229)</u>
Balance at the end of the year	<u>5,864,477</u>	<u>6,145,987</u>

(e) Amounts recognised in income statement

The amounts recognised in the income statement are as follows:

	2008	2007
	\$	\$
Current service cost	459,850	638,935
Interest cost	198,355	193,922
Expected return on plan assets	<u>(253,627)</u>	<u>(349,637)</u>
Total included in employee benefits expense	<u>404,578</u>	<u>483,220</u>
Actual return on plan assets	(361,938)	859,313
Actuarial gain (loss)	(331,000)	723,063
Cumulative amount of actuarial gain	1,134,368	1,465,638

(f) Principal actuarial assumptions

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

Discount rate	5.50%	5.30%
Expected return on plan assets (active members)	(3.95%)	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.

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

Notes to the Financial Statements

For the Year Ended 30 June 2008

14 Retirement benefit asset (cont'd)

(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 2008, are 9% of salaries of defined benefit members up to 30 June 2008, 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 (\$7,501,000) and the net market value of plan assets (\$5,722,000). 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

	2008	2007	2006	2005
	\$	\$	\$	\$
Defined benefit obligation	3,955,880	3,776,390	3,744,453	3,419,147
Plan assets	5,864,477	6,145,987	5,152,054	4,426,635
Surplus/(deficit)	1,908,597	2,369,597	1,407,601	1,007,488
Experience adjustments arising on plan liabilities	615,565	509,676	293,736	234,028
Experience adjustments arising on plan assets	284,565	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 2008

15 Trade and other payables

	Economic Entity		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
CURRENT				
Unsecured liabilities				
Trade payables	389,113	342,030	343,824	288,292
Other payables	281,700	242,585	281,700	238,950
	<u>670,813</u>	<u>584,615</u>	<u>625,524</u>	<u>527,242</u>

Trade and other payables are non-interest bearing. Trade payables are current liabilities which results in their fair value being equal to the current carrying amount.

(a) Liquidity risk

The contractual maturities of all payables is 0-12 months.

16 Provisions

	Economic Entity		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
Employee entitlements:				
Current	1,072,391	800,623	1,072,391	800,623
Non-current	86,851	84,170	86,851	84,170
Aggregate employee entitlements liability	<u>1,159,242</u>	<u>884,793</u>	<u>1,159,242</u>	<u>884,793</u>

Annual leave in the current year totals \$447,272 (2007: \$338,327) and all liabilities are current. The remainder of employee benefits relate to long service leave. Officers' annual leave (excluding on costs) owing as at 30 June 2008 was \$66,130 (2007: \$66,227). Officers' long service leave owing (excluding on costs) as at 30 June 2008 was \$156,257 (2007: \$145,459).

17 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 Scibilia	Suzanne Hollingsworth	Mark Goldsmith (resigned 8 March 2008)
Jennifer Siwek	Evan (Jock) Hastie	Sue Nance
Bernadette Kerford	Tammy Trimble	Valerie Bolitho

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

Notes to the Financial Statements

For the Year Ended 30 June 2008

17 Officers and key management personnel (cont'd)

(c) Compensation

	Economic Entity		Parent Entity	
	2008	2007	2008	2007
	\$	\$	\$	\$
Short-term employment benefits	731,865	706,001	731,865	706,001
Post-employment benefits	72,879	67,122	72,879	67,122
	<u>804,744</u>	<u>773,123</u>	<u>804,744</u>	<u>773,123</u>

18 Auditors' remuneration

	Economic Entity		Parent	
	2008	2007	2008	2007
	\$	\$	\$	\$
Remuneration of the auditor of the parent entity for:				
- Auditing or reviewing the financial report	68,250	49,252	51,440	35,633

19 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.

20 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 \$12,000,000 to the controlled entity, Fedsda Unit Trust, of which \$12,000,000 is receivable as at 30 June 2008 (refer Note 6).

These loans are without specific terms of repayment and are included in current receivables in the balance sheet.

An interest free receivable is also due from an associate, IPP Property Trust of \$540,350 (2007: \$540,350).

Trade amounts receivable and payable also exist with Publicity Works Pty Ltd, a 100% subsidiary of an associate. A trade receivable balance of \$3,630 exists as at 30 June 2008 and a trade payable balance of \$75,979 exists as at 30 June 2008.

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

Notes to the Financial Statements

For the Year Ended 30 June 2008

20 Related parties (Cont'd)

(b) Transactions with related parties

	Economic Entity		Parent	
	2008	2007	2008	2007
	\$	\$	\$	\$
Rent paid to the FEDSDA Unit Trust	-	-	52,064	63,004
Amounts received from Publicity Works Pty Ltd, a controlled entity of Industrial Printing and Publishing Pty Ltd, an associate, in relation to directorate and secretarial duties performed by SDA staff	16,830	-	16,830	-
Amounts paid to Publicity Works Pty Ltd, a controlled entity of Industrial Printing and Publishing Pty Ltd, an associate, for consulting services	107,666	-	107,666	-

21 Cash flow information

Reconciliation of cash flow from operations with surplus (deficiency) after income tax

	Economic Entity		Parent	
	2008	2007	2008	2007
	\$	\$	\$	\$
Net surplus/(deficiency) for the period	(141,574)	242,869	(28,132)	(131,563)
<i>Cash flows excluded from surplus attributable to operating activities</i>				
Depreciation & impairment	533,004	620,581	334,897	383,192
Lease incentives	35,406	(337)	-	-
Net loss on disposal of plant and equipment	33,046	13,420	33,046	11,116
Impairment reversal	-	(486,335)	-	-
Non-cash defined benefit adjustment	130,000	(238,933)	130,000	(238,933)
<i>Changes in assets and liabilities:</i>				
(Increase)/decrease in receivables	233,155	39,404	215,880	47,958
Increase/(decrease) in payables	86,198	(34,456)	98,282	(29,624)
Increase/(decrease) in provisions	274,449	(49,003)	274,449	(49,003)
Cash flows from operations	1,183,684	107,210	1,058,422	(6,857)

22 Association details

The registered office and principal place of business 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)

We have audited the accompanying financial report of Shop, Distributive & Allied Employees' Association (Victorian Branch), which comprises the balance sheet as at 30 June 2008, and the income statement, statement of recognised income and expenditure and cash flow statement for the year then ended, 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 entity it controlled at the year's end or from time to time during the financial year.

Committee of Management's Responsibility for the Financial Report

The committee of management of 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 also includes establishing and maintaining internal controls 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, as well as evaluating the overall presentation of the financial report.

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

Independence

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

Auditor's Opinion

In our opinion the financial report of the Shop, Distributive & Allied Employees' Association (Victorian Branch) presents fairly, in all material respects, the financial position of the consolidated entity and parent entity as of 30 June 2008 and of their financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards (including the Accounting Interpretations) and the Workplace Relations Act 1996.



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



Sandy Lawson
Director

Melbourne, Victoria

Dated this



day of September 2008