FAIR WORK AUSTRALIA

23 January 2012

Mr Michael Donovan
State Secretary-Treasurer
Shop, Distributive & Allied Employees' Association - Victorian Branch
65 Southbank Boulevard
SOUTHBANK VIC 3065

Email: info@sdavic.org

Dear Mr Donovan

Shop, Distributive and Allied Employees' Association - Victorian Branch
Financial Report for the year ended 30 June 2011 - FR2011/2777

I acknowledge receipt of the financial report of the Victorian Branch of the Shop, Distributive and Allied Employees' Association for the year ended 30 June 2011. The documents were lodged with Fair Work Australia on 2 December 2011.

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.

Cash inflows and outflows to and from other reporting units of the organisation

Item 15 of the Reporting Guidelines requires that where another reporting unit of the organisation is the source of a cash inflow or the application of cash outflow, such cash flow should be separately disclosed in the notes to the cash flow statement and the name of the other reporting unit be shown. Please note that this is in addition to item 11(b) of the Reporting Guidelines which requires the income statement or the notes to the income statement to disclose capitation fees and the name of the reporting unit to which capitation fees were paid. In future years please ensure that all cash flows to and from the national office (and, if relevant, other branches) are disclosed in the notes to the cash flow statement.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8661 7822 or by email at margaret.williams@fwa.gov.au.

Yours sincerely

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SHOP, DISTRIBUTIVE & ALLIED EMPLOYEES' ASSOCIATION
VICTORIAN BRANCH

Designated Officer's Certificate

s268 Fair Work (Registered Organisations) Act 2009

I, Michael John Donovan, being the State Secretary-Treasurer of the Shop, Distributive & Allied Employees' Association, Victorian Branch certify:

- that the documents lodged herewith are copies of the full report referred to in s268 of the Fair Work (Registered Organisations) Act 2009; and
- that the full report was provided to members via our union journal, The Shop Assistant, Spring edition, during the week of 23rd September 2011; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 16th November 2011; in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.

Signature: Michael Donovan
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Michael John Donovan

Date: 25 November 2011

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

Financial Statements
For the Year Ended 30 June 2011

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

Financial Statements

For the Year Ended 30 June 2011

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

Operating Report

The members of State Council present their report together with the financial report of the Victorian Branch of the Shop, Distributive and Allied Employees' Association for the financial year ended 30 June 2011 and the auditor's report thereon.

1. Membership

Membership of the Victorian Branch of the Association as at 30 June 2011 was 46,019.

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. See also attached Section 174 of the Fair Work (Registered Organisations) Act 2009.

2. Committee of Management

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	-	Sue Nance
Branch Vice President	-	Ada Scibilia
Committee of Management		
	-	Jennifer Siwek
	-	Antony Burke
	-	Denis Parker
	-	Suzanne Hollingsworth
	-	Bernadette Kerford
	-	Simon Preest
	-	Tammy Trimble
	-	Debra Becker
	-	Ian Macpherson
	-	Nicole Lafranchi
	-	Michelle Wilton

3. Affiliations

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.

4. Principal Activities

The Association maintained its industrial awards and agreements at a high, up-to-date standard, and produced a range of publications for its members.

New enterprise agreements were negotiated with a wide range of employers including the Coles Group, Bunnings, Woolworths, Freedom Furniture, Harris Scarfe, Speciality Fashion Group, Myer, Priceline, Reject Shop, Wattyl Paints, Target Urban and others. The agreements all resulted in improved wages and working conditions for the employees covered by them.

The Association conducted a one day seminar for union delegates to inform delegates about recent changes to Workplace and Health & Safety legislation. Over 500 delegates and officials attended the seminar in April.

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

There were no significant changes in the Association during the financial year in the nature of its activities and financial affairs. At 30 June 2011, there were 59.4 effective full time equivalent employees of the Branch.

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

Operating Report

5. Superannuation Trustees

Joe de Bruyn, National Secretary, and Ian Blandthorn, Assistant National Secretary, are Employee Directors of the trustee company of the Retail Employees Superannuation Trust (REST).

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

Michael Donovan

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Michael Donovan, State Secretary
On behalf of State Council, SDA Victorian Branch
Dated this 17th day of August 2011

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

Committee of Management Statement

On 17 August 2011 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 2011:

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 General Manager of Fair Work Australia;

(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 Branch 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 the Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009.

  (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 the General Manager duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or the General Manager; and

  (vi) no orders for inspection of financial records have been made by Fair Work Australia under Section 273 of the Fair Work (Registered Organisations) Act 2009.

(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

Michael Donovan
Branch Secretary-Treasurer

Dated this 17th day of August 2011

Melbourne, Victoria

Section 174

(1) A member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a branch of the organisation.

(2) A notice of resignation from membership of an organisation takes effect:
- (a) where the member ceases to be eligible to become a member of the organisation:
  - (i) on the day on which the notice is received by the organisation; or
  - (ii) on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member;

  whichever is later; or
- (b) in any other case:
  - (i) at the end of 2 weeks, or such shorter period as is specified in the rules of the organisation, after the notice is received by the organisation; or
  - (ii) on the day specified in the notice;

  whichever is later.

(3) Any dues payable but not paid by a former member of an organisation, in relation to a period before the member's resignation from the organisation took effect, may be sued for and recovered in the name of the organisation, in a court of competent jurisdiction, as a debt due to the organisation.

(4) A notice delivered to the person mentioned in subsection (1) is taken to have been received by the organisation when it was delivered.

(5) A notice of resignation that has been received by the organisation is not invalid because it was not addressed and delivered in accordance with subsection (1).

(6) A resignation from membership of an organisation is valid even if it is not effected in accordance with this section if the member is informed in writing by or on behalf of the organisation that the resignation has been accepted.

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

Statement of Comprehensive Income

For the year ended 30 June 2011

	Notes	2011 $	2010 $
Gross revenue from membership subscriptions		12,200,965	12,471,027
Other revenue	3	1,004,550	759,380
Other income	3	237,709	257,777
Change in fair value of embedded derivative	15	440,000	548,600
Share of net profit of associates accounted for using the equity method		29,187	44,309
Affiliation expenses	4	(1,487,852)	(1,431,456)
Delegate expenses		(214,992)	(174,430)
Depreciation, amortisation and impairments	4	(755,102)	(671,357)
Employee costs	4	(5,860,527)	(5,860,848)
Employer commission expenses		(1,166,322)	(1,195,404)
Loss on disposal of property, plant and equipment		(42,066)	(111,677)
Member service expenses		(839,538)	(816,002)
Office administration expenses		(1,470,760)	(1,415,664)
Property expenses		(351,404)	(323,741)
Other expenses		(759,544)	(862,209)
Surplus attributable to members		964,304	1,218,305
Other comprehensive income			
Actuarial loss on retirement benefit asset recognised directly in other comprehensive income	12(e)	(50,216)	(285,020)
Other comprehensive loss for the year		(50,216)	(285,020)
Total comprehensive income attributable to members		914,088	933,285

Statement of Changes in Equity

For the Year Ended 30 June 2011

	Notes	2011 $	2010 $
Equity as at the beginning of the year		24,507,560	23,574,275
Surplus attributable to members		964,304	1,218,305
Other comprehensive loss		(50,216)	(285,020)
Total comprehensive income for the year		914,088	933,285
Equity as at the end of the year		25,421,648	24,507,560

The accompanying notes form part of the financial statements

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

Statement of Financial Position

As at 30 June 2011

	Notes	2011 $	2010 $
ASSETS			
Current assets			
Cash and cash equivalents	5	**4,530,236**	2,000,468
Trade and other receivables	6	**2,350,450**	2,281,477
Financial assets	8	**6,854,540**	8,990,730
Other current assets	9	**6,055**	15,035
Total current assets		**13,741,281**	13,287,710
Non-current assets			
Investments accounted for using the equity method	7	**513,875**	484,688
Financial assets	8	**1,006,344**	1,006,344
Property, plant and equipment	10	**11,278,701**	11,500,868
Intangible assets	11	**896,945**	585,748
Retirement benefit asset	12	**337,758**	190,696
Other non-current assets	9	**-**	2,280
Total non-current assets		**14,033,623**	13,770,624
TOTAL ASSETS		**27,774,904**	27,058,334
LIABILITIES			
Current liabilities			
Trade and other payables	13	**871,260**	758,501
Provisions	14	**1,409,152**	1,290,442
Derivative financial instruments	15	**-**	440,000
Total current liabilities		**2,280,412**	2,488,943
Non-current liabilities			
Provisions	14	**72,844**	61,831
Total non-current liabilities		**72,844**	61,831
TOTAL LIABILITIES		**2,353,256**	2,550,774
NET ASSETS		**25,421,648**	24,507,560
EQUITY			
Members funds		**25,421,648**	24,507,560
TOTAL EQUITY		**25,421,648**	24,507,560

The accompanying notes form part of the financial statements

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

Statement of Cash Flows

For the Year Ended 30 June 2011

	Note	2011 $	2010 $
Cash flows from operating activities:			
Cash receipts from members and tenants		**11,602,218**	11,408,986
Cash payments to employees and suppliers		**(10,995,366)**	(10,785,110)
Interest received		**672,923**	485,933
Net cash provided by operating activities	19	**1,279,775**	1,109,809
Cash flows from investing activities:			
Proceeds from sale of plant and equipment		**123,635**	85,285
Proceeds from investments		**2,136,190**	344,592
Acquisition of property, plant and equipment		**(466,077)**	(597,635)
Acquisition of intangible assets		**(543,755)**	(338,844)
Net cash provided by/(used in) investing activities		**1,249,993**	(506,602)
Net increase in cash and cash equivalents		**2,529,768**	603,207
Cash and cash equivalents at the beginning of the year		**2,000,468**	1,397,261
Cash and cash equivalents at the end of the year	5	**4,530,236**	2,000,468

The accompanying notes form part of the financial statements

1 Statement of significant accounting policies

(a) General information

These general purpose financial statements cover the consolidated entity of The Shop, Distributive and Allied Employees' Association (Victorian Branch) and controlled entity. The financial statements were authorised for issue in accordance with a resolution of the State Council on 17 August 2011.

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

(b) Basis of preparation

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the Fair Work (Registered Organisation) Act 2009.

Critical accounting estimates and significant judgements

The preparation of financial statements requires the Consolidated Entity to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. 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.

Judgements

- Classification of held to maturity investments – Note 8

The Consolidated Entity follows the AASB 139 guidance on classifying non-derivative financial assets with fixed or determinable payments and fixed maturity as held-to-maturity. This classification requires significant judgement. In making this judgement, the Consolidated Entity evaluates its intention and ability to hold such investments to maturity.

If the Consolidated Entity fails to keep these investments to maturity, other than for specific circumstances explained in AASB 139, it will be required to reclassify the whole class as available-for-sale. The investments would therefore be measured at fair value and not amortised cost.

Estimates

- Defined Benefit obligation – Note 12

The present value of defined benefit obligations depends upon a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for defined benefits include the discount rate. Any changes in these assumptions will impact the carrying amount of define benefit obligations.

The Consolidated Entity determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash flows expected to be required to settle the defined benefit obligations. In determining the appropriate discount rate, the Consolidated Entity considers the interest rates of high quality corporate bonds that are denominated in Australian dollars, and that have terms to maturity approximating the terms of the related defined benefit obligation. Market yields on government bonds are used in countries where there is no deep market for corporate bonds.

Other key assumptions for defined benefit obligations are based in part on current market conditions. Additional information is disclosed in Note 12.

1 Statement of significant accounting policies (continued)

Critical accounting estimates and significant judgements (continued)

Estimates (continued)

- Valuation of embedded derivative – Note 15

The Collateralised Debt Obligation ("CDO") was a $2,000,000 investment in Australia Plus+ Sector Cap Portfolio Notes ("ASC"). The ASC investment was secured by floating rate notes issued by HBOS and included financial obligations in respect of a reference portfolio of 96 US, UK, European and Australian corporations. These obligations were recognised in these financial statements as an embedded derivative liability. The embedded derivative liability of $440,000 was the best estimate at 30 June 2010 of the risk tied to the host contract for the remaining life of the CDO to 20 December 2010, its maturity date, and did not include any actual losses. The investment matured on 20 December 2010 and the full investment of $2,000,000 was realised. All obligations recognised as an embedded derivative liability ceased at the time of maturity.

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 statements have been prepared on an accruals basis and is based on historical costs except for certain financial assets and financial liabilities that are measured at fair value.

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). Subsidiaries are fully consolidated from the date on which control is transferred to the Association. They are de-consolidated from the date that control ceases. All inter-entity balances and transactions between entities in the Association, including any unrealised profits or losses, have been eliminated on consolidation.

Investment in subsidiaries are accounted for at cost and forms part of the total assets as shown at note 22.

(ii) Associates – note 7

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 (forms part of total assets as shown at note 22) using the cost method and in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost. The investment in associate includes goodwill which originated from the acquisition of a subsidiary by the associate.

The Association's share of its associates' post-acquisition profits or losses is recognised in the statement of comprehensive income, 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 statement of comprehensive income, while in the consolidated financial statements they reduce the carrying amount of the investment.

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

1 Statement of significant accounting policies (continued)

(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.

(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 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 profit or loss 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 or diminishing value 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:

Class of Fixed Asset	*Depreciation Rate*	*Basis*
Building structure and improvements	2% - 20%	Straight line
Leasehold improvements	2.5%	Straight line
Motor vehicles	25%	Diminishing value
Office equipment	0% - 33.3%	Straight line/Diminishing value

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss in the statement of comprehensive income.

(f) Intangibles

Costs incurred in developing computer software that will contribute to future period benefits through efficiencies are capitalised to software. Costs capitalised include external direct costs of material and service costs of IT consultants spent on the project. Amortisation is calculated on a straight-line basis over a period of 3 years. IT development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where the Consolidated Entity has an intention and ability to use the asset.

1 **Statement of significant accounting policies (continued)**

(g) 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 recognised as an impairment loss in profit or loss in the statement of comprehensive income.

Value in use, for land and buildings, is determined by the Association to be the depreciated replacement cost.

(h) Financial instruments

(i) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand and deposits held at call with financial institutions.

(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 the end of the reporting period, 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 profit or loss in the statement of comprehensive income.

(iii) Investments and other financial assets

All investments and other financial assets are initially stated at cost, being the fair value of consideration given plus acquisition costs. Purchases and sales of investments are recognised on trade date which is the date on which the Entity commits to purchase or sell the asset. Accounting policies for each category of investments and other financial assets subsequent to initial recognition are set out below.

- Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Consolidated Entity has the positive intention and ability to hold-to-maturity and are measured at amortised cost subsequent to initial recognition using the effective interest method. If the Consolidated Entity were to sell other than an insignificant amount of held-to-maturity investments, the whole category is then 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. Held-to-maturity investments include bank bills, term deposits, floating rate notes and collateralised debt obligations ("CDO").

(iv) Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the year end and which are unpaid. These amounts are unsecured and usually have 30 day payment terms. They are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(v) Embedded derivative

Derivatives embedded in other financial instruments or non-financial host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of their host contracts and the host contracts themselves are not carried at fair value with unrealised gains or losses reported in the statement of comprehensive income (refer to note 15 and note 1(b)).

(i) Employee benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to reporting 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.

1 **Statement of significant accounting policies (continued)**

(i) Employee benefits (continued)

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 statement of financial position, 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 comprehensive income 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.

(j) 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 gross of expenses incurred as consideration for employers making payroll deductions of membership subscriptions. Commissions vary with from 0-10% (2010: 0-10%).

Commissions for the year ended 30 June 2011 were $1,166,322 (2010: $1,195,404). Employer commissions are required to be disclosed as per section 253 of the Fair Work (Registered Organisations) Act 2009.

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

Rental income is recognised in the statement of comprehensive income 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).

(k) Information to be provided to members or the General Manager of FWA – Section 272(5)

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009 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 Fair Work (Registered Organisations) Act 2009 which states:

272 Information to be provided to members or General Manager

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

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

(l) 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 2011. 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 these financial statements:

1 Statement of significant accounting policies (continued)

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

AASB 9: Financial instruments

AASB 9 amends the requirements for classification and measurement of financial assets and derecognition requirements for financial assets and liabilities. The standard is applicable for annual reporting periods commencing on or after 1 January 2013. As adoption is only mandatory for the 30 June 2014 year end, the entity has not yet made an assessment of the impact of these amendments.

AASB 2010-4 (issued June 2010) further amendments to Australian Accounting Standards arising from Annual Improvements Project:

- *AASB 7 Financial Instruments: Disclosures* – deletes various disclosures relating to credit risk, renegotiated loans and receivables and the fair value of collateral held. No impact on initial adoption to amounts recognised in the financial statements as the amendments result in fewer disclosures only.
- *AASB 101 Presentation of Financial Statements* – a detailed reconciliation of each item of other comprehensive income may be included in the statement of changes in equity or in the notes to the financial statements. No impact on initial adoption as a detailed reconciliation of each item of other comprehensive income has always been included in the statement of changes in equity.

(m) Parent entity financial information

The financial information for the parent entity, The Shop, Distributive and Allied Employees' Association (Victorian Branch), included in note 22, has been prepared on the same basis as the consolidated financial statements, except as follows;

Investments in subsidiaries and associates

Investments in subsidiaries and associates are accounted for at cost. Dividends received from associates are recognised as revenue in the parent entity's profit or loss in the statement of comprehensive income, rather than being deducted from the carrying amount of the investment.

2 Financial risk management

The consolidated entity's activities expose it to the primary financial risks of liquidity, credit risk and changes in interest rates. The parent and consolidated entity's 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 consolidated entity. The committee is responsible for monitoring and managing the financial risks of the consolidated entity. They monitor these risks through bi-monthly committee meetings where management accounts are presented and analysed in terms of the consolidated entity's documented risk management policies. Any changes identified are communicated to the branch accountant who implements the changes.

The consolidated entity does not use any derivative financial instruments to manage financial risk.

Liquidity risk

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

The consolidated entity has both short term and long term investments which enable sufficient cash to be available to settle obligations as they fall due. The branch accountant monitors the 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.

The trade and other payables are due within 3 months.

Credit risk

Credit risk is the risk of financial loss to the consolidated entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The entity has exposure to credit risk through its receivables, investments in floating rate interest securities, and deposits with banks. Credit risk for the consolidated entity is $1,546,323 (2010: $1,533,303) arising from total receivables (see note 6), $7,860,884 (2010: $9,997,074) arising from bank bills, CDO's, term deposits and floating rate notes (see note 8), and $4,529,336 (2010: $1,999,568) arising from cash and deposits with banks (see note 5).

2 Financial risk management (continued)

Credit risk (continued)

The unique characteristic of receipt of income by the entity dictates credit risk management on two levels. Employers collect the majority of membership fees on behalf of union members and forward the net amount (i.e. after deduction of commissions) 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 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.

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of their host contract and the host contract is not carried at fair value. Embedded derivatives may be designated into hedge relationships and are accounted for in accordance with the Group's accounting policy set out in note 1(h). Credit risk factors in relation to the CDO are discussed in Note 1(b) and 8(e).

Interest rate risk

The Association's interest rate risk arises from bank bills, CDO's, 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, term deposits, CDO's and floating rate notes can be found in note 8.

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.

3 Revenue and Other Income

	Note	2011 $	2010 $
Other revenue:			
Interest revenue	(a)	**672,923**	485,933
Other revenue		**331,627**	273,447
		1,004,550	759,380

(a) Interest received

	2011 $	2010 $
Interest on cash balances and short term deposits	**97,582**	46,141
Interest on financial assets	**575,341**	439,792
Total interest received	**672,923**	485,933
Other income:		
Rental revenue for property	**237,709**	257,777

4 Expenses

(a) Surplus includes the following specific expenses:

	Note	2011 $	2010 $
Depreciation:			
Buildings		181,267	182,941
Leasehold improvements		26,751	26,751
Motor vehicles		227,624	201,586
Office equipment		86,902	57,857
	10(a)	522,544	469,135
Amortisation:			
Software development	11(a)	232,558	202,222
Total depreciation and amortisation		755,102	671,357
Affiliation fees:			
Shop, Distributive & Allied Employees Association (National Office)		1,285,552	1,228,694
Australian Labor Party		202,300	202,762
		1,487,852	1,431,456
Donations		84,773	132,314
Employee benefits expense:			
Salaries & wages		4,610,393	4,710,927
Annual leave		112,484	33,569
Long service leave		175,967	153,841
Superannuation		298,158	382,177
Other		663,525	580,334
		5,860,527	5,860,848

Executive officers' remuneration is included in the above disclosure and includes salaries and wages of $311,561 (2010: $377,993), annual leave of $9,673 (2010: $22,744), long service leave of $16,798 (2010: $23,186) and superannuation of $36,532 (2010: $43,507).

5 Cash and cash equivalents

	2011 $	2010 $
Cash on hand	900	900
Cash at bank	4,529,336	1,999,568
	4,530,236	2,000,468

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

Cash at bank is subject to interest rate risks as it earns interest at floating rates. For cash at bank in 2011, the average floating rates were 4.82% (2010: 4.78%).

The fair value of cash and cash equivalents is equal to the amounts disclosed above.

5 Cash and cash equivalents (continued)

(a) Sensitivity analysis
A 100 point (2010: 100 point) increase in the BBSW at the reporting date would have increased the surplus by $45,300 (2010: $20,005), and an equal change in the opposite direction would have decreased surplus by $45,300 (2010: $20,005).

6 Trade and other receivables

	Note	2011 $	2010 $
CURRENT			
Trade receivables		**921,354**	928,449
Prepayments		**804,127**	748,174
Other receivables		**84,619**	64,504
Amounts receivable from associates	18(a)	**540,350**	540,350
		2,350,450	2,281,477

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 of trade receivables

	Gross 2011 $	Impairment 2011 $	Gross 2010 $	Impairment 2010 $
Not past due	**902,317**	-	925,795	-
Past due 0 – 30 days	**5,500**	-	-	-
Past due 31 – 60 days	**7,588**	-	-	-
Past due over 60 days	**5,949**	-	2,654	-
	921,354	-	928,449	-

(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 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.

(d) Credit risk

The maximum exposure to credit risk is the gross amount of all receivables (less prepayments).

The entity's most significant customer, a retailer, accounts for $399,589 (2010: $397,184) of receivables at the reporting date.

(e) Interest rate risk

All current receivables are non-interest bearing.

(f) Foreign Currency Risk

The entity is 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

	Note	2011 $	2010 $
Shares in associates	7(a)	**513,875**	484,688

Investments in associates are accounted for in the consolidated financial statements using the equity method of accounting (note 7) and are carried at cost by the parent entity in note 22.

Investment in Associates

(a) Movements in Carrying amounts

	2011	2010
Carrying amount at the beginning of the financial year	**484,688**	440,379
Share of profits after income tax	**29,187**	44,309
Carrying amount at the end of the financial year	**513,875**	484,688

(b) Summarised financial information of associates

The 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 $
2011					
Industrial Printing and Publishing Pty Ltd and controlled entities	**23.9**	**1,220,068**	**706,193**	**990,246**	**29,187**
2010					
Industrial Printing and Publishing Pty Ltd and controlled entities	23.9	1,179,004	694,316	994,118	44,309

All of the above associates are incorporated in Australia.

(c) Contingent liabilities of associates

There are no contingent liabilities incurred jointly with other investors.

8 Other financial assets

	Note	2011 $	2010 $
CURRENT			
Held to maturity investments			
- Bank bills and floating rate notes	(a)	-	3,000,000
- Term deposits	(b)	**6,854,540**	3,990,730
- Collateralised debt obligation	(c)	-	2,000,000
Held to maturity investments - current		**6,854,540**	8,990,730
NON-CURRENT			
Held to maturity investments			
- Floating rate notes	(a)	**1,006,344**	1,006,344
Held to maturity investments – non-current		**1,006,344**	1,006,344
Held to maturity investments - total		**7,860,884**	9,997,074

8 Other financial assets (continued)

(a) Bank Bills and Floating Rate Notes

Bank bills and floating rate notes classified as current mature within 12 months. Floating rate notes and bank bills classified as non-current mature within 12 months - 2 years. Floating rate notes and bank bills are bearing floating interest rates between 5.05 % and 5.95% (2010: 5.10% and 5.76%).

(b) Term Deposits

Term deposits bear floating interest at rates between 5.05 % and 5.95% (2010: 3.75% and 5.10%).

(c) Collateralised Debt Obligation ("CDO")

The CDO investment matured on 20 December 2010. During the 2011 year it reported interest returns of 5.74% to 5.90% (2010: 4.25% and 5.90%).

The embedded derivative was accounted for as a "fair value through profit or loss" financial instrument and was carried at fair value (refer to note 2).

(d) Interest Rate Risk - Sensitivity analysis

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

The Association's floating rate notes, bank bills, CDO'S 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 (2010: 100 point) increase in the BBSW at the reporting date would have increased the surplus by $78,861 (2010: $99,971), and an equal change in the opposite direction would have decreased surplus by $78,861 (2010: $99,971).

(e) Credit Risk

Concentrations of risk

The Association's investment in bank bills, term deposits 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, CDO's, floating rate notes and term deposits.

9 Other assets

	2011	2010
	$	$
CURRENT		
Lease incentive asset	**6,055**	15,035
NON-CURRENT		
Lease incentive asset	**-**	2,280

10 Property, plant and equipment

	2011	2010
	$	$
Land & Buildings – at cost	11,059,437	11,024,337
Less accumulated depreciation	(1,688,977)	(1,507,710)
Total land & buildings	9,370,460	9,516,627
Leasehold improvements – at cost	1,070,047	1,070,047
Less accumulated depreciation	(203,230)	(176,479)
Total leasehold improvements	866,817	893,568
Motor vehicles – at cost	1,242,836	1,330,890
Less accumulated depreciation	(442,962)	(464,377)
Total motor vehicles	799,874	866,513
Office equipment – at cost	1,110,658	1,008,315
Less accumulated depreciation	(869,108)	(784,155)
Total office equipment	241,550	224,160
Total property, plant and equipment	11,278,701	11,500,868

(a) Movements in carrying amounts

2011	Land & Buildings	Leasehold improvements	Motor Vehicles	Office Equipment	Total
	$	$	$	$	$
Balance at the beginning of year	9,516,627	893,568	866,513	224,160	11,500,868
Additions	35,100	-	326,685	104,292	466,077
Depreciation expense	(181,267)	(26,751)	(227,624)	(86,902)	(522,544)
Disposals	-	-	(165,700)	-	(165,700)
Carrying amount at the end of year	9,370,460	866,817	799,874	241,550	11,278,701

2010	Land & Buildings	Leasehold improvements	Motor Vehicles	Office Equipment	Total
	$	$	$	$	$
Balance at the beginning of year	9,619,841	920,319	819,264	209,906	11,569,330
Additions	132,673	-	359,426	105,536	597,635
Depreciation expense	(182,941)	(26,751)	(201,586)	(57,857)	(469,135)
Disposals	(52,946)	-	(110,591)	(33,425)	(196,962)
Carrying amount at the end of year	9,516,627	893,568	866,513	224,160	11,500,868

10 Property, plant and equipment (continued)

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

	2011	2010
	$	$
Rental income	237,709	257,777
Direct operating expenses that generated rental income	(351,404)	(323,741)
Total	(113,695)	(65,964)

(c) Leasing arrangements for rental income

Excess space within the owner occupied 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:

	2011	2010
	$	$
Within 1 year	113,649	191,195
Later than 1 year but not later than 5 years	-	93,449
Total	113,649	284,644

11 Intangible assets

	2011	2010
	$	$
Software – at cost	1,441,623	897,868
Accumulated amortisation	(544,678)	(312,120)
Net carrying value	896,945	585,748

The software is amortised over a period of 3 years.

(a) Reconciliation of net book amount

	2011	2010
	$	$
Balance at the beginning of the year	585,748	449,126
Additions	543,755	338,844
Amortisation	(232,558)	(202,222)
Balance at the end of the year	896,945	585,748

12 Retirement benefit asset

	2011	2010
	$	$
NON-CURRENT		
Retirement benefit asset	337,758	190,696

12 Retirement benefit asset (continued)

(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 12) 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. Apportionment percentage as at balance date was 68.79% (2010: 68.35%). This is based on the most recent available membership data (i.e. at 30 June 2011, 30 June 2010 membership details used).

(b) Statement of Financial Position amounts

The amounts recognised in the statement of financial position are determined as follows:

Fair value of defined benefit plan assets	(d)	**5,889,111**	5,691,504
Present value of the defined benefit obligation	(d)	**(5,551,353)**	(5,500,808)
		337,758	190,696

(c) Categories of plan assets

The major categories of plan assets are as follows:	2011	2010
Australian equity	30%	30%
International equity	23%	23%
Fixed income	12%	12%
Property	10%	10%
Cash	6%	6%
Other	19%	19%

(d) Reconciliations

	2011 $	2010 $
Reconciliation of the present value of the defined benefit obligation:		
Balance at the beginning of the year	**5,500,808**	5,162,086
Current service cost	**358,724**	181,517
Interest cost	**210,497**	214,619
Actuarial losses	**251,084**	494,171
Benefits paid	**(703,722)**	(469,565)
Taxes, premiums and expenses paid	**(66,038)**	(82,020)
Balance at the end of the year	**5,551,353**	5,500,808

12 Retirement benefit asset (continued)

	2011 $	2010 $
Reconciliation of the fair value of plan assets:		
Balance at the beginning of the year	**5,691,504**	5,613,938
Expected return on plan assets	**375,772**	98,756
Actuarial gains	**200,867**	209,151
Employer contributions	**390,727**	321,245
Benefits paid	**(703,720)**	(469,565)
Taxes, premiums and expenses paid	**(66,039)**	(82,020)
Balance at the end of the year	**5,889,111**	5,691,504

(e) Amounts recognised in the statement of comprehensive income

The amounts recognised in the statement of comprehensive income are as follows:

	2011 $	2010 $
Current service cost	**358,724**	181,517
Interest cost	**210,497**	214,619
Expected return on plan assets	**(375,772)**	(98,756)
Total included in employee benefits expense	**193,449**	297,380
Actual gain on plan assets	**576,639**	307,906
Actuarial loss	**(50,216)**	(285,020)
Cumulative amount of actuarial gain	**(282,649)**	(332,865)

(f) Principal actuarial assumptions

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

Discount rate	**4.40%**	4.30%
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.

12 Retirement benefit asset (continued)

(g) Employer contributions

The current contribution recommendations, as set out in the report of the most recent actuarial valuation of the plan as at 30 June 2011, are 12% of salaries of defined benefit members. 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.

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).

(h) Historic summary

	2011	2010	2009	2008	2007
	$	$	$	$	$
Defined benefit obligation	**5,551,353**	5,500,808	5,162,086	3,955,880	3,776,390
Plan assets	**5,889,111**	5,691,504	5,613,938	5,864,477	6,145,987
Surplus	**337,758**	190,696	451,852	1,908,597	2,369,597
Experience adjustments arising on plan assets	**(200,867)**	(209,151)	897,217	615,565	509,676
Experience adjustments arising on plan liabilities	**270,345**	430,605	542,203	284,565	208,340

(i) Nature of asset

The Association has recognised an asset in statement of financial position 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.

13 Trade and other payables

	2011	2010
CURRENT	$	$
Unsecured liabilities		
Trade payables	**489,890**	401,023
Other payables	**381,370**	357,478
	871,260	758,501

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.

14 Provisions

	2011	2010
Employee entitlements:	$	$
Current	1,409,152	1,290,442
Non-current	72,844	61,831
Aggregate employee entitlements liability	1,481,996	1,352,273

Annual leave in the current year totals $502,888 (2010: $460,015) and all liabilities are current. The remainder of employee benefits relate to long service leave. Executive officers' annual leave (including on costs) owing as at 30 June 2011 was $40,206 (2010: $59,972). Executive officers' long service leave owing (including on costs) as at 30 June 2011 was $153,553 (2010: $190,401).

15 Derivative financial instrument

	2011	2010
	$	$
Embedded Derivative	-	440,000

Derivatives embedded in other financial instruments or non-financial host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of their host contracts and the host contracts themselves are not carried at fair value with unrealised gains or losses reported in the statement of comprehensive income. This embedded derivative is included in the CDO commentary as disclosed and discussed in notes 1 and 8.

16 Executive officers and key management personnel

(a) Executive officers

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

Michael Donovan	Patricia Connelly	Elizabeth Shaw
Ada Scibilia	Sue Nance	

(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	Antony Burke	Debra-Anne Warfe	
Suzanne Hollingsworth	Jennifer Siwek	Kylie Hughes	
Nick Mavrikis	Bernadette Kerford	Tammy Trimble	Simon Preest
Debra Becker	Ian Macpherson	Nicole LaFranchi	Michelle Wilton
Gary Todd	Trevor Libbis	Sharolynn Marshman	Carolyn Hay
Dianne Heslop	Monique Davis	Debra Tanner	Nola Jones
Korinea Hunter	Leanne Zsarik	Charles Fitzgerald	Bernadette Arathoon
Gino Toppi	Roslyn Smith	Patricia Ryan	Peter Binek
Julie Coady	Michelle Stevens	Roseanne Lindo (resigned 1/4/2011)	

(c) Compensation

	2011	2010
	$	$
Short-term employment benefits	788,474	934,661
Post-employment benefits	77,965	91,621
	866,439	1,026,282

17 Auditor's remuneration

	2011	2010
	$	$
Remuneration of the auditor of the consolidated entity for:		
- Auditing the financial statements	**83,893**	88,898
- Financial report assistance	**4,000**	4,000
- Other audit services	**5,274**	4,843
	93,167	97,741

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 $11,000,000 to the controlled entity, Fedsda Unit Trust, of which $11,000,000 is receivable as at 30 June 2011 (refer to parent entity current assets at note 22). These loans are without specific terms of repayment and are included in current receivables in the statement of financial position. An interest free receivable is also due from an associate, IPP Property Trust of $540,350 (2010: $540,350).

(b) Transactions with related parties

	2011	2010
	$	$
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	**17,640**	12,905
Amounts paid to Publicity Works Pty Ltd, a controlled entity of Industrial Printing and Publishing Pty Ltd, an associate, for consulting services	**21,325**	30,726

19 Cash flow information

Reconciliation of cash flow from operations with surplus

	2011	2010
	$	$
Net surplus for the year	**964,304**	1,218,305
Cash flows excluded from surplus attributable to operating activities		
Depreciation & impairment	**755,102**	671,357
Lease incentives	**11,260**	(3,802)
Net loss on disposal of plant and equipment	**42,066**	111,677
Movement in embedded derivative	**(440,000)**	(548,600)
Share of profits of associates	**(29,187)**	(44,309)
Non-cash defined benefit adjustment	**(197,282)**	(23,864)
Changes in assets and liabilities:		
(Increase)/decrease in receivables	**(68,973)**	(487,047)
Increase in payables	**112,762**	162,392
Increase/(decrease) in provisions	**129,723**	53,700
Net cash provided by operating activities	**1,279,775**	1,109,809

20 Lease commitments

The association leases various property, plant and equipment under long-term operating leases. Minimum lease payments under non-cancellable operating leases not recognised in the financial statements are payable as follows:

	2011 $	2010 $
Within 1 year	**103,787**	134,042
Later than 1 year but not later than 5 years	**102,332**	206,120
Total	**206,119**	340,161

21 After reporting period events

No events have arise since the end of the financial year 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.

22 Parent entity information

The following detailed information related to the parent entity, Shop, Distributive and Allied Employees' Association (Victorian Branch), at 30 June 2011. The information presented here has been prepared using consistent accounting policies as presented in Note 1, except as follows;

Investments in subsidiaries and associates

Investments in subsidiaries and associates are accounted for at cost. Dividends received from associates are recognised as revenue in the parent entity's profit or loss in the statement of comprehensive income, rather than being deducted from the carrying amount of the investment.

	2011 $	2010 $
Current assets	**23,949,249**	23,656,500
Non-current assets	**4,632,122**	4,249,866
Total assets	**28,581,371**	27,906,366
Current liabilities	**2,199,159**	2,351,413
Non-current liabilities	**72,844**	61,831
Total liabilities	**2,272,003**	2,413,244
Members funds	**26,309,368**	25,493,122
Total equity	**26,309,368**	25,493,122
Surplus for the year	**866,462**	1,255,748
Other comprehensive loss for the year	**(50,216)**	(285,020)
Total comprehensive surplus for the year	**816,246**	970,728

23 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

Tel: +61 3 8320 2222
Fax: +61 3 8320 2200
www.bdo.com.au

The Rialto, 525 Collins St
Melbourne VIC 3000
GPO Box 4736 Melbourne VIC 3001
Australia

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 consolidated statement of financial position as at 30 June 2011, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, 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 the Shop, Distributive & Allied Employees' Association (Victorian Branch) is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Fair Work (Registered Organisations) Act 2009 and for such internal control as the Committee determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 presents fairly, in all material respects, the financial position of the consolidated entity, Shop, Distributive & Allied Employees' Association (Victorian Branch) as of 30 June 2011 and of its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards and the Fair Work (Registered Organisations) Act 2009.

BDO Audit (NSW-VIC) Pty Ltd

Sandra Lawson

Director

Registered Auditor No: 319608

Melbourne, Victoria

Dated this 17th day of August 2011