FAIR WORK COMMISSION

23 November 2013

Mr Michael Donovan
Secretary-Treasurer, Victorian Branch
Shop, Distributive and Allied Employees' Association
Level 3, 65 Southbank Boulevard
SOUTHBANK VIC 3006

sent to: cespino@sdavic.org

Dear Mr Donovan,

Re: Lodgement of Financial Statements and Accounts - Shop, Distributive and Allied Employees' Association, Victorian Branch - for year ended 30 June 2012 (FR2012/455)

I refer to the above financial statements and accounts which were lodged with the Fair Work Commission on 26 November 2012. I acknowledge the delay in corresponding to you in relation to this report.

I have filed the documents. Please note that the financial report was subject to an abbreviated review. Next year's report may be subject to a full and comprehensive compliance audit.

You should be aware a new edition of the General Manager's reporting guidelines for reports prepared pursuant to section 253 was gazetted on 26 June 2013. These guidelines apply to financial reports that end on or after 30 June 2013. Model financial statements have also been made available.

For your convenient reference the new guidelines and model financial statements are available on the website here: http://www.fwc.gov.au/index.cfm?pagename=regorgsfrguidelines#finance

Yours sincerely

Stephen Kellett

Stephen Kellett
Senior Adviser, Regulatory Compliance Branch

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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 17th September 2012; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 20th November 2012; in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.

Signature: Michael John Donovan
....
Michael John Donovan

Date: 23 November 2012

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

Financial Statements
For the Year Ended 30 June 2012

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

Financial Statements

For the Year Ended 30 June 2012

CONTENTS

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

Operating Report

The members of State Council present their report together with the financial statements of the Victorian Branch of the Shop, Distributive and Allied Employees' Association for the financial year ended 30 June 2012 and the auditor's report thereon.

1. Membership

Membership of the Victorian Branch of the Association as at 30 June 2012 was 47,080.

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 also 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 Liquor Group, Woolworths/Safeway Supermarkets, Officeworks, Kmart, David Jones, Costco and SuperCheap. The agreements all resulted in improved wages and working conditions for the employees covered by them.

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

Operating Report

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 2012, there were 52.3 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.

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

....

Michael Donovan, State Secretary

On behalf of State Council, SDA Victorian Branch

Dated this 15th day of August 2012

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

Committee of Management Statement

On 15 August 2012 the Committee of Management of the Shop, Distributive & Allied Employees' Association (Victorian Branch) passed the following resolution in relation to the general purpose financial statements of the Association for the financial year ended 30 June 2012:

The Committee of Management declares in relation to the general purpose financial statements 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 statements 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.

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

Committee of Management Statement

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.

Signed on behalf of the Committee of Management by:

Michael Donovan

Michael Donovan

Branch Secretary-Treasurer

Dated this 15th day of August 2012

Melbourne, Victoria

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

Statement of Comprehensive Income

For the year ended 30 June 2012

	Notes	2012 $	2011 $
Gross revenue from membership subscriptions		**13,004,177**	12,200,965
Other revenue	3	**1,051,446**	1,004,550
Other income	3	**324,555**	237,709
Change in fair value of embedded derivative		**-**	440,000
Share of net profit of associates accounted for using the equity method		**25,952**	29,187
Affiliation expenses	4	**(1,523,986)**	(1,487,852)
Delegate expenses		**(185,332)**	(214,992)
Depreciation, amortisation and impairments	4	**(778,428)**	(755,102)
Employee costs	4	**(6,058,201)**	(5,860,527)
Employer commission expenses		**(1,235,520)**	(1,166,322)
Loss on disposal of property, plant and equipment		**(28,642)**	(42,066)
Member service expenses		**(931,753)**	(839,538)
Office administration expenses		**(1,174,885)**	(1,470,760)
Property expenses		**(369,094)**	(351,404)
Other expenses		**(825,091)**	(759,544)
Surplus attributable to members		**1,295,198**	964,304
Other comprehensive income			
Actuarial loss on retirement benefit asset/liability recognised directly in other comprehensive income	12(e)	**(1,063,931)**	(50,216)
Other comprehensive loss for the year		**(1,063,931)**	(50,216)
Total comprehensive income attributable to members		**231,267**	914,088

Statement of Changes in Equity

For the Year Ended 30 June 2012

	Notes	2012 $	2011 $
Equity as at the beginning of the year		**25,421,648**	24,507,560
Surplus attributable to members		**1,295,198**	964,304
Other comprehensive loss		**(1,063,931)**	(50,216)
Total comprehensive income for the year		**231,267**	914,088
Equity as at the end of the year		**25,652,915**	25,421,648

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 2012

	Notes	2012 $	2011 $
ASSETS			
Current assets			
Cash and cash equivalents	5	3,478,337	4,530,236
Trade and other receivables	6	2,207,087	2,350,450
Financial assets	8	9,860,884	6,854,540
Other current assets	9	21,884	6,055
Total current assets		15,568,192	13,741,281
Non-current assets			
Investments accounted for using the equity method	7	539,827	513,875
Financial assets	8	-	1,006,344
Property, plant and equipment	10	10,861,999	11,278,701
Intangible assets	11	1,388,757	896,945
Retirement benefit asset	12	-	337,758
Other non-current assets	9	28,604	-
Total non-current assets		12,819,187	14,033,623
TOTAL ASSETS		28,387,379	27,774,904
LIABILITIES			
Current liabilities			
Trade and other payables	13	714,401	871,260
Provisions	14	1,463,791	1,409,152
Total current liabilities		2,178,192	2,280,412
Non-current liabilities			
Retirement benefit liability	12	500,548	-
Provisions	14	55,724	72,844
Total non-current liabilities		556,272	72,844
TOTAL LIABILITIES		2,734,464	2,353,256
NET ASSETS		25,652,915	25,421,648
EQUITY			
Members funds		25,652,915	25,421,648
TOTAL EQUITY		25,652,915	25,421,648

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 2012

	Note	2012 $	2011 $
Cash flows from operating activities:			
Cash receipts from members and tenants		14,066,661	11,602,218
Cash payments to employees and suppliers		(12,876,460)	(9,581,259)
Payments to Shop, Distributive & Allied Employees Association (National Office)		(1,434,504)	(1,414,107)
Interest received		640,080	672,923
Net cash provided by operating activities	18	1,830,281	1,279,775
Cash flows from investing activities:			
Proceeds from sale of plant and equipment		65,130	123,635
Proceeds from/(purchases of) investments		(2,000,000)	2,136,190
Acquisition of property, plant and equipment		(179,252)	(466,077)
Acquisition of intangible assets		(768,058)	(543,755)
Net cash provided by/(used in) investing activities		(2,882,180)	1,249,993
Net increase/(decrease) in cash and cash equivalents		(1,051,899)	2,529,768
Cash and cash equivalents at the beginning of the year		4,530,236	2,000,468
Cash and cash equivalents at the end of the year	5	3,478,337	4,530,236

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 15 August 2012.

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 yield of long term government bonds that are denominated in Australian dollars, and that have terms to maturity approximating the terms of the related defined benefit obligation. These discount rates are utilised gross of tax.

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)**

(b) **Basis of preparation (continued)**

Estimates (continued)

- Revision of useful life – intangible assets

During the year the estimated total useful lives of internally developed software utilised by the Consolidated Entity was revised from 3 to 10 years. The net effect of the changes in the current financial year was a decrease in amortisation expense of $189,020.

Assuming the assets are held until the end of their estimated useful lives, amortisation in future years in relation to these assets will be decreased by the following amounts:

Year ending	2013	2014	2015	2016
$	576,413	374,688	253,669	152,722

Reporting basis and conventions

The financial statements have been prepared on an accrual basis and are 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.

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 21.

(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 21) 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 profit or loss. 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 profit or loss, 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 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%	Straight line
Office equipment	0% - 33.3%	Straight line

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.

1 Statement of significant accounting policies (continued)

(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 10 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.

(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 term deposits and floating rate notes.

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

(h) **Financial instruments (continued)**

(iv) Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the Economic Entity 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.

(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.

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 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. Actuarial gains and losses are recognised in other 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% (2011: 0-10%).

Commissions for the year ended 30 June 2012 were $1,235,520 (2011: $1,166,322). 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).

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

(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 2012. 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:

(i) AASB 9 *Financial Instruments,* AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9* and AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) (effective from 1 January 2013)*

AASB 9 'Financial Instruments' 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 but is available for early adoption. As the standard primarily impacts financial assets classified as available for sale, the Association does not expect a material impact on its financial statements.

(ii) AASB 2012-5 *Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle*

AASB 2012-5 makes amendments resulting from the 2009-2011 Annual Improvements Cycle. The Standard addresses a range of improvements, including simplification of the disclosures required by AASB 7 *Financial Instruments: Disclosures.* No impact is expected to amounts recognised in the financial statements on initial adoption as the amendments result in fewer disclosures only.

(iii) AASB 10 *Consolidated Financial Statements*

AASB 10 *Consolidated Financial Statements* establishes a revised control model that applies to all entities. It replaces the consolidation requirements in AASB 127 Consolidated and Separate Financial Statements and AASB Interpretation 112 Consolidation – Special Purpose Entities, broadening situations where the control is deemed to be held. The Association does not expect any material changes to its financial statements as it impacts only those instances where partial ownerships are held but effective control exists.

(iv) AASB 12 *Disclosure of Interest in Other Parties*

AASB 12 includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. New disclosures introduced by AASB 12 include disclosures about the judgements made by management to determine whether control exists, and to require summarised information about joint arrangements, associates and structured entities and subsidiaries with non-controlling interests. The Association does not expect a material impact on its financial statements as the standard primarily affects disclosure.

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

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

(v) AASB 119 *Employee Benefits*

AASB 119 revises the accounting for defined benefits plans, removing options relating to accounting for any defined benefit liability and requiring that the liabilities arising from such plans be recognised in full with actuarial gains and losses recognised in other comprehensive income. The Association does not expect a material impact on its financial statements as the options removed were not adopted accounting policy.

(m) Parent entity financial information

The financial information for the parent entity, The Shop, Distributive and Allied Employees' Association (Victorian Branch), included in note 21, 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.

In the current year, the consolidated entity has not used 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 $1,218,594 (2011: $1,546,323) arising from total receivables (see note 6), $9,860,884 (2011: $7,860,884) arising from term deposits and floating rate notes (see note 8), and $3,477,437 (2011: $4,529,336) arising from cash and deposits with banks (see note 5).

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.

2 Financial risk management (continued)

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 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 term deposits 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.

	Note	2012 $	2011 $
3 Revenue and Other Income			
Revenue and Other Income			
Other revenue:			
Interest revenue	(a)	640,080	672,923
Other revenue		411,366	331,627
		1,051,446	1,004,550
(a) Interest received			
Interest on cash balances and short term deposits		113,612	97,582
Interest on financial assets		526,468	575,341
Total interest received		640,080	672,923
Other income:			
Rental revenue for property		324,555	237,709

	Note	2012 $	2011 $
4 Expenses			
Surplus includes the following specific expenses:			
Depreciation:			
Buildings		179,774	181,267
Leasehold improvements		26,825	26,751
Motor vehicles		206,595	227,624
Office equipment		88,988	86,902
	10(a)	502,182	522,544
Amortisation:			
Software development	11(a)	276,246	232,558
Total depreciation and amortisation		778,428	755,102
Affiliation fees:			
Shop, Distributive & Allied Employees Association (National Office)		1,318,334	1,285,552
Australian Labor Party		205,652	202,300
		1,523,986	1,487,852
Donations		75,045	84,773
Employee benefits expense:			
Salaries & wages		4,806,135	4,610,393
Annual leave		10,474	112,484
Long service leave		131,690	175,967
Superannuation		287,478	298,158
Other		822,424	663,525
		6,058,201	5,860,527

Executive officers' remuneration is included in the above disclosure and includes salaries and wages of $317,362 (2011: $311,561), a reduction in annual leave of $69 (2011: increase of $9,673), long service leave of $13,737 (2011: $16,798) and superannuation of $38,083 (2011: $36,532).

		2012 $	2011 $
5 Cash and cash equivalents			
Cash on hand		900	900
Cash at bank		3,477,437	4,529,336
		3,478,337	4,530,236

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 2012, the average floating rates were 2.90% (2011: 4.82%).

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

(a) Sensitivity analysis

A 100 point (2011: 100 point) increase in the BBSW at the reporting date would have increased the surplus by $34,780 (2011: $45,300), and an equal change in the opposite direction would have decreased surplus by $34,780 (2011: $45,300).

	Note	2012 $	2011 $
6 Trade and other receivables			
CURRENT			
Trade receivables		545,292	921,354
Prepayments		988,493	804,127
Other receivables		132,952	84,619
Amounts receivable from associates	17(a)	540,350	540,350
		2,207,087	2,350,450

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 2012 $	Impairment 2012 $	Gross 2011 $	Impairment 2011 $
Not past due	537,618	-	902,317	-
Past due 0 – 30 days	-	-	5,500	-
Past due 31 – 60 days	-	-	7,588	-
Past due over 60 days	7,674	-	5,949	-
	545,292	-	921,354	-

(b) Other receivables

Other receivables arise primarily 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 carrying amount amount of all receivables less impairment, if any (excluding prepayments).

The entity's most significant receivable from an employer of the members, a retailer, accounts for $339,624 (2011: $399,589) 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.

	Note	2012 $	2011 $
7 Non-current assets – Investments accounted for using the equity method			
Shares in associates	7(a)	539,827	513,875

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 21.

Investment in Associates

(a) Movements in Carrying amounts

	2012 $	2011 $
Carrying amount at the beginning of the financial year	513,875	484,688
Share of profits after income tax	25,952	29,187
Carrying amount at the end of the financial year	539,827	513,875

(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 $
2012					
Industrial Printing and Publishing Pty Ltd and controlled entities	23.9	1,651,928	1,112,101	1,064,859	25,952
2011					
Industrial Printing and Publishing Pty Ltd and controlled entities	23.9	1,220,068	706,193	990,246	29,187

All of the above associates are incorporated in Australia.

(c) Contingent liabilities of associates

There are no contingent liabilities incurred jointly with other investors.

	Note	2012 $	2011 $
8 Other financial assets			
CURRENT			
Held to maturity investments			
- Floating rate notes	(a)	1,006,344	-
- Term deposits	(b)	8,854,540	6,854,540
Held to maturity investments - current		9,860,884	6,854,540
NON-CURRENT			
Held to maturity investments			
- Floating rate notes	(a)	-	1,006,344
Held to maturity investments – non-current		-	1,006,344
Held to maturity investments - total		9,860,884	7,860,884

8 Other financial assets (continued)

(a) Floating Rate Notes

Floating rate notes classified as current mature within 12 months. Floating rate notes classified as non-current mature within 12 months - 2 years. Floating rate notes bear floating interest rates between 3.69% and 5.18% (2011: 5.05% and 5.95%).

(b) Term Deposits

Term deposits bear floating interest at rates between 5.25% and 5.28% (2011: 5.05% and 5.95%).

(c) 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 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 (2011: 100 point) increase in the BBSW at the reporting date would have increased the surplus by $98,609 (2011: $78,861), and an equal change in the opposite direction would have decreased surplus by $98,609 (2011: $78,861).

(d) Credit Risk

Concentrations of risk

The Association's investment in term deposits and floating rate notes is in a total of 1 security and 4 term deposits issued by Commonwealth Bank. All investments were issued by entities rated 'AA' 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 floating rate notes and term deposits.

	2012 $	2011 $
9 Other assets		
CURRENT		
Lease incentive asset	21,884	6,055
NON-CURRENT		
Lease incentive asset	28,604	-

	2012	2011
	$	$
10 Property, plant and equipment		
Land & Buildings – at cost	11,071,638	11,059,437
Less accumulated depreciation	(1,868,752)	(1,688,977)
Total land & buildings	9,202,886	9,370,460
Leasehold improvements – at cost	1,070,047	1,070,047
Less accumulated depreciation	(230,055)	(203,230)
Total leasehold improvements	839,992	866,817
Motor vehicles – at cost	1,173,650	1,242,836
Less accumulated depreciation	(534,308)	(442,962)
Total motor vehicles	639,342	799,874
Office equipment – at cost	1,137,875	1,110,658
Less accumulated depreciation	(958,096)	(869,108)
Total office equipment	179,779	241,550
Total property, plant and equipment	10,861,999	11,278,701

(a) Movements in carrying amounts

2012	Land & Buildings	Leasehold improvements	Motor Vehicles	Office Equipment	Total
	$	$	$	$	$
Balance at the beginning of year	9,370,460	866,817	799,874	241,550	11,278,701
Additions	12,200	-	139,835	27,217	179,252
Depreciation expense	(179,774)	(26,825)	(206,595)	(88,988)	(502,182)
Disposals	-	-	(93,772)	-	(93,772)
Carrying amount at the end of year	9,202,886	839,992	639,342	179,779	10,861,999

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

	2012 $	2011 $

10 Property, plant and equipment (continued)

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

	2012 $	2011 $
Rental income	324,555	237,709
Direct operating expenses that generated rental income	(369,904)	(351,404)
Total	(45,349)	(113,695)

(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:

	2012 $	2011 $
Within 1 year	192,645	113,649
Later than 1 year but not later than 5 years	636,627	-
Total	829,272	113,649

11 Intangible assets

	2012 $	2011 $
Software – at cost	2,209,681	1,441,623
Accumulated amortisation	(820,924)	(544,678)
Net carrying value	1,388,757	896,945

(a) Reconciliation of net book amount

	2012 $	2011 $
Balance at the beginning of the year	896,945	585,748
Additions	768,058	543,755
Amortisation	(276,246)	(232,558)
Balance at the end of the year	1,388,757	896,945

12 Retirement benefit asset/liability

NON-CURRENT ASSET

	2012 $	2011 $
Retirement benefit asset	-	337,758

NON-CURRENT LIABILITY

	2012 $	2011 $
Retirement benefit liability	500,548	-

(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 70.60% (2011: 68.79%). This is based on the most recent available membership data (i.e. at 30 June 2012, 30 June 2011 membership details used).

	Note	2012 $	2011 $

12 Retirement benefit asset (continued)

(b) Statement of Financial Position amounts

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

	Note	2012 $	2011 $
Fair value of defined benefit plan assets	(d)	5,843,498	5,889,111
Present value of the defined benefit obligation	(d)	(6,344,046)	(5,551,353)
		(500,548)	337,758

(c) Categories of plan assets

The major categories of plan assets are as follows:

	2012	2011
Australian equity	29%	30%
International equity	25%	23%
Fixed income	11%	12%
Property	9%	10%
Cash	9%	6%
Other	17%	19%

(d) Reconciliations

Reconciliation of the present value of the defined benefit obligation:

	2012 $	2011 $
Balance at the beginning of the year	5,551,353	5,500,808
Current service cost	506,766	358,724
Interest cost	230,859	210,497
Actuarial losses	719,406	251,084
Benefits paid	(565,500)	(703,722)
Taxes, premiums and expenses paid	(98,840)	(66,038)
Balance at the end of the year	6,344,046	5,551,353

Reconciliation of the fair value of plan assets:

	2012 $	2011 $
Balance at the beginning of the year	5,889,111	5,691,504
Expected return on plan assets	526,948	375,772
Actuarial gain/(loss)	(344,524)	200,867
Employer contributions	436,303	390,727
Benefits paid	(565,500)	(703,720)
Taxes, premiums and expenses paid	(98,840)	(66,039)
Balance at the end of the year	5,843,498	5,889,111

12 Retirement benefit asset (continued)

(e) Amounts recognised in the statement of comprehensive income

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

	2012 $	2011 $
Current service cost	506,766	358,724
Interest cost	230,859	210,497
Expected return on plan assets	(526,946)	(375,772)
Total included in employee benefits expense	210,679	193,449
Actual gain on plan assets	182,424	576,639
Actuarial loss	(1,063,931)	(50,216)
Cumulative amount of actuarial loss	(1,346,579)	(282,649)

(f) Principal actuarial assumptions

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

	2012	2011
Discount rate	3.00%	4.40%
Expected return on plan assets (active members)	6.50%	6.50%
Future salary increases	3.75%	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.

(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 2012, 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 exclude other members of the fund who are employees of the related organisation, The Shop, Distributive & Allied Employees' Association (National).

(h) Historic summary

	2012 $	2011 $	2010 $	2009 $	2008 $
Defined benefit obligation	6,344,046	5,551,353	5,500,808	5,162,086	3,955,880
Plan assets	5,843,498	5,889,111	5,691,504	5,613,938	5,864,477
Surplus/(shortfall)	(500,548)	337,758	190,696	451,852	1,908,597
Experience adjustments arising on plan assets	(344,524)	(200,867)	(209,151)	897,217	615,565
Experience adjustments arising on plan liabilities	(280,988)	270,345	430,605	542,203	284,565

	2012	2011
	$	$

12 Retirement benefit asset (continued)

(i) Nature of asset

The Association has recognised an asset/(liability) in the 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

	2012 $	2011 $
CURRENT		
Unsecured liabilities		
Trade payables	**311,092**	489,890
Other payables	**403,309**	381,370
	714,401	871,260

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 are 0-12 months.

14 Provisions

Employee entitlements:	2012 $	2011 $
Current	**1,463,791**	1,409,152
Non-current	**55,724**	72,844
Aggregate employee entitlements liability	**1,519,515**	1,481,996

Annual leave in the current year totals $513,362 (2011: $502,888) 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 2012 was $46,338 (2011: $40,206). Executive officers' long service leave owing (including on costs) as at 30 June 2012 was $192,928 (2011: $153,553).

15 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

15 Executive officers and key management personnel (continued)

(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	Julie Coady
Suzanne Hollingsworth	Jennifer Siwek	Kylie Hughes	Michelle Stevens
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 (resigned 7 March 2012)

	2012 $	2011 $
(c) Compensation		
Short-term employment benefits	858,753	788,474
Post-employment benefits	81,222	77,965
	939,975	866,439
16 Auditor's remuneration		
Remuneration of the auditor of the consolidated entity for:		
- Auditing the financial statements	61,100	83,893
- Financial report assistance	4,000	4,000
- Other audit services	3,750	5,274
	68,850	93,167

17 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 $10,500,000 to the controlled entity, Fedsda Unit Trust, of which $10,500,000 is receivable as at 30 June 2012 (refer to parent entity current assets at note 21). 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 (2011: $540,350).

(b) Transactions with related parties

	2012 $	2011 $
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	13,560	17,640
Amounts paid to Publicity Works Pty Ltd, a controlled entity of Industrial Printing and Publishing Pty Ltd, an associate, for consulting services	31,063	21,325

18 Cash flow information

	2012 $	2011 $
Reconciliation of cash flow from operations with surplus		
Net surplus for the year	1,295,198	964,304
Cash flows excluded from surplus attributable to operating activities		
Depreciation, amortisation & impairment	778,428	755,102
Lease incentives	(44,433)	11,260
Net loss on disposal of plant and equipment	28,642	42,066
Movement in embedded derivative	-	(440,000)
Share of profits of associates	(25,952)	(29,187)
Non-cash defined benefit adjustment	(225,625)	(197,282)
Changes in assets and liabilities:		
(Increase)/decrease in receivables	143,363	(68,973)
Increase in payables	(156,859)	112,762
Increase/(decrease) in provisions	37,519	129,723
Net cash provided by operating activities	1,830,281	1,279,775

19 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:

	2012	2011
Within 1 year	114,414	103,787
Later than 1 year but not later than 5 years	201,326	102,332
Total	315,740	206,119

20 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.

21 Parent entity information

The following detailed information related to the parent entity, Shop, Distributive and Allied Employees' Association (Victorian Branch), at 30 June 2012. 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.

21 Parent entity information (continued)

(a) Summary financial information

The individual financial statements for the parent entity show the following aggregate amounts:

	2012 $	2011 $
Summary statement of financial position		
Current assets	24,718,408	23,949,249
Non-current assets	4,537,052	4,632,122
Total assets	29,255,460	28,581,371
Current liabilities	2,115,850	2,199,159
Non-current liabilities	556,272	72,844
Total liabilities	2,672,122	2,272,003
Members funds	26,583,342	26,309,368
Total equity	26,583,342	26,309,368
Summary statement of comprehensive income		
Surplus for the year	1,337,905	866,462
Other comprehensive loss for the year	(1,063,931)	(50,216)
Total comprehensive surplus for the year	273,974	816,246

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

Grant Thornton

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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 consolidated statement of financial position as at 30 June 2012, 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 to the financial report and the statement by the Committee of Management 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.

Responsibility of the Committee of Management for the financial report
The Committee of Management of 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 Fair Work (Registered Organisations) Act 2009. This responsibility includes such internal controls as the Committee of Management determine are necessary to enable the preparation of the financial report to be 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 which require us to 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 Shop, Distributive & Allied Employees' Association (Victorian Branch)'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 Shop, Distributive & Allied Employees' Association (Victorian Branch)'s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee of Management, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the applicable independence requirements of the Accounting Professional and Ethical Standards Board.

Auditor's Opinion

In our opinion,

a the financial report of Shop, Distributive & Allied Employees' Association (Victorian Branch)

  i presents fairly, in all material respects, the consolidated entity's financial position as at 30 June 2012 and of its performance and cash flows for the year then ended ; and

  ii complies with Australian Accounting Standards and the relevant legislation.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

Sandra Lawson
Partner - Audit & Assurance

Melbourne
15 August 2012