Australian Government
Registered Organisations Commission

22 December 2017

Mr Michael Donovan
Secretary/Treasurer
Shop, Distributive and Allied Employees Association-Victorian Branch
Level 3/65 Southbank Boulevard
Southbank VIC 3006
By email: mdonovan@sdavic.org

CC: sandy.lawson@au.gt.com

Dear Mr Donovan,

Shop, Distributive and Allied Employees Association-Victorian Branch
Financial Report for the year ended 30 June 2017 - [FR2017/158]

I acknowledge receipt of the financial report of the Shop, Distributive and Allied Employees Association-Victorian Branch. The documents were lodged with the Registered Organisations Commission (the ROC) on 7 December 2017.

The financial report has now been filed.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 30 June 2018 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged, however I make the following comments to assist you when you next prepare a financial report. The ROC will confirm these concerns have been addressed prior to filing next year's report.

References to legislation and the ROC

It has been noted that within the financial documents that some references are made to old legislation. For example, Note 1(n) in the Financial Statement refers to the Commissioner of 'Fair Work Australia' rather than 'Registered Organisations Commission'. Further, Note 1(n) also refers to subsection 272(5) of the 'RAO Schedule', rather than the *Fair Work (Registered Organisations) Act 2009*. Please also note that in Note 1(b), reference is made that the financial statements have been prepared in accordance with the *Fair Work (Registered Organisations) Regulations 2009* rather than in accordance with the *Fair Work (Registered Organisations) Act 2009*.

In future years, the organisation is required to change those references to the current legislation, as applicable, to the *Fair Work (Registered Organisations) Act 2009* or the *Fair Work (Registered Organisations) Regulations 2009*. Also, any references to the 'Registrar' and the 'General Manager' should now be the 'Commissioner'.

Reporting Requirements

New Reporting Guidelines will apply to organisations and branches with financial years commencing on or after 1 July 2017. Updates and information on the new guidelines will be provided through the ROC website and the subscription service.

On the ROC website is a number of factsheets in relation to the financial reporting process and associated timelines. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The ROC recommends reporting units use this model as it will assist in ensuring compliance with the RO Act, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via this link.

If you have any queries regarding this letter, please contact me on (02) 8293 4654 or via email at david.vale@roc.gov.au.

Yours faithfully

David Vale
Registered Organisations Commission

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

Financial Statements
For the Year Ended 30 June 2017

Contents

Operating Report

The Committee of Management presents its Operating Report on the Victorian Branch of the Shop, Distributive and Allied Employees' Association for the financial year ended 30 June 2017 and the auditor's report thereon.

1. Membership
Membership of the Victorian Branch of the Association as at 30 June 2017 was 49,291.

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. Employees

Employee numbers at the Victorian Branch of the Association as at 30 June 2017 was 54.6 full-time equivalents

3. Committee of Management
The members of the Committee of Management of the Branch during the financial year, unless indicated otherwise, were:

Branch Secretary – Treasurer	-	Michael Donovan
Branch Assistant Secretary	-	Patricia Connelly
Branch President	-	Ada Scibilia
Branch Vice President	-	Sue Nance
Branch Vice President	-	Debra Becker
State Councillors	-	Jennifer Siwek
	-	Antony Burke
	-	Suzanne Hollingsworth
	-	Bernadette Kerford
	-	Simon Preest
	-	Tammy Trimble
	-	Ian Macpherson
	-	Michelle Wilton
	-	Bernadette Arathoon
	-	Patricia Ryan
	-	Debra Tanner

4. 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.

5. Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year
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 agreements were negotiated with a range of employers . These agreements all resulted in improved wages and working conditions for the employees covered by them.

Operating Report

5. Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year (continued)

The Association continues its defence of penalty rates in its major awards and also protects other entitlements from attack by employers.

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

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.

6. Significant changes in financial affairs
There were no significant changes in financial affairs.

7. Officers or members who are superannuation fund trustees or director of a company that is a superannuation fund trustee
Joe de Bruyn, National President, and Ian Blandthorn, Assistant National Secretary (until October 2016), are Employee Directors of the trustee company of the Retail Employees Superannuation Trust (REST).

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

8. Information to be provided to Members or Commissioner
In accordance with the requirements of subsection 272 (5) of the FairWork (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of subsections (1), (2) and (3) of section 272, which states as follows:

1. A member of the reporting unit, or the Commissioner, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.

2. The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.

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

Operating Report

9. Rights of members to resign

Section 174 of the FairWork (Registered Organisations) Act 2009 provides as follows:

Section 174 Resignation from membership

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

Note: The notice of resignation can be given electronically if the organisation's rules allow for this (see section 9 of the Electronic Transactions Act 1999).

174 (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.

174 (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.

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

174 (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).

175 (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.

Michael Donovan

Michael Donovan, Branch Secretary/Treasurer
Prepared by Michael Donovan on behalf
of State Council, SDA Victorian Branch

Dated this 16th day of August 2017
Melbourne, Victoria

Committee of Management Statement

On 16 August 2017 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 2017:

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 other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);

(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 reporting unit 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 including the rules of the Victorian Branch; and

  (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the Association including the rules of the Victorian Branch; and

  (iii) the financial records of the reporting unit have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009; and

  (iv) the financial records of the reporting unit have been kept, as far as practicable, in a manner consistent with each of the other branches of the Association; and

  (v) where information has been sought in any request by a member of the reporting unit or Commissioner duly made under section 272 of the Fair Work (Registered Organisations) Act 2009, that information has been provided to the member or Commissioner; and

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

(f) no revenue has been derived from undertaking recovery of wages activity during the reporting period.

This declaration is made in accordance with a resolution of the Committee of Management:

Michael Donovan

Michael Donovan
Branch Secretary/Treasurer
Dated this 16th day of August 2017
Melbourne, Victoria

Consolidated Statement of Profit or Loss and Other Comprehensive Income or Loss

For the year ended 30 June 2017

	Note	2017 $	2016 $
Gross revenue from membership subscriptions		**13,785,530**	14,111,728
Other revenue	3	**729,344**	871,100
Other income	3	**358,178**	320,041
Share of net (loss)/surplus of associates accounted for using the equity method		**13,953**	(85,537)
Affiliation expenses	4	**(1,563,652)**	(1,526,104)
Delegate expenses		**(178,708)**	(169,372)
Depreciation, amortisation and impairments	4	**(770,876)**	(788,895)
Employment costs	4	**(6,884,921)**	(6,528,818)
Employer commission expenses		**(1,333,744)**	(1,283,287)
Loss on disposal of property, plant and equipment		**(6,911)**	(39,385)
Member service expenses		**(1,032,537)**	(994,381)
Office administration expenses		**(1,312,643)**	(1,320,912)
Property expenses		**(478,971)**	(408,818)
Other expenses	4	**(944,684)**	(1,196,576)
Surplus attributable to members		**379,358**	960,784
Other comprehensive (loss)/income			
Items that will not be reclassified subsequently to profit or loss			
Actuarial (loss)/gain on retirement benefit asset/liability recognised directly in other comprehensive income		**868,530**	(987,036)
Other comprehensive (loss)/income for the year		868,530	(987,036)
Total comprehensive (loss)/income attributable to members		**1,247,888**	(26,252)

Consolidated Statement of Financial Position

As at 30 June 2017

	Note	2017 $	2016 $
ASSETS			
Current assets			
Cash and cash equivalents	5	**4,677,913**	3,137,028
Trade and other receivables	6	**1,515,025**	1,782,250
Financial assets	8	**14,482,593**	14,131,000
Other current assets	10	**33,483**	15,044
Total current assets		**20,709,014**	19,065,322
Non-current assets			
Investments accounted for using the equity method	7	**370,628**	356,675
Trade and other receivables	6	**540,350**	540,350
Property, plant and equipment	11	**9,810,501**	10,012,897
Intangible assets	12	**1,227,002**	1,585,945
Retirement benefit asset	13	**2,158,356**	1,364,410
Other non-current assets	10	**1,409**	969
Total non-current assets		**14,108,246**	13,861,246
TOTAL ASSETS		**34,817,260**	32,926,568
LIABILITIES			
Current liabilities			
Trade and other payables	14	**665,584**	466,286
Provisions	15	**2,392,397**	1,974,183
Total current liabilities		**3,057,981**	2,440,469
Non-current liabilities			
Provisions	15	**58,944**	33,652
Total non-current liabilities		**58,944**	33,652
TOTAL LIABILITIES		**3,116,925**	2,474,121
NET ASSETS		**31,700,335**	30,452,447
EQUITY			
Members' funds		**31,700,335**	30,452,447
TOTAL EQUITY		**31,700,335**	30,452,447

Consolidated Statement of Changes in Equity

For the year ended 30 June 2017

2017	$
Equity as at the beginning of the year	**30,452,447**
Surplus attributable to members	**379,358**
Other comprehensive income for the year	**868,530**
Total comprehensive income for the year	**1,247,888**
Equity as at the end of the year	**31,700,335**

2016	
Equity as at the beginning of the year	30,478,699
Surplus attributable to members	960,784
Other comprehensive income for the year	(987,036)
Total comprehensive loss for the year	(26,252)
Equity as at the end of the year	30,452,447

Recovery of Wages Statement

As at 30 June 2017

	Consolidated	
	2017	2016
	$	**$**
Cash assets in respect of recovered money at beginning of year	-	-
Receipts		
Amounts recovered from employers in respect of wages etc.	-	-
Interest received on recovered money	-	-
Total receipts	-	-
Payments		
Deductions of amounts due in respect of membership for:		
12 months or less	-	-
Greater than 12 months	-	-
Deductions of donations or other contributions to accounts or funds of:		
The reporting unit	-	-
Other reporting unit of the organisation	-	-
Other entities	-	-
Deduction of fees or reimbursement of expenses	-	-
Payments to workers in respect of recovered money	-	-
Total payments	-	-
Cash assets in respect of recovered money at end of year	-	-
Number of workers to which the monies recovered relates	-	-
Aggregate payables to workers attributable to recovered monies but not yet distributed		
Payable balance	-	-
Number of workers the payable relates to	-	-
Fund or account operated for recovery of wages	-	-

Consolidated Statement of Cash Flows

For the year ended 30 June 2017

	Note	2017	2016
		$	$
Cash flows from operating activities			
Cash receipts from members and tenants		**16,173,926**	14,115,854
Cash payments to employees and suppliers		**(12,738,224)**	(11,955,930)
Cash payments to other reporting units, including affiliation fees	4,19	**(1,475,271)**	(1,533,098)
Affiliation fees paid to other parties	4,19	**(244,747)**	(244,871)
Interest received		**436,709**	488,922
Net cash provided by operating activities	20	**2,152,393**	870,877
Cash flows from investing activities			
Proceeds from sale of plant and equipment		-	77,498
Purchases of investments		**(351,593)**	(281,000)
Payments for property, plant and equipment		**(250,537)**	(235,948)
Acquisition of intangible assets		**(9,378)**	(112,785)
Net cash used in investing activities		**(611,508)**	(552,235)
Net increase in cash and cash equivalents		**1,540,885**	318,642
Cash and cash equivalents at the beginning of the year		**3,137,028**	2,818,386
Cash and cash equivalents at the end of year	5	**4,677,913**	3,137,028

Notes to the financial statements

For the year ended 30 June 2017

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 16 August 2017.

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 and Interpretations issued by the Australian Accounting Standards Board that apply for the reporting period and the Fair Work (Registered Organisations) Regulations 2009. For the purposes of preparing the general purpose financial statements, the reporting unit is a not-for-profit entity.

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.

When required by Accounting Standards, comparative figures have been used to confirm to changes in presentation for the current year.

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 Financial Instruments: Recognition and Measurement 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.

Notes to the financial statements

For the year ended 30 June 2017

1. Statement of significant accounting policies (continued)

(b) Basis of preparation (continued)

- Classification of held to maturity investments – Note 8 (continued)
  If the Consolidated Entity fails to keep these investments to maturity, other than for specific circumstances explained in AASB 139 Financial Instruments: Recognition and Measurement, 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 13
  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 and an apportionment of the assets and liabilities of the defined benefit fund between the Association and The Shop, Distributive and Allied Employees' Association (National Office), an entity which contributes to the fund on behalf of its employees. Any changes in these assumptions will impact the carrying amount of defined 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 corporate 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 13.

- Provision for cancelled members – Note 15
  The Consolidated Entity has received member contributions for members that have ceased their membership. Due to the detail involved in tracking individual contributions net of any refunds provided to members, management has made their best estimate of the associated liability of all membership dues owed to those terminated members that had made subsequent contributions.

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.

Notes to the financial statements

For the year ended 30 June 2017

1. Statement of significant accounting policies (continued)

Reporting basis and conventions (continued)

When required by Accounting Standards, comparative figures have been used to confirm to changes in presentation for the current year.

(c) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Association and entities controlled by the Association (its subsidiaries). Control is achieved where the Association is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the Association.

Specifically, the Association controls an investee if and only if the Association has:
- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

When the Association has less than a majority of the voting or similar rights of an investee, the Association considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
- Relevant activities of the investee and who has control over them
- Existing or future administrative or statutory arrangements that may give rise to rights/control (or change the previous control assessment)
- Whether rights are substantive or protective in nature and whether rights presently exercisable or will be exercisable when decisions about relevant activities are being made
- Exposure or rights to financial and non-financial returns (direct or indirect) and the ability to influence those returns
- Whether the investor is exercising its decision-making abilities as a principal or agent
- Rights arising from other contractual arrangements

The Association re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Association obtains control over the subsidiary and ceases when the Association loses control of the subsidiary.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Association gains control until the date the Association ceases to control the subsidiary.

Income and expense of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the Association and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Notes to the financial statements

For the year ended 30 June 2017

1. Statement of significant accounting policies (continued)

(c) Basis of consolidation (continued)

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Association.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Changes in the Association ownership interests in subsidiaries that do not result in the Association losing control are accounted for as equity transactions. The carrying amounts of the Association interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Association.

When the Association loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between

i. the aggregate of the fair value of the consideration received and the fair value of any retained interest; and

ii. the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Association had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 139 'Financial Instruments: Recognition and Measurement' or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

(d) Investment in associates and joint arrangements

An associate is an entity over which the Association has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

A joint operation is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the individual assets and obligations for the liabilities of the joint operation.

Notes to the financial statements

For the year ended 30 June 2017

1. Statement of significant accounting policies (continued)

(d) Investment in associates and joint arrangements (continued)

The results and assets and liabilities of associates and its joint ventures are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with AASB 5 'Non-current Asset Held for Sale and Discontinued Operations. Under the equity method, an investment in an associate or joint venture is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise the share of the profit or loss and other comprehensive income of the associate. When the share of losses of an associate or joint venture exceeds the interest in that associate, the Association discontinues recognising its share of further losses. Additional losses are recognised only to the extent that it has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

Any excess of the cost of acquisition over the share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

(e) Taxation

The Association is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:
- Where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- For receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

(f) 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.

Notes to the financial statements

For the year ended 30 June 2017

1. Statement of significant accounting policies (continued)

(f) Property, plant and equipment (continued)

(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
Motor vehicles	28.57%	Straight line
Office equipment	0% - 33.30%	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 profit or loss and other comprehensive income.

Notes to the financial statements

For the year ended 30 June 2017

1. Statement of significant accounting policies (continued)

(g) 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 Association has an intention and ability to use the asset.

(h) 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.

(i) 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. Cash is recognised at its nominal amount.

(ii) Loans and 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 profit or loss and other 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. Purchases and sales of investments are recognised on trade date which is the date on which the Association 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:

Notes to the financial statements

For the year ended 30 June 2017

1. Statement of significant accounting policies (continued)

(i) Financial instruments (continued)

(iv) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Association 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 Association 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.

(v) Trade and other payables

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

(j) 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.

The majority of full time 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.

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.

Notes to the financial statements

For the year ended 30 June 2017

1. Statement of significant accounting policies (continued)

(k) Revenue recognition

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

Membership revenue (subscriptions) 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 from 0-10% (2016: 0-10%). It is accounted for on an accruals basis and recorded as revenue in the year to which it relates.

Commissions for the year ended 30 June 2017 were $1,333,744 (2016: $1,283,287). Employer commissions are required to be disclosed as per section 253 of the Fair Work (Registered Organisations) Act 2009.

Donation income is recognised when it is received.

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

Rental income is recognised in profit or loss 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).

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

(l) Parent entity financial information

The financial information for the parent entity, The Shop, Distributive and Allied Employees' Association (Victorian Branch), included in Note 23, 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 profit or loss and other comprehensive income, rather than being deducted from the carrying amount of the investment.

(m) Capitation fees and levies

Capitation fees and levies are recognised on an accrual basis and recorded as a revenue and/or expense in the year to which it relates.

Notes to the financial statements

For the year ended 30 June 2017

1. Statement of significant accounting policies (continued)

(n) Information provided to members and the Commissioner of Fair Work Australia - 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 and the Commissioner

i. A member of a reporting unit, or a Commissioner, 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
ii. 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
iii. A reporting unit must comply with an application made under subsection (1).

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

(o) 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 2017. 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 2018)*
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 2018 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 15 *Revenue from Contracts with Customers* (effective from 1 January 2018)
AASB 15 'Revenue from Contracts with Customers' replaces AASB 118 'Revenue', AASB 111 Construction Contracts' and some revenue-related Interpretations:
- establishes a new revenue recognition model
- changes the basis for deciding whether revenue is to be recognised over time or at a point in time
- provides new and more detailed guidance on specific topics (e.g. multiple element arrangements, variable pricing, rights of return, warranties and licensing)

Notes to the financial statements

For the year ended 30 June 2017

1. Statement of significant accounting policies (continued)

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

(ii) AASB 15 *Revenue from Contracts with Customers* (effective from 1 January 2018) (continued)

- expands and improves disclosures about revenue

The entity is yet to undertake a detailed assessment of the impact of AASB 15. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2019.

(iii) AASB 16 Leases (effective from 1 January 2019)

AASB 16:

- replaces AASB 117 Leases and some lease-related Interpretations
- requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases
- provides new guidance on the application of the definition of lease and on sale and lease back accounting
- largely retains the existing lessor accounting requirements in AASB 117
- requires new and different disclosures about leases

The entity is yet to undertake a detailed assessment of the impact of AASB 16. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2020.

(iv) AASB 1058 Income of Not-for-Profit Entities (effective from 1 January 2019)

AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-to-profit (NFP) entities, in conjunction with AASB 15 Revenue from Contracts with Customers. These Standards supersede all the income recognition requirements relating to private sector NFP entities, and the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 Contributions. Under AASB 1058, the timing of income recognition depends on whether a NFP transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an entity. This standard applies when a NFP entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. In the latter case, the entity will recognise and measure the asset at fair value in accordance with the applicable Australian Accounting Standard (e.g. AASB 116 Property, Plant and Equipment). Upon initial recognition of the asset, AASB 1058 requires the entity to consider whether any other financial statement elements (called 'related amounts') should be recognised, such as:

- Contributions by owners;
- Revenue, or a contract liability arising from a contract with a customer;
- A lease liability;
- A financial instrument; or
- A provision.

These related amounts will be accounted for in accordance with the applicable Australian Accounting Standard.

Notes to the financial statements

For the year ended 30 June 2017

1. Statement of significant accounting policies (continued)

(p) Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

(q) Going concern

The reporting unit's ability to continue as a going concern is not reliant on the agreed financial support of another reporting unit(s). The reporting unit has not agreed to provide financial support to ensure another reporting unit(s) has the ability to continue as a going concern.

The reporting unit has not acquired an asset or a liability during the financial year as a result of:

- (a) an amalgamation under part 2 of chapter 3 of the FairWork (Registered Organisations) Act 2009 in which the organisation (of which the reporting unit forms part) was the amalgamated organisation; or
- (b) a restructure of the branches of the organisation; or
- (c) a determination by the Commissioner under subsection 245(1) of the Fair Work (Registered Organsiations) Act 2009 of an alternative reporting structure for the organisation; or
- (d) a revocation by the Commissioner under subsection 249(1) of the FairWork (Registered Organisations) Act 2009 of a certificate issued to an organisation under subsection 245(1).

The reporting unit is not dependent on another entity for a significant volume of revenue or financial support.

(r) Funds

There are no separate funds or accounts operated in respect of compulsory levies raised by the reporting unit or voluntary contributions collected from members of the reporting unit.

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.

Notes to the financial statements

For the year ended 30 June 2017

2. Financial risk management

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 member 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 $1,797,290 (2016: $2,164,599) arising from total receivables (see Note 6), $14,482,593 (2016: $14,131,000) arising from term deposits (see Note 8), and $4,677,013 (2016: $3,136,128) 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.

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 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 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.

Notes to the financial statements

For the year ended 30 June 2017

2. Financial risk management (continued)

Other market price risks

No transactions give rise to any other market risk.

3. Revenue and Other Income

	Note	2017 $	2016 $
Revenue and Other Income			
Other revenue:			
Interest revenue	(a)	**436,709**	494,980
Other revenue		**292,635**	376,120
Capitation fees		-	-
Levies		-	-
Grants		-	-
Donations		-	-
		729,344	871,100
(a) Interest received			
Interest on cash balances and short term deposits		**49,831**	46,683
Interest on financial assets		**386,878**	448,297
Total interest received		**436,709**	494,980
Other income:			
Rental revenue for property		**358,178**	320,041

4. Expenses

Surplus includes the following specific expenses:

	Note	2017 $	2016 $
Depreciation:			
Buildings		**208,628**	207,689
Motor vehicles		**179,710**	198,205
Office equipment		**14,217**	20,267
	11(a)	**402,555**	426,161
Amortisation:			
Software development - membership system	12(a)	**368,321**	362,734
Total depreciation and amortisation		**770,876**	788,895
Affiliation fees:			
Shop, Distributive & Allied Employees Association (National Office)		**1,341,155**	1,303,494
Australian Labor Party		**222,497**	222,610
		1,563,652	1,526,104

Notes to the financial statements

For the year ended 30 June 2017

4. Expenses (continued)

	Note	2017 $	2016 $
Capitation fees:			
Capitation fees – other reporting unit		-	-
Employement benefits expense:			
Employee benefits expense related to holders of office*:			
Salaries & wages		**361,214**	357,772
Superannuation		**34,634**	41,419
Leave and other entitlements		**63,731**	20,205
Separation & redundancies		-	-
Other		**47,153**	37,182
		506,732	456,578

*The holders of office of the association are Michael Donovan, Patricia Connelly, Ada Scibilia, Sue Nance, and Debra Becker.

	Note	2017 $	2016 $
Employement benefits expense related to employees (other than holders of office).			
Salaries & wages		**4,880,049**	4,734,040
Superannuation		**518,186**	417,053
Leave and other entitlements		**127,588**	85,871
Separation & redundancies		-	-
Other		**852,366**	835,276
		6,378,189	6,072,240
Total employment benefits expense		**6,884,921**	6,528,818
Other expenses:			
Consideration to employers for payroll deductions		-	-
Compulsory levies		-	-
Fees/allowances - meeting and conferences		**32,191**	64,844
Conference and meeting expenses		**138,620**	145,657
Other expenses		**773,873**	986,075
Total other expenses		**944,684**	1,196,576

Consideration to employers for payroll deductions has been shown on the face of the Statement of Profit or Loss and other comprehensive income as commission expenses.

Notes to the financial statements

For the year ended 30 June 2017

4. Expenses (continued)

	Note	2017 $	2016 $
Legal costs:			
Litigation		-	-
Other legal matters		**38,129**	32,847
Total legal expenses		**38,129**	32,847
Other expenses:			
Penalties – via RO Act or RO Regulations		-	-
Total other expenses		-	-
Grants or Donations			
Grants:			
Total paid that were $1,000 or less		-	-
Total paid that exceeded $1,000		-	-
		-	-
Donations:			
Total paid that were $1,000 or less		-	-
Total paid that exceeded $1,000		**44,592**	187,004
		44,592	187,004

5. Cash and cash equivalents

	2017 $	2016 $
Cash on hand	**900**	900
Cash at bank	**4,677,013**	3,136,128
	4,677,913	3,137,028

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 2017, the average floating rates were 2.49% (2016: 1.85%).

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

(a) Sensitivity analysis

A 100 point (2016: 100 point) increase in the BBSW at the reporting date would have increased the surplus by $46,770 (2016: $31,361), and an equal change in the opposite direction would have decreased the surplus by $46,770 (2016: $31,361).

Notes to the financial statements

For the year ended 30 June 2017

6. Trade and other receivables

	Note	2017 $	2016 $
CURRENT			
Trade receivables	(a)	**1,092,667**	1,158,633
Prepayments		**264,653**	158,001
Other receivables		**157,705**	457,768
Amounts receivable from other reporting units - SDA National Office		-	7,848
Less provision for doubtful debts		-	-
		1,515,025	1,782,250
NON CURRENT			
Amounts receivable from associates	19(a)	**540,350**	540,350

The carrying amounts of all 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 2017 $	Impairment 2017 $	Gross 2016 $	Impairment 2016 $
Not past due	**1,073,895**	-	1,139,557	-
Past due 0 – 30 days	**665**	-	10,900	-
Past due 31 – 60 days	-	-	3,585	-
Past due over 60 days	**18,107**	-	4,591	-
	1,092,667	-	1,158,633	-

(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 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 $0 (2016: $0) of receivables at the reporting date.

(e) Interest rate risk

All current receivables are non-interest bearing.

Notes to the financial statements

For the year ended 30 June 2017

6. Trade and other receivables (continued)

(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 in Associates

	Note	2017 $	2016 $
Investments in associates	7(a)	**370,628**	356,675

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 (Note 23).

(a) Movements in Carrying amounts

	2017	2016
Carrying amount at the beginning of the financial year	**356,675**	442,212
Share of profits/(loss) after income tax	**13,953**	(85,537)
Carrying amount at the end of the financial year	**370,628**	356,675

Notes to the financial statements

For the year ended 30 June 2017

7. Non-current assets - Investments in Associates (continued)

(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:

		Group's share of:								
	Ownership Interest	Assets	Liabilities	Net Assets	Revenues	Expenses	Profit / (Loss)	Share of net (loss) / surplus before tax	Income tax benefit / (expense)	Share of net (loss) / surplus after tax
	%	$	$	$	$	$	$	$	$	$
2017										
Industrial Printing and Publishing Pty Ltd and controlled entities	23.9	1,418,495	(1,047,867)	370,628	1,097,286	(1,077,353)	19,934	19,934	(5,980)	13,954
2016										
Industrial Printing and Publishing Pty Ltd and controlled entities	23.9	1,431,216	(1,074,541)	356,675	918,427	(1,028,369)	(109,942)	(109,942)	24,404	(85,537)

All of the above associates are incorporated in Australia.

Dividends received from associates were $nil (2016: nil).

(c) Contingent liabilities of associates

There are no contingent liabilities or capital commitments of associates (2016: nil).

Notes to the financial statements

For the year ended 30 June 2017

8. Other financial assets

	Note	2017 $	2016 $
CURRENT			
Held to maturity investments			
- Term deposits	(a)	**14,482,593**	14,131,000
Held to maturity investments - current		**14,482,593**	14,131,000

(a) Term deposits
Term deposits bear fixed interest rates of 2.60% (2016: 2.85%).

(b) 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 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 (2016: 100 point) increase in the BBSW at the reporting date would have increased the surplus by $144,830 (2016: $141,310), and an equal change in the opposite direction would have decreased surplus by $144,830 (2016: $141,310).

(d) Credit risk
Concentrations of risk
The Association's investment in term deposits is in 8 term deposits issued by Westpac Banking Corporation. All investments were issued by entities rated 'AA-'. 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 term deposits.

9. Fair value measurement of financial instruments

This note provides an update on the judgements and estimates made by the group in determining the fair values of the financial instruments since the last annual financial report.

Valuation processes and fair values of other financial instruments
The fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities of the Group approximates their carrying amounts.

The fair value of other monetary financial assets and financial liabilities is based upon market prices where a market exists or by discounting the expected future cash flows by the current interest rates for assets and liabilities with similar risk profiles. Non-interest bearing related party receivables are repayable on demand, thus face value equates to fair value.

The carrying amounts of financial assets and liabilities equates to their fair values at balance date.

Notes to the financial statements

For the year ended 30 June 2017

10. Other assets

	Note	2017 $	2016 $
CURRENT			
Lease incentive asset		**33,483**	15,044
NON-CURRENT			
Lease incentive asset		**1,409**	969

11. Property, plant and equipment

	2017	2016
Land & buildings at cost	**12,235,675**	12,230,132
less accumulated depreciation	**(3,134,237)**	(2,925,610)
Total land & buildings	**9,101,438**	9,304,522
Motor vehicles at cost	**1,161,548**	1,131,639
less accumulated depreciation	**(507,020)**	(479,014)
Total motor vehicles	**654,528**	652,625
Office equipment at cost	**1,169,571**	1,156,567
less accumulated depreciation	**(1,115,036)**	(1,100,817)
Total office equipment	**54,535**	55,750
Total property, plant and equipment	**9,810,501**	10,012,897

(a) Movements in carrying amounts

2017	**Land & Buildings $**	**Motor Vehicles $**	**Office Equipment $**	**Total $**
Balance at the beginning of year	**9,304,522**	**652,625**	**55,750**	**10,012,897**
Additions	**5,544**	**231,991**	**13,002**	**250,537**
Depreciation expense	**(208,628)**	**(179,710)**	**(14,217)**	**(402,555)**
Disposals	**-**	**(50,378)**	**-**	**(50,378)**
Carrying amount at the end of year	**9,101,438**	**654,528**	**54,535**	**9,810,501**

2016	**Land & Buildings $**	**Motor Vehicles $**	**Office Equipment $**	**Total $**
Balance at the beginning of year	9,512,211	735,049	72,559	10,319,819
Additions	-	232,315	3,633	235,948
Depreciation expense	(207,689)	(198,205)	(20,267)	(426,161)
Disposals	-	(116,534)	(175)	(116,709)
Carrying amount at the end of year	9,304,522	652,625	55,750	10,012,897

Notes to the financial statements

For the year ended 30 June 2017

11. Property, plant and equipment (continued)

	2017 $	2016 $
(b) Amounts recognised in profit and loss for property, plant and equipment		
Rental income	**358,178**	320,041
Direct operating expenses that generated rental income	**(478,971)**	(408,818)
Total	**(120,793)**	(88,777)

(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:

Within 1 year	**252,798**	197,473
Later than 1 year but not later than 5 years	**453,433**	16,750
Total	**706,231**	214,223

12. Intangible assets

Software at cost	**3,688,267**	3,678,889
less accumulated amortisation	**(2,461,265)**	(2,092,944)
Net carrying value	**1,227,002**	1,585,945
(a) Movements in carrying amounts		
Balance at the beginning of year	**1,585,945**	1,835,894
Additions	**9,378**	112,785
Amortisation expense	**(368,321)**	(362,734)
Carrying amount at the end of year	**1,227,002**	1,585,945

13. Retirement benefit asset/liability

NON-CURRENT ASSET		
Retirement benefit asset	**2,158,356**	1,364,410

Notes to the financial statements

For the year ended 30 June 2017

13. Retirement benefit asset/liability (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 AASB 119 Employee Benefits. The report covered the superannuation plan of The Shop, Distributive & Allied Employees' Association (Victorian Branch), but also included members that are employees of the National Office. Apportionment of the amounts included in the report (and as disclosed in Note 13) 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 78.60% (2016: 79.28%). This is based on membership data as at 30 June 2017.

(b) Plan characteristics and associated risks

The Plan is a defined benefit superannuation fund providing lump sum benefits to members on retirement, resignation, death and total and permanent disablement. The benefits are based on the member's annual salary near retirement and the length of their membership of the Plan. The Plan is open to new members. Members may also have a defined contribution component of their benefit but, given that for such benefits the assets and liabilities are matched, these disclosures only relate to the defined benefit component of members' benefits.

The Plan is a defined benefit sub-plan of the Retail Employees Superannuation Trust ("REST"), a regulated superannuation entity (RSE) subject to superannuation law, including the Superannuation Industry (Supervision) Act 2003 and certain sections of tax law, and the regulator is the Australian Prudential Regulation Authority (APRA). RSEs receive concessional tax treatment provided they comply with relevant law.

There is a minimum funding requirement such that a member's benefit must not be less than the Minimum Requisite Benefit (MRB) as defined in the Superannuation Guarantee Charge (Administration) Act 1992. An actuarial Benefit Certificate specifies how the MRB is calculated and an actuarial Funding and Solvency Certificate (FSC) specifies the minimum level of contribution to be paid by the Association. Further, a new APRA Prudential Standard (SPS 160), which took effect from 1 July 2013, requires vested benefit shortfalls to be funded over a period not exceeding three years, unless APRA agrees to vary this requirement.

Any net asset determined under AASB 119 may be used to reduce future contributions payable by the Association and therefore, such an asset may be recognised in the financial statements of the Association. Further, it is possible, under superannuation law, that the Association may receive a payment of any surplus assets from the Plan provided certain conditions are met, and, if this is the case, there is no asset ceiling as defined in paragraphs 64-65 of AASB 119.

The major risk of the Plan for the Association is that there is insufficient money in the Plan to meet the benefit liabilities and there may be a call on the Association to make additional payments. This situation may occur if the experience of the Plan is unfavourable relative to the assumptions used by the Actuary to determine the contributions to be made by the Association. Examples of unfavourable experience are lower than expected investment returns and higher than expected increases in member salaries. There is also a risk, albeit relatively small, that the Plan may be overfunded by contributions in excess of those required to fund benefits and the Association is unable to recoup any benefit from those overpaid contributions.

Notes to the financial statements

For the year ended 30 June 2017

13. Retirement benefit asset/liability (continued)

(b) Plan characteristics and associated risks (continued)

The assets of the Plan are allocated across a number of asset classes and there is no particular concentration risk.

	Note	2017 $	2016 $
(c) 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)	**10,740,690**	9,783,153
Present value of the defined benefit obligation	(d)	**(8,582,334)**	(8,418,743)
		2,158,356	1,364,410
(d) Reconciliations			
Reconciliation of the present value of the defined benefit obligation:			
Balance at the beginning of the year		**8,418,742**	7,210,834
Current service cost		**470,132**	847,185
Interest cost		**238,944**	286,994
Actuarial losses		**(73,884)**	862,566
Benefits paid		**(330,120)**	(637,411)
Taxes, premiums and expenses paid		**(141,480)**	(151,425)
Balance at the end of the year		**8,582,334**	8,418,743
Reconciliation of the fair value of plan assets:			
Balance at the beginning of the year		**9,783,153**	9,276,447
Return on plan assets		**197,475**	679,536
Actuarial gains		**794,646**	(124,470)
Employer contributions		**437,016**	740,476
Benefits paid		**(330,120)**	(637,411)
Taxes, premiums and expenses paid		**(141,480)**	(151,425)
Balance at the end of the year		**10,740,690**	9,783,153

Notes to the financial statements

For the year ended 30 June 2017

13. Retirement benefit asset/liability (continued)

(e) Categories of plan assets

The major categories of plan assets are as follows:

	2017 %	2016 %
Australian equity	**19%**	19%
International equity	**29%**	29%
Fixed income	**6%**	10%
Property	**11%**	11%
Cash	**6%**	6%
Other	**29%**	25%

(f) Principal actuarial assumptions

The principal actuarial assumptions used (expressed as weighted averages) were as follows:	2017	2016
Discount rate	**3.75%**	3.25%
Future salary increases	**4.00%**	4.00%

(g) Employer contributions and funding arranagements

The Association contributes such amounts as are recommended by the actuary. Actuarial investigations are conducted at least every three years and the Association contribution rate is reviewed after allowing for the current financial status of the Plan and the value of benefits accruing in the future. The current contribution recommendations, as set out in the report of the most recent actuarial valuation of the plan as at 1 July 2015 are 10% of salaries of defined benefit members. The Association will continue to contribute at these rates.

	2018 $
Estimated employer contributions	**370,971**

(h) Effect of the asset ceiling

The asset ceiling has no effect at this time.

(i) Reimbursement rights

There are no explicit reimbursement rights in the rules governing the Plan. However, under superannuation law, repayments from a defined benefit plan are possible provided certain conditions are met.

(j) In-house asset disclosure

The fair value of Plan assets includes no amounts relating to any of the Association's financial instruments or any property occupied by, or other assets used by, the Association.

(k) Asset-liability matching

The Plan has no specific asset-liability matching. However, the asset allocation has been determined to provide protection from the risk of salary increases in that there is a significant component of the assets which are likely to increase with inflation. Investments in Australian and International shares and property are expected to increase, in the long term, in line with inflation.

Notes to the financial statements

For the year ended 30 June 2017

13. Retirement benefit asset/liability (continued)

(l) Sensitivity analysis

The defined benefit obligation, calculated under various assumptions, has been presented below and reflect different potential results arising from changes in discount rates applied.

	2017 $	2016 $
Increase in net obligation for a 1% decrease in the discount rate	**637,446**	676,258
Reduction in net obligation for a 1% increase in the discount rate	**347,412**	(533,554)

14. Trade and other payables

CURRENT

Unsecured liabilities

	2017	2016
Trade payables	**290,342**	372,987
Other payables	**373,168**	91,304
Consideration to employers for payroll deductions	-	-
Legal costs - litigation	-	-
Legal costs - other legal matters	**2,074**	1,995
Payables to other reporting units	-	-
	665,584	466,286

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.

15. Provisions

Employee entitlements

Employee provisions in respect of holders of office:
Current

	2017	2016
Annual leave	**44,845**	48,461
Long service leave	**261,244**	213,510
Separation and redundancies	-	-
Other employee provisions	-	-
	306,089	261,971

Notes to the financial statements

For the year ended 30 June 2017

15. Provisions (continued)

Employee entitlements (continued)	**2017** **$**	2016 $
Employee provisions related to employees (other than holders of office):		
Current		
Annual leave	**749,461**	671,862
Long service leave	**986,847**	1,040,350
Separation and redundancies	-	-
Other employee provisions	-	-
	1,736,308	1,712,212
	2,042,397	1,974,183
Non-current		
Long service leave (other than holders of office)	**58,944**	33,652
Aggregate employee entitlements liability	**2,101,341**	2,007,835
Other current provisions		
Provision for cancelled member funds	**350,000**	-
Total current provisions	**2,392,397**	**1,974,183**

16. Other specific disclosures - Funds

Compulsory levy/voluntary contribution fund	-	-
Other funds required by rules	-	-
Balance at start of year	-	-
Transferred to reserve	-	-
Transferred out of reserve	-	-
Balance as at end of year	-	-

Notes to the financial statements

For the year ended 30 June 2017

17. 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	Ada Scibilia
Debra Becker	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:

Suzanne Hollingsworth	Antony Burke
Bernadette Kerford	Jennifer Siwek
Bernadette Arathoon	Tammy Trimble
Ian Macpherson	Nola Jones
Michelle Stevens	Patricia Ryan
Debra-Anne Warfe	Trevor Libbis
Julie Holland	Leanne Zsarik
Simon Preest	Debra Tanner
Dianne Heslop	Michelle Wilton
Korinea Hunter-Begbie	Peter Ericksen
Ricky Bell	Pauline Lethborg
Kathryn Cannon	Alain O'Gara
Eileen Cotter	Sarah Peterson
John Gigliotti	Madella Sumner
Anne Johnstone	Lesley Whelan
John Koo	Kim Winzar
Fiona Lee	

(c) Compensation	2017 $	2016 $
Salary (including leave taken)	**662,707**	563,953
Annual leave accrual movement	**(6,024)**	(859)
Other expenses	**191,576**	125,173
Short-term employment benefits	**848,259**	688,267
Post-employment benefits - superannuation	**66,271**	67,674
Other long term benefits	-	-
Termination benefits	-	-
Any share based payments	-	-
	914,530	755,941

Notes to the financial statements

For the year ended 30 June 2017

17. Executive officers and key management personnel (continued)

[redacted]

[redacted]

18. Auditor's remuneration

Remuneration of the auditor of the consolidated entity for:		
- Auditing the financial statements	**98,000**	87,903
- Financial report assistance	**4,000**	4,000
- Other audit services	**3,700**	3,500
	105,700	95,403

19. Related parties

(a) Interest free loans to related parties

The Shop, Distributive and Allied Employees' Association (Victorian Branch), the ultimate controlling entity, has granted interest free loans to the controlled entity, Fedsda Unit Trust, of which $9,000,000 is receivable as at 30 June 2017 (refer to parent entity current assets at Note 23). 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 (2016: $540,350).

(b) Transactions with related parties

Amounts received from Industrial Printing and Publishing Pty Ltd and 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, split as follows:

Directors fees paid to SDA	**12,000**	12,000
Secretarial duties and other costs	-	1,440
	12,000	13,440

Notes to the financial statements

For the year ended 30 June 2017

19. Related parties (continued)

	2017 $	2016 $
Amounts paid to Publicity Works Pty Ltd, a controlled entity of Industrial Printing and Publishing Pty Ltd, an associate, for consulting services	**39,634**	**135,208**
Amount of rent paid to FEDSDA Unit Trust as a subsidiary of the Shop, Distributive and Allied Employees' Association (Victorian Branch). This amount has been eliminated upon consolidation	**405,750**	408,000
Affiliation fees paid to Shop, Distributive & Allied Employees Association (National Office)	**1,341,155**	1,303,494

20. Cash flow information

Reconciliation of cash flow from operations with surplus		
Net surplus for the year	**379,358**	960,784
Cash flows excluded from surplus attributable to operating activities		
Depreciation & amortisation	**770,876**	788,895
Lease incentives	**18,879**	(22,865)
Net loss on disposal of plant and equipment	**6,911**	39,385
Share of (profits)/losses of associates	**(13,953)**	85,537
Non-cash defined benefit adjustment	**1,384,780**	(240,278)
Changes in assets and liabilities		
(Increase)/decrease in receivables	**248,346**	(716,318)
Increase in payables	**(199,298)**	(80,661)
Increase/(decrease) in provisions	**(443,506)**	56,398
Net cash provided by operating activities	**2,152,393**	870,877

Notes to the financial statements

For the year ended 30 June 2017

20. Cash flow information (continued)

	2017 $	2016 $
(a) Cash Flow Information		
Cash inflows		
SDA National Office	-	-
Total cash inflows	-	-
Cash outflows		
SDA National Office	**1,530,726**	1,533,098
Total cash outflows	**1,530,726**	1,533,098

21. 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:

Within 1 year	**106,320**	96,650
Later than 1 year but not later than 5 years	-	-
Total	**106,320**	96,650

22. After reporting period events

No matters or circumstances have arisen since the end of the financial year which significantly affect the operation of the Association, the results of those operations or the state of affairs of the Association in future financial years.

23. Parent entity information

The following detailed information related to the parent entity, Shop, Distributive and Allied Employees' Association (Victorian Branch), at 30 June 2017. 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 profit or loss and other comprehensive income, rather than being deducted from the carrying amount of the investment.

Notes to the financial statements

For the year ended 30 June 2017

23. Parent entity information (continued)

	2017 $	2016 $
Summary financial information		
The individual financial statements for the parent entity show the following aggregate amounts:		
Summary statement of financial position		
Current assets	**29,526,815**	28,050,144
Non-current assets	**6,281,354**	5,860,142
Total assets	**35,808,169**	33,910,286
Current liabilities	**1,831,705**	1,175,952
Non-current liabilities	**1,248,091**	1,253,860
Total liabilities	**3,079,796**	2,429,812
Members funds	**32,728,373**	31,480,474
Total equity	**32,728,373**	31,480,474
Summary statement of comprehensive income		
Surplus for the year	**379,358**	960,784
Other comprehensive (loss)/income for the year	**868,530**	(987,036)
Total comprehensive (loss)/income for the year	**1,247,888**	(26,252)

The consolidated financial statements include the financial information of Fedsda Unit Trust, a 100% owned Australian property holding unit trust (2016:100%).

24. 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

The Rialto, Level 30
525 Collins St
Melbourne Victoria 3000

Correspondence to:
GPO Box 4736
Melbourne Victoria 3001

T +61 3 8320 2222
F +61 3 8320 2200
E info.vic@au.gt.com
W www.grantthornton.com.au

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THE SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION (VICTORIAN BRANCH)

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of The Shop Distributive and Allied Employees' Association (Victorian Branch) (the Reporting Unit), which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2017, notes to the financial statements, including a summary of significant accounting policies; and the Committee of Management Statement.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of The Shop Distributive and Allied Employees' Association (Victorian Branch) as at 30 June 2017, and its financial performance and its cash flows for the year ended on that date in accordance with:

a the Australian Accounting Standards; and

b any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

We declare that management's use of the going concern basis in the preparation of the financial statements of the Reporting Unit is appropriate.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Reporting Unit in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information Other than the Financial Report and Auditor’s Report Thereon

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor’s report is in the Operating Report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Committee of Management for the Financial Report

The Committee of Management of the Reporting Unit is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee of Management is responsible for assessing the Reporting Unit’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee of Management either intend to liquidate the Reporting Unit or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Reporting Unit’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.

- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Reporting Unit audit. We remain solely responsible for our audit opinion.

We communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We declare that S P Lawson is an approved auditor, a member of the Chartered Accountants Australia and New Zealand and holds a current Public Practice Certificate.

Other Matter

The Committee of Management Statement reflects that The Shop Distributive and Allied Employees' Association (Victorian Branch) has not undertaken any recovery of wages activity during the reporting period ended 30 June 2017. As such, no opinion is provided in relation to recovery of wages activity.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

S P Lawson
Partner - Audit & Assurance

Melbourne, 16 August 2017

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/88

SHOP, DISTRIBUTIVE & ALLIED EMPLOYEES' ASSOCIATION, VICTORIAN BRANCH

S.268 Fair Work (Registered Organisations) Act 2009

Certificate by Prescribed Designated Officer

Certificate for the year ended 2017

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

- that the documents lodged herewith are copies of the full report for the Shop, Distributive & Allied Employees' Association, Victorian Branch for the period ended referred to in S.268 of the Fair Work (Registered Organisations) Act 2009; and
- that the full report was provided to members of the reporting unit on 11 and 12 September 2017; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 29 November 2017 in accordance with S.266 of the Fair Work (Registered Organisations) Act 2009.

Signature of prescribed designated officer: Michael John Donovan

Name of prescribed designated officer: Michael John Donovan

Title of prescribed designated officer: Branch Secretary-Treasurer

Dated: 7 DEC 2017