



Australian Government
Australian Industrial Registry

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Joe Bullock
Secretary
Shop, Distributive and Allied Employees Association, WA Branch
GPO Box 2556
66 St Georges Terrace
Perth WA 6001

By email: sda@sdawa.asn.au

cc. Robert Kelly
Partner
KPMG
152-158 St George's Terrace
Perth WA 6000

Dear Mr Bullock,

Re: Financial Report for the Financial Year Ended 30 June 2008 – FR2008/319

I acknowledge receipt of the financial report for the Shop Distributive & Allied Employees Association – WA Branch for the year ended 30 June 2008 which was lodged with the Registry on 19 November 2008.

The financial report has been filed.

I make the following comments to assist you when you next prepare a financial report. You are not required to take any further action in respect of the report lodged.

1) General Purpose Financial Report: notice drawing attention to the subsections 272 (1), (2) & (3)

The general purpose financial report needs to include a notice drawing attention to the fact that prescribed information is available to members on request. This requirement is set out in subsection 272(5) of Schedule 1 (the RAO Schedule) to the *Workplace Relations Act 1996*, and it specifically requires the accounts to include a copy of subsections 272(1), (2) & (3) as follows:

- (1) A member of an organisation, or a Registrar, may apply to the organisation for specified prescribed information in relation to the organisation.*
- (2) An organisation shall, on application made under subsection (1) by a member of the organisation or a Registrar, make the specified information available to the member or Registrar in such manner, and within such time, as is prescribed.*

- (3) A Registrar may only make an application under subsection (1) at the request of a member of the organisation concerned, and the Registrar shall provide to a member information received because of an application made at the request of the member.*

This information should be set out in the notes to the general purpose financial report.

2) Right to Resign

Subsection 254(2)(c) requires the Operating Report to 'give details' of the right of members to resign from the reporting unit under section 174 of the RAO Schedule. I note that the Operating Report gives a brief summary of parts of the resignation rule (rule 25) of the SDAEA WA Branch, but does not give sufficient detail. The requirement under subsection 254 (2) (c) may be met either by the inclusion of a reference to the relevant resignation rule or the complete text of the rule may be reproduced in the report.

3) Dependencies between reporting units

Point 15 of the Reporting Guidelines for the preparation of the statement of cash flows requires that where another reporting unit of the organisation is the application of cash outflow this should be separately disclosed in the notes to the financial statements. I note that note 9 explains that all affiliations are paid to the national office of the SDAEA. In order to satisfy point 15 of the Reporting Guidelines, future reports should identify in the notes the amount of the cash outflow to the national office of the SDAEA (and if applicable any other reporting units).

4) Levies – income and expenditure

Point 10 (d) of the Reporting Guidelines for the preparation of the general purpose financial report (GPFR) requires that GPFR provide the amount and a brief description of the purpose of compulsory levies raised from the members. Also Point 11 (e) of the Reporting Guidelines that GPFR provide the amount and a brief description of the purpose of compulsory levies imposed on the reporting unit.

I note that note 3(c) (ii) explains that the levies received are monies received from the SDAWA to fund a levy payable to the ACTU. It is unclear whether the levies received are additional to members' membership fees, or whether a portion of the membership fees is paid to the ACTU.

I also note that note 9 explains that all levies received from the SDAWA are paid to the ACTU. It is unclear whether the levy paid to the ACTU is part of the ACTU's affiliation fee or whether it is an additional levy imposed by the ACTU on the branch. Further note 9 suggests that the levy is paid directly to the ACTU, rather than to the national office of the SDAEA (which I understand has been the case in previous financial years).

In the notes to future financial reports please clarify whether levies received are additional levies or part of existing membership fees. They should also clarify whether levies paid are part of existing affiliation fees to the ACTU or additional levies imposed by the ACTU and whether the levies are paid to the ACTU or the national office of the SDAEA.

5) Auditor's Qualifications

Regulation 4 of the *Workplace Relations (Registration and Accountability of Organisations) Regulations 2003* (RAO Regulations) defines an approved auditor as a person who is a member of CPA Australia, The Institute of Chartered Accountants in Australia or the National Institute of Accounts and holds a current Public Practice Certificate. In all likelihood the auditor is such a person however, it is our preference that this is made explicit in the auditor's report.

Please ensure that future reports state whether the auditor is a member of CPA Australia, The Institute of Chartered Accountants in Australia or the National Institute of Accounts and whether the auditor holds a current Public Practice Certificate.

SUMMARY

Accordingly, in order to secure compliance with your obligations under the RAO Schedule, I request in future financial reports:

- A notice drawing attention to the subsections 272 (1), (2) & (3) is included in the notes to the GPFR;
- The Operating Report includes of a reference to the relevant resignation rule or the complete text of the rule be reproduced ;
- The notes to the GPFR identify the actual amount of the cash outflow to the national office of the SDAEA;
- Explanations of levies raised and paid are provided in the notes;
- The auditor's qualifications are identified.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act and the Reporting Guidelines, I can be contacted on 03 8661 7929 or by email at eve.anderson@airc.gov.au.

Yours sincerely



Eve Anderson
Statutory Services Officer
Australian Industrial Registry

Tel: 03 86617929

Email: eve.anderson@airc.gov.au

3 December 2008

#2008/31a



Building on a Century of Service
1908 - 2008

**THE SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES'
ASSOCIATION, WESTERN AUSTRALIAN BRANCH**

Registered Office: 5th Floor, 25 Barrack Street, Perth WA 6000
Postal Address: G.P.O. Box 2556, 66 St Georges Terrace, Perth WA 6001
Phone: (08) 9221 4321
Facsimile: (08) 9221 2774
Email: sda@sdawa.asn.au
ABN 49 055 257 014

BRANCH SECRETARY
JOE BULLOCK



17 November 2008

The Registrar
Australian Industrial Registry
GPO Box 1994S
MELBOURNE VIC 3001

Dear Sir

RE: Financial Documents – 30 June 2008
Shop, Distributive and Allied Employees' Association, Western Australian Branch

Please find attached a copy of the Operating Report, General Purpose Financial Report and Auditor's Report in relation to the Shop, Distributive and Allied Employees' Association, Western Australian Branch for the year ended 30 June 2008.

The above mentioned documents contain the appropriate information and certificates as required by legislation and are submitted for filing.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Joe Bullock'.
JOE BULLOCK
BRANCH SECRETARY

Enc

Designated Officer's Certificate
S268 of Schedule 1 Workplace Relations Act 1996

I, Joseph Bullock being the Branch Secretary of the Shop, Distributive and Allied Employees' Association, Western Australian Branch certify:

That the documents lodged herewith are copies of the full report, referred to in s268 of the RAO Schedule; and

That the full report, was provided to members on 15th October 2008; and

That the full report was presented to a General Meeting of Members of the reporting unit on 11th November 2008.

Signature: 

Date: 19/11/08

Operating Report of THE SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES'
ASSOCIATION, WESTERN AUSTRALIAN BRANCH
(2007/2008 Financial Year)

1. Review of units principal:

- Activities during the financial year
- Results of those activities
- Significant changes in the nature of the activities

- a) During 2007/2008 the branch has watched over and protected the interests of members, maintained reasonable hours of labour and fair wage rates and settled industrial disputes by negotiation, conciliation and arbitration.

There are approximately 71 Union Collective Agreements which involved the SDA. During the 2007/2008 financial year 29 were negotiated or renegotiated. Union Collective Agreements provide an opportunity to improve the wages and to advance industrial interests of members while providing additional flexibility for employers.

In addition to using Union Collective Agreements as a vehicle for furthering the interests for members the safety net of awards underpinning Union Collective Agreements has also been updated in accordance with national wage decisions and the Branch has participated in the work of the union in assisting in the development of new, modern awards.

- b) Where industrial matters cannot be resolved through negotiation it may be necessary for them to be referred to the AIRC for conciliation and/or arbitration. In this respect approximately one or two matters per month were referred to the AIRC to be dealt with by conciliation and/or arbitration.
- c) The result of these activities have been general increases in Union Collective Agreement wages, allowances and conditions of about 3% - 5% per annum depending on the industry and employer. There have also been considerable improvements to working arrangements that have benefited many members, particularly female members, in combining work with family responsibilities.

Matters referred to the AIRC have been largely resolved to members' satisfaction.

- d) The SDA also handles matters involving work related injuries and has had an average of 30 ongoing files at any one time during the 2007/2008 financial year.
- e) Seventeen (17) Training courses were conducted during the 2007/2008 financial year.
- f) There have been no significant changes in the activities of the SDA during the 2007/2008 financial year.

2. Details of significant changes in units financial affairs:

There have been no significant changes in the Branch's financial affairs.

3. Detail of the right of members to resign under S174:

Members of the SDA are entitled to resign pursuant to schedule 1 clause 174 Registration and Accountability of Organizations. The SDA strictly adheres to the resignation from membership provisions, contained therein. Those rights include:

- Resignation by notice in writing.
- Resignation takes effect on the day it is received or the day specified in the notice or at the end of a two week period, whichever is applicable.

4. Details of any officer or member of the reporting unit who is:

- a) A trustee of a superannuation entity or an exempt public sector superannuation scheme: or
- b) A director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme: and

Where a criterion for the officer or member being the trustee or director is that the officer or member is an officer or member of a registered organization.

The Secretary of the Branch is an alternate director of the Retail Employees Superannuation Trust but this is not a requirement of the fund.

5. Details of membership of the Committee of Management –

The following persons held office through the period 1st July 2007 to 4th December 2007:

Branch President	Mary Cope-Protctor
Branch Vice President	Gina Caldwell
Branch Secretary	Joseph Bullock
Branch Assistant Secretary	Martin Pritchard
Branch Treasurer	Catherine Doust
Branch Committee of Management Member	Kylie Boyle
Branch Committee of Management Member	Rae Breen
Branch Committee of Management Member	Tony Hoh
Branch Committee of Management Member	Tamara Hopkins
Branch Committee of Management Member	Rosemary Landwehr
Branch Committee of Management Member	Kelly Raven
Branch Committee of Management Member	Jean Wainwright
Branch Delegate to National Council	Thomas Mark Bishop
Branch Delegate to National Council	Joseph Bullock
Branch Delegate to National Council	Georgina Caldwell
Branch Delegate to National Council	Carmel deJussing
Branch Delegate to National Council	Martin Pritchard

The following persons held office through the period 5th December 2007 to 30th June 2008.


Branch President	Rita Mahony
Branch Vice President	Phyllis McMahon
Branch Secretary	Joseph Bullock
Branch Assistant Secretary	Martin Pritchard
Branch Treasurer	Catherine Doust
Branch Committee of Management Member	Michelle Carey
Branch Committee of Management Member	Mina Crawford
Branch Committee of Management Member	Tony Hoh
Branch Committee of Management Member	Patricia Glasson
Branch Committee of Management Member	Wendy Morrow
Branch Committee of Management Member	Jacqueline Taft
Branch Committee of Management Member	Earle Wendt
Branch Delegate to National Council	Thomas Mark Bishop
Branch Delegate to National Council	Joseph Bullock
Branch Delegate to National Council	Rita Mahony
Branch Delegate to National Council	Phyllis McMahon
Branch Delegate to National Council	Martin Pritchard

6. Other

- The report is signed and dated
- The number of members of the SDA WA Branch at 30/06/2008 is 19,580.
- The Branch employs no employees
- At point (1) the report contains a review of principal activities
- At point (2) are details of significant change of activities that being nil
- At point (4) are details of superannuation trustees
- At point (5) are details of membership of the Committee of Management

SIGNED

DATED 24/9/08 .


JOSEPH BULLOCK
BRANCH SECRETARY

**The Shop, Distributive and Allied Employees' Association
Western Australian Branch
49 055 257 014**

Annual Financial Report

30 June 2008

The Shop, Distributive and Allied Employees' Association

Western Australian Branch

30 June 2008

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The Shop, Distributive and Allied Employees' Association

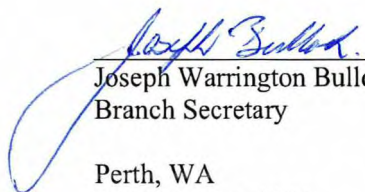
Western Australian Branch

Committee of Management Statement

30 June 2008

We, Joseph Warrington Bullock and Martin Brian Pritchard, being two members of the Committee of Management of The Shop, Distributive and Allied Employees' Association, Western Australian Branch, do declare on behalf of the Committee and in accordance with a resolution passed by the Committee on 24 September 2008, that in the opinion of the Committee:

1. The financial statement and notes comply with the Australian Accounting Standards;
2. The financial statement and notes comply with the reporting guidelines of the Industrial Registrar;
3. The financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Branch for the financial year to which they relate;
4. There are reasonable grounds to believe that the Branch will be able to pay its debts as and when they become due and payable; and
5. During the year ended 30 June 2008 and since the end of that year;
 - (i) Meetings of the Committee of Management were held in accordance with the rules of The Shop, Distributive and Allied Employees' Association including the rules of the Branch; and
 - (ii) The financial affairs of the Branch have been managed in accordance with the rules of The Shop, Distributive and Allied Employees' Association including the rules of the Branch; and
 - (iii) The financial records of the Branch have been kept and maintained in accordance with the Workplace Relations (Registration and Accountability of Organisations) Regulations ("RAO Regulations") and the Registration of Accountability of Organisations Schedule ("RAO Schedule") and
 - (iv) The information sought in any request of a member of the Branch or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
 - (v) There has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.



Joseph Warrington Bullock
Branch Secretary

Perth, WA
24 September 2008



Martin Brian Pritchard
Assistant Branch Secretary

The Shop, Distributive and Allied Employees' Association

Western Australian Branch

Balance sheet

As at 30 June 2008

	Note	2008 \$	2007 \$
Assets			
Cash and cash equivalents	6	2,883	22,528
Trade and other receivables	7	17,865	147
Total current assets		<u>20,748</u>	<u>22,675</u>
Total assets		<u>20,748</u>	<u>22,675</u>
Liabilities			
Trade and other payables	8	3,406	3,415
Total current liabilities		<u>3,406</u>	<u>3,415</u>
Total liabilities		<u>3,406</u>	<u>3,415</u>
Net assets		<u><u>17,342</u></u>	<u><u>19,260</u></u>
Accumulated funds		<u>17,342</u>	<u>19,260</u>
Total accumulated funds		<u><u>17,342</u></u>	<u><u>19,260</u></u>

The notes of pages 6 to 17 are an integral part of these financial statements.

The Shop, Distributive and Allied Employees' Association

Western Australian Branch

Income statement

For the year ended 30 June 2008

	2008	2007
	\$	\$
Revenue		
Fees	500,501	503,398
Levies	121,831	-
	<hr/>	<hr/>
Total revenue	622,332	503,398
Affiliation dues	(385,001)	(387,229)
International Fund	(115,500)	(116,169)
Levies	(121,831)	-
Audit fees	(1,948)	(1,768)
Bank charges	(30)	(72)
	<hr/>	<hr/>
Results from operating activities	(1,978)	(1,840)
	<hr/>	<hr/>
Interest income	60	380
	<hr/>	<hr/>
Net finance income	60	380
	<hr/>	<hr/>
Deficit for the year	(1,918)	(1,460)
	<hr/> <hr/>	<hr/> <hr/>

The notes of pages 6 to 17 are an integral part of these financial statements.

The Shop, Distributive and Allied Employees' Association

Western Australian Branch

Statement of changes in equity

For the year ended 30 June 2008

	2008	Accumulated Funds \$
Balance at 1 July 2007		19,260
Deficit for the year		(1,918)
Total recognised income and expense for the year		(1,918)
Balance at 30 June 2008		17,342
	2007	Accumulated Funds \$
Balance at 1 July 2006		20,720
Deficit for the year		(1,460)
Total recognised income and expense for the year		(1,460)
Balance at 30 June 2007		19,260

The Shop, Distributive and Allied Employees' Association

Western Australian Branch

Statement of cash flows

For the year ended 30 June 2008

	Note	2008 \$	2007 \$
Cash flows from operating activities			
Cash receipts from customers		604,614	503,398
Cash paid to suppliers and employees		(624,319)	(503,470)
Cash generated from operations	6	(19,705)	(72)
Interest received		60	380
Net cash from operating activities		(19,645)	308
Net decrease in cash and cash equivalents		(19,645)	308
Cash and cash equivalents at 1 July		22,528	22,220
Cash and cash equivalents at 30 June	6	2,883	22,528

The notes of pages 6 to 17 are an integral part of these financial statements.

The Shop, Distributive and Allied Employees' Association

Western Australian Branch

Notes to the financial statements

1 Reporting entity

The Shop, Distributive and Allied Employees' Association Western Australian Branch (the "Entity") is a union domiciled in Australia. The address of the Entity's registered office is 5th Floor, 25 Barrack Street, Perth WA 6000. The Entity primarily is involved in the trade union business in Western Australia.

2 Basis of preparation

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB).

This financial report has been prepared for distribution to members of the Entity to satisfy the Committee of Management's reporting responsibilities imposed by the Workplace Relations Act 1996.

The financial report was approved by the Members of the Committee of Management on 24 September 2008.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

(c) Functional and presentation currency

These financial statements are presented in Australian dollars, which is the Entity's functional currency.

(d) Use of estimates and judgements

The preparation of financial statements requires management 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 underlying 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.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Certain comparative amounts have been reclassified to conform with the current year's presentation.

The Shop, Distributive and Allied Employees' Association

Western Australian Branch

Notes to the financial statements

3 Significant accounting policies continued

(a) Financial instruments

(i) Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Entity becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the Entity's contractual rights to the cash flows from the financial assets expire or if the Entity transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date that the Entity commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Entity's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances and call deposits.

Accounting for finance income and expense is discussed in note 3(d).

Non-derivative financial instruments, other than those measured at fair value, are measured at amortised cost using the effective interest method, less any impairment losses.

(b) Impairment

(i) Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Financial assets are tested for impairment on an individual basis.

All impairment losses are recognised in profit or loss.

The Shop, Distributive and Allied Employees' Association

Western Australian Branch

Notes to the financial statements

3 Significant accounting policies continued

(b) Impairment continued

(i) Financial assets continued

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost the reversal is recognised in profit or loss.

(c) Revenue

(i) Fees

Federal affiliation fees comprise fees receivable from The Shop Distributive and Allied Employees Association of Western Australia (SDAWA) based on 10% of the membership fees earned by the SDAWA in the previous financial year. The international fund levy comprise of a levy receivable from the SDAWA based on 3% of the membership fees earned by the SDAWA in the previous year. The fees are recognised on a straight-line basis over the year to match the costs of the services provided.

(ii) Levies

Revenue from levies comprises funds receivable from The Shop Distributive and Allied Employees Association of Western Australia (SDAWA) to fund the levy payable to the Australian Council of Trade Unions (ACTU) in the current financial year. Revenue from levies is recognised when the obligation to pay the ACTU is recognised.

(d) Finance income and expenses

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

(e) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

The Shop, Distributive and Allied Employees' Association

Western Australian Branch

Notes to the financial statements

3 Significant accounting policies continued

(e) Goods and services tax continued

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from operating activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(f) Income tax

Under Section 50-15 of the Income Tax Assessment Act 1997, the Entity is exempt from income tax.

(g) New standards and interpretations not yet adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the Entity in the period of initial application. They are available for early adoption at 30 June 2008, but have not been applied in preparing this financial report:

- Revised AASB 101 *Presentation of Financial Statements* introduces as a financial statement (formerly “primary” statement) the “statement of comprehensive income”. The revised standard does not change the recognition, measurement or disclosure of transactions and events that are required by other AASBs. The revised AASB 101 will become mandatory for the Entity’s 30 June 2010 financial statements. The Entity has not yet determined the potential effect of the revised standard on the Entity’s disclosures.

4 Segment reporting

The Entity operates predominately in one business and geographical segment being the trade union business in Western Australia.

5 Financial instruments & financial risk management

(a) Overview

The Entity has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Entity's exposure to each of the above risks, its objectives and the policies and processes for measuring and managing risk. Quantitative disclosures are also included in this note.

The Shop, Distributive and Allied Employees' Association

Western Australian Branch

Notes to the financial statements

5 Financial instruments & financial risk management continued

(a) Overview continued

The Committee of Management have responsibility for the establishment and oversight of the risk management framework and for developing and monitoring risk management policies.

Risk Management policies are established to identify and analyse the risks faced by the Entity, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Entity's activities. The Entity, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Committee of Management oversees how management monitors compliance with the Entity's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Entity.

(b) Credit risk

Credit risk is the risk of financial loss to the Entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Entity's receivables from The Shop Distributive and Allied Employees Association of Western Australia.

Trade and other receivables

The Entity's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Entity's member base, including the default risk of the industry and country in which members operate, has less of an influence on credit risk. All of the Entity's customers are based in Western Australia.

The Entity does not require, a credit policy as all receivables relate to deductions for members working at their customers enterprises. As such terms are not created, rather membership contributions are remitted on a periodic basis.

The Entity has not established an allowance for impairment as historical data and the payment reputation of the members does not indicate any impairment issues.

The entity's receivables are due from The Shop Distributive and Allied Employees Association of Western Australia and its credit exposure is directly related to the credit risk of The Shop Distributive and Allied Employees Association of Western Australia. Historically all receivables due have been paid and therefore there is no indication of any impairment issues.

The Shop, Distributive and Allied Employees' Association

Western Australian Branch

Notes to the financial statements

5 Financial instruments & financial risk management continued

(b) Credit risk continued

Exposure to credit risk

The carrying amount of the Entity's financial assets represents the maximum credit exposure. The Entity's maximum exposure to credit risk at the reporting date was:

	Carrying amount	
	2008	2007
	\$	\$
Trade and other receivables	16,077	147
	<hr/>	<hr/>
	16,077	147

The Entity's maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:

	Carrying amount	
	2008	2007
	\$	\$
Australia	16,077	147
	<hr/>	<hr/>

The Entity's maximum exposure to credit risk for trade receivables at the reporting date by type of customer was:

	Carrying amount	
	2008	2007
	\$	\$
The Shop Distributive and Allied Employees Association of Western Australia	16,077	147
	<hr/>	<hr/>

The receivables at risk represent the amount due from The Shop Distributive and Allied Employees Association of Western Australia. The balance is receivables from the Australian Tax Office and is therefore not considered to be at risk.

The Shop, Distributive and Allied Employees' Association

Western Australian Branch

Notes to the financial statements

5 Financial instruments & financial risk management continued

(b) Credit risk continued

Impairment losses

All of the Entity's receivables are past due (2007: nil). The aging of the Group's trade receivables at the reporting date was:

	Gross 2008 \$	Impairment 2008 \$	Gross 2007 \$	Impairment 2007 \$
Not past due	-	-	-	-
Past due 0-60 days	-	-	-	-
Past due 60-120 days	16,077	-	-	-
	16,077	-	-	-

Based on historic default rates, the Entity believes that no impairment allowance is necessary in respect of trade receivables not past due or past due by up to 120 days.

(c) Liquidity risk

Liquidity risk is the risk that the Entity will not be able to meet its financial obligations as they fall due. The Entity's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Entity's reputation.

Typically the Entity ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 90 days; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. The Entity does not maintain any lines of credit.

The Shop, Distributive and Allied Employees' Association
Western Australian Branch

Notes to the financial statements

5 Financial instruments & financial risk management continued

(c) Liquidity risk continued

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount	Contractual cash flows	12mths or less	1-2 yrs	2-5 yrs	More than 5 yrs
30 June 2008						
Non-derivative financial liabilities						
Trade and other payables	3,406	3,406	3,406	-	-	-
	<u>3,406</u>	<u>3,406</u>	<u>3,406</u>	<u>-</u>	<u>-</u>	<u>-</u>

	Carrying amount	Contractual cash flows	12mths or less	1-2 yrs	2-5 yrs	More than 5 yrs
30 June 2007						
Non-derivative financial liabilities						
Trade and other payables	3,415	3,415	3,415	-	-	-
	<u>3,415</u>	<u>3,415</u>	<u>3,415</u>	<u>-</u>	<u>-</u>	<u>-</u>

(d) Market risk

Market risk is the risk that changes in market prices, such as interest rates will affect the Entity's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

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5 Financial instruments & financial risk management continued

(d) Market risk continued

Interest rate risk

The Entity adopts a policy of ensuring that its exposure to changes in interest rates is limited by investing in high return deposits with no fixed term.

Profile

At the reporting date the interest rate profile of the Entity's interest-bearing financial instruments was:

	Carrying amount	
	2008	2007
	\$	\$
Variable rate instruments		
Financial assets	2,883	22,528

Fair value sensitivity analysis for fixed rate instruments

The Entity does not hold any fixed rate financial assets and liabilities. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Fair values

Fair values of financial assets and liabilities approximate their carrying values.

6 Cash and cash equivalents

	2008	2007
	\$	\$
Cash at bank	2,883	22,528
Cash and cash equivalents in the statement of cash flows	<u>2,883</u>	<u>22,528</u>

The Entity's exposure to interest rate risk and sensitivity analysis for financial assets and liabilities are disclosed in note 5.

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6 Cash and cash equivalents continued

Reconciliation of cash flows from operating activities

	2008	2007
	\$	\$
Cash flows from operating activities		
Deficit for the year	(1,918)	(1,460)
Net finance income	(60)	(380)
	<u>(1,978)</u>	<u>(1,840)</u>
Operating profit before changes in working capital	(1,978)	(1,840)
Change in trade and other receivables	(17,718)	(147)
Change in trade and other payables	(9)	1,915
	<u><u>(19,705)</u></u>	<u><u>(72)</u></u>

7 Trade and other receivables

	2008	2007
	\$	\$
Trade receivables	16,077	-
Other receivables	1,788	147
	<u><u>17,865</u></u>	<u><u>147</u></u>

The Entity's exposure to credit risk and impairment losses related to trade and other receivables are disclosed in note 5.

8 Trade and other payables

	2008	2007
	\$	\$
Trade payables	2,139	1,615
Other payables	1,267	1,800
	<u><u>3,406</u></u>	<u><u>3,415</u></u>

The Entity's exposure to liquidity risk related to trade and other payables is disclosed in note 6.

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9 Related party transactions

Affiliation dues, international fund contributions and branch levies are paid to the national office of The Shop, Distributive and Allied Employees Association at rates determined by the national office.

All revenue is received from the SDAWA and the affiliation dues and levies are paid to the National Office of the SDA and the ACTU respectively.

10 Remuneration of Committee of Management

The following persons held office through the period 1st July 2007 to 4th December 2007:

Branch President	Mary Cope-Proctor
Branch Vice President	Gina Caldwell
Branch Secretary	Joseph Bullock
Branch Assistant Secretary	Martin Pritchard
Branch Treasurer	Catherine Doust
Branch Committee of Management Member	Kylie Boyle
Branch Committee of Management Member	Rae Breen
Branch Committee of Management Member	Tony Hoh
Branch Committee of Management Member	Tamara Hopkins
Branch Committee of Management Member	Rosemary Landwehr
Branch Committee of Management Member	Kelly Raven
Branch Committee of Management Member	Jean Wainwright
Branch Delegate to National Council	Thomas Mark Bishop
Branch Delegate to National Council	Joseph Bullock
Branch Delegate to National Council	Georgina Caldwell
Branch Delegate to National Council	Carmel deJussing
Branch Delegate to National Council	Martin Pritchard

The following persons held office through the period 5th December 2007 to 30th June 2008.

Branch President	Rita Mahony
Branch Vice President	Phyllis McMahon
Branch Secretary	Joseph Bullock
Branch Assistant Secretary	Martin Pritchard
Branch Treasurer	Catherine Doust
Branch Committee of Management Member	Michelle Carey
Branch Committee of Management Member	Mina Crawford
Branch Committee of Management Member	Tony Hoh
Branch Committee of Management Member	Patricia Glasson
Branch Committee of Management Member	Wendy Morrow

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Notes to the financial statements

Branch Committee of Management Member	Jacqueline Taft
Branch Committee of Management Member	Earle Wendt
Branch Delegate to National Council	Thomas Mark Bishop
Branch Delegate to National Council	Joseph Bullock
Branch Delegate to National Council	Rita Mahony
Branch Delegate to National Council	Phyllis McMahon
Branch Delegate to National Council	Martin Pritchard

The total remuneration paid or payable, directly or indirectly, from the Branch and any other related party to all the members of the Committee of Management was nil (2007: nil).



Independent audit report to the members of The Shop, Distributive and Allied Employees' Association, Western Australian Branch

Report on the financial report

We have audited the accompanying financial report of The Shop, Distributive and Allied Employees' Association, Western Australian Branch ("the Entity"), which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes set out on pages 2 to 18.

Committee of Management's responsibility for the financial report

The Committee of Management of the Entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

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

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

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), a view which is consistent with our understanding of the entity's financial position, and of its performance and cash flows.



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

Auditor's opinion

In our opinion, the financial report presents fairly in accordance with the Workplace Relation Act 1996, and Australian Accounting Standards (including the Australian Accounting Interpretations) the financial position of The Shop, Distributive and Allied Employees' Association, Western Australian Branch as of 30 June 2008 of its financial performance and its cash flows for the year then ended.

KPMG
KPMG

A handwritten signature in black ink that reads 'Robert Kelly'.

Robert Kelly

Partner

Perth

Dated: 24 September 2008