



FAIR WORK
AUSTRALIA

18 January 2011

Mr Joseph Bullock
Secretary
Shop, Distributive and Allied Employees Association, Western Australian Branch
email: sda@sdawa.asn.au

Dear Mr Bullock

Re: Financial Report for the Shop, Distributive and Allied Employees Association, Western Australian Branch for year ended 30 June 2010 – FR2010/2688

I acknowledge receipt of the financial report for the Shop, Distributive and Allied Employees Association, Western Australian Branch (the Branch) for the year ended 30 June 2010. The report was lodged with Fair Work Australia on 26 November 2010. I apologise for the late processing of this matter.

The financial report has now been filed.

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

Operating Report

Right of members to resign

Subsection 254(2)(c) of the Fair Work (Registered Organisations) Act 2009 (the Act) requires the operating report to 'give details' of the right of members to resign from the reporting unit under section 174 of the Act. This requirement may be met by the inclusion of a statement that a member has the right to resign and a reference to the relevant rule, which makes such provision. Alternatively, the complete text of the relevant resignation rule may be reproduced in the report. It would appear in this case that rule 32 of the Branch's Rules is applicable.

Committee of Management statement

Item 25(c) of the General Manager's Reporting Guidelines (the Guidelines) requires the committee of management to declare whether or not the 'financial statements and notes give a *true and fair view* of the financial performance . . .'. The committee of management statement declares that the 'financial statements and notes *present fairly* the financial performance . . .'. In future years please ensure that declaration is made in the terms required by the reporting guidelines, that is whether the financial statements give a *true and fair view*.

Also, item 25(e)(iv) of the guidelines requires a declaration by the Committee of Management that:

'where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation.'

If the records have been kept in a consistent manner to each of the organisation's reporting units, the following statement should be made in future committee of management statements:

'the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation.'

Also, the Committee of Management statement was signed by a designated officer but not dated. Item 26(d) of the guidelines requires that the Committee of Management statement must be dated as at the date the designated officer sign the statement. Could you ensure that future statements are dated in accordance with the guidelines.

Statement of comprehensive income and notes to the financial statements

The statement of comprehensive income contains an entry under 'Revenue' for 'Donations' and the figure '\$607,182'. It appears from a reading of the financial report that this revenue is actually monies paid from the affiliated State Organisation, The Shop Distributive and Allied Employees Association of Western Australian (SDAWA) to the Branch. Also, note 3(c)(i) of the notes to the financial statements refers to 'Donations' and provides an explanation regarding the fees and levies paid to the Shop, Distributive and Allied Employees Association (SDAEA) by the State Union in accordance with rules 6 (General Fund) and 6A (International Fund) of the SDAEA's rules.

Future reports from the Branch should describe the reference in the statement of comprehensive income as a contribution from an affiliated State Organisation.

Donations from the SDAWA

The statement of comprehensive income and note 3(c) to the financial statements suggest that the Branch is financially dependent on the SDAWA. Rule 28 (Contributions) of the Branch's rules require the SDAWA to remit regularly to the Branch an amount sufficient to pay the Branch's affiliation fees if the Branch and the SDAWA have dual members. However I cannot locate a reciprocal rule in the rules of the SDAWA. The Branch's ability to continue as a going concern appears to be dependent on the SDAWA's capacity and willingness to continue to donate affiliation fees and levies to the Branch. In future years, in order to prepare the financial statements on a going concern basis, the notes to the financial statements should explain why the Branch can reasonably expect the SDAWA will continue to make such donations into the future. For example, is there a written agreement with the SDAWA for this to occur?

Disclosure of finance costs

AASB 101(82)(b) requires the statement of comprehensive to include a line item that presents the finance costs for the period. In future years please ensure that the income statement includes this item.

Related party transactions

Paragraph 17 of Australian Accounting Standard 124 (related party transactions) requires that '[i]f there have been transactions between related parties, an entity shall disclose the nature of the related party relationship as well as information about the transactions and outstanding balances necessary for an understanding of the potential effect of the relationship on financial statements.' The paragraph states that, among other things, the amount of transactions and amount of outstanding balances are to be disclosed.

The operating report states that the Branch determined to 'accept responsibility for a proportion of the wage costs of the officials of the state registered Shop, Distributive and Allied Employees' Association of Western Australia'. Note 10 discloses the SDAWA as a related party but does not disclose any transaction regarding contributions to the wage costs of officials of the SDAWA. In future years if any such contributions are made the amount should be disclosed in the note regarding related party transactions.

Also, note 10 states that amounts due from the SDAWA are set out in note 8. However note 8 does not distinguish the amount receivable from the SDAWA from other receivables. In future years please ensure that any amounts receivable from the SDAWA are disclosed separately from other receivables.

Notes to Financial Reports

Notice under Section 272(5) of the Act

Note 4 of the notes to the financial statements contained an incorrect reference to the matters set out in section 272(1), (2) and (3) of the Act. As you are aware, the Notes to the General Purpose Financial Report are required to include a notice drawing attention to the fact that information that is prescribed by the Fair Work (Registered Organisations) Regulations 2009 is available to members on request.

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

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

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

'272 Information to be provided to members or General Manager

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

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

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

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

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

Yours sincerely



Kevin Donnellan

Tribunal Services and Organisations

Fair Work Australia

Email: kevin.donnellan@fwa.gov.au



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

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Postal Address: GPO Box 2556, 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

25 November 2010

The General Manager
Fair Work Australia
GPO Box 1994S
MELBOURNE VIC 3001

Dear Sir

RE: Financial Documents – 30 June 2010
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 2010.

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

Yours faithfully,

JOE BULLOCK
BRANCH SECRETARY

Enc

Designated Officer's Certificate

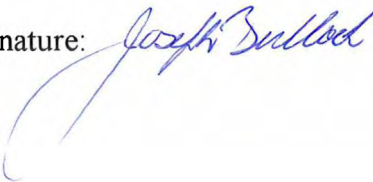
s268 Fair Work (Registered Organisations) Act 2009

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 Fair Work (Registered Organisations) Act 2009; and

That the full report, was provided to members on 16th September 2010; and

That the full report was presented to a General Meeting of Members of the reporting unit on 16th November 2010 in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.

Signature: 

Date: 25/11/10 .

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

Annual Financial Report

30 June 2010

The Shop, Distributive and Allied Employees' Association

Western Australian Branch

30 June 2010

Contents

	<u>Page</u>
Financial statements	
Committee of management statement	1
Statement of financial position	2
Statement of comprehensive income	3
Statement of changes in equity	4
Statement of cash flows	5
Notes to the financial statements	6-17
Independent audit report	18

The Shop, Distributive and Allied Employees' Association

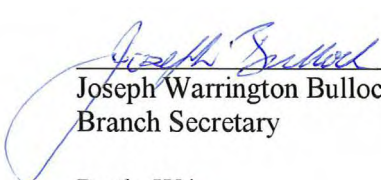
Western Australian Branch

Committee of management statement

30 June 2010

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 31 August 2010, that in the opinion of the Committee:

1. 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). The financial report of the Entity complies with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board (IASB);
2. The financial statement and notes comply with the reporting guidelines of the General Manager of Fair Work Australia;
3. The financial statements and notes present fairly 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 2010 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;
 - (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;
 - (iii) The financial records of the Branch have been kept and maintained in accordance with the Fair Work (Registered Organisations) Regulations 2009 and the Fair Work (Registered Organisations) Act 2009;
 - (iv) The information sought in any request of a member of the Branch or The General Manager of Fair Work Australia duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or the General Manager of Fair Work Australia;
 - (v) There has been no recovery of wages activity undertaken during the period per section 255 of the Fair Work (Registered Organisations) Act 2009; and
 - (vi) There has been compliance with any order for inspection of financial records made by Fair Work Australia under section 273 of the Fair Work (Registered Organisations) Act 2009.



Joseph Warrington Bullock
Branch Secretary

Perth, WA



Martin Brian Pritchard
Assistant Branch Secretary

The Shop, Distributive and Allied Employees' Association

Western Australian Branch

Statement of financial position

As at 30 June 2010

	Note	2010 \$	2009 \$
Assets			
Cash and cash equivalents	7	17,014	15,590
Trade and other receivables	8	22,781	1,898
Total current assets		<u>39,795</u>	<u>17,488</u>
Total assets		<u>39,795</u>	<u>17,488</u>
Liabilities			
Trade and other payables	9	24,640	1,210
Total current liabilities		<u>24,640</u>	<u>1,210</u>
Total liabilities		<u>24,640</u>	<u>1,210</u>
Net assets		<u>15,155</u>	<u>16,278</u>
Accumulated funds		<u>15,155</u>	<u>16,278</u>
Total accumulated funds		<u>15,155</u>	<u>16,278</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

Statement of comprehensive income

For the year ended 30 June 2010

	2010	2009
	\$	\$
Revenue		
Donations	607,182	495,882
Total revenue	607,182	495,882
Expenditure		
Affiliation dues	(403,612)	(381,448)
International Fund	(121,084)	(114,434)
Personnel expenses	(81,785)	-
Levies	-	-
Audit fees - KPMG	(1,100)	(1,100)
Bank charges	(732)	-
Total Expenditure	(608,312)	(496,982)
Interest income	7	36
Net finance income	7	36
Deficit for the year	(1,123)	(1,064)
Total comprehensive income for the year	(1,123)	(1,064)

The Shop, Distributive and Allied Employees' Association

Western Australian Branch

Statement of changes in equity

For the year ended 30 June 2010
2010

	Accumulated Funds \$
Balance at 1 July 2009	16,278
Deficit for the year	<u>(1,123)</u>
Total comprehensive income for the period	<u>(1,123)</u>
Balance at 30 June 2010	<u>15,155</u>

2009

	Accumulated Funds \$
Balance at 1 July 2008	17,342
Deficit for the year	<u>(1,064)</u>
Total comprehensive income for the period	<u>(1,064)</u>
Balance at 30 June 2009	<u>16,278</u>

The Shop, Distributive and Allied Employees' Association

Western Australian Branch

Statement of cash flows

For the year ended 30 June 2010

	Note	2010 \$	2009 \$
Cash flows from operating activities			
Cash receipts from customers		524,696	511,959
Cash paid to suppliers and employees		(523,279)	(499,288)
Cash generated from operations		1,417	12,671
Interest received		7	36
Net cash from operating activities	7	1,424	12,707
 Net increase in cash and cash equivalents		1,424	12,707
Cash and cash equivalents at 1 July		15,590	2,883
Cash and cash equivalents at 30 June	7	17,014	15,590

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 an Entity 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). The financial report of the Entity complies with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board (IASB).

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 Fair Work (Registered Organisations) Act 2009.

The financial report was approved by the Members of the Committee of Management on 31 August 2010.

(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

The Shop, Distributive and Allied Employees' Association

Western Australian Branch

Notes to the financial statements

3. Significant accounting policies

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

(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.

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.

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 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.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in the Entity that share similar credit risk characteristics.

All impairment losses are recognised in the statement of comprehensive income.

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 the statement of comprehensive income.

The Shop, Distributive and Allied Employees' Association

Western Australian Branch

Notes to the financial statements

3. Significant accounting policies (cont.)

(c) Revenue

(i) Donations

Federal affiliation fees are paid from donations 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 is paid from a donation 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 cover the costs of the services provided.

(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.

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.

The Shop, Distributive and Allied Employees' Association

Western Australian Branch

Notes to the financial statements

3. Significant accounting policies (cont.)

(g) Presentation of financial statements

The entity applies revised AASB 101 Presentation of Financial Statements (2007), which became effective as of 1 January 2009. As a result, the entity presents in the statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the statement of comprehensive income.

Comparative information has been re-presented so that it also is in conformity with the revised standard.

(h) 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 2010, but have not been applied in preparing the financial report.

- AASB 9 *Financial Instruments* includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the project to replace AASB 139 *Financial Instruments: Recognition and Measurement*. AASB will become mandatory for the Entity's 30 June 2014 financial statements. Retrospective application is generally required, although there are exceptions, particularly if the entity adopts the standard for the year ended 30 June 2012 or earlier. The Entity has not yet determined the potential effect of the standard.
- AASB 124 *Related Party Disclosures* (revised December 2009) simplifies and clarifies the intended meaning of the definition of a related party and provides a partial exemption from the disclosure requirements for government related entities. The amendments, which will become mandatory for the Entity's 30 June 2012 financial statements, are not expected to have any impact on the financial statements.
- AASB 2009-5 *Further amendments to Australian Accounting Standards arising from the Annusl Improvements Process* affect various AASBs resulting in minor changes for presentation, disclosure, recognition and measurement purposes. The amendments, which become mandatory for the Entity's 30 June 2011 financial statements, are not expected to have a significant impact on the financial statements.

(i) Fair values

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

The Shop, Distributive and Allied Employees' Association

Western Australian Branch

Notes to the financial statements

4 Information to be provided to members or The General Manager of Fair Work Australia

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of Sub-Sections (1), (2) and (3) of Section 272, which reads as follows:

- (i) A member of an organisation, or the General Manager of Fair Work Australia, may apply to the organisation for specified prescribed information in relation to the organisation.
- (ii) An organisation shall, on application made under subsection (1) by a member of the organisation or the General Manager of Fair Work Australia, make the specified information available to the member or the General Manager of Fair Work Australia in such manner, and within such time, as is prescribed.
- (iii) The General Manager of Fair Work Australia may only make an application under subsection (1) at the request of a member of the organisation concerned, and the General Manager of Fair Work Australia shall provide to member information received because of an application made at the request of the member.

5 Right of member to resign

Under Section 174, Schedule 1 of the Fair Work (Registered Organisations) Act 2009,

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

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

The Shop, Distributive and Allied Employees' Association

Western Australian Branch

Notes to the financial statements

6 Financial instruments & financial risk management

(a) Overview (cont.)

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 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 trade and other 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.

Cash and cash equivalents

The Entity mitigates credit risk by depositing funds with the Australian financial institutions with appropriate credit ratings.

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

Notes to the financial statements

6 Financial instruments & financial risk management

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	
	2010	2009
	\$	\$
Trade and other receivables	22,781	1,898
Cash and cash equivalents	17,014	15,590
	39,795	17,488

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

	Carrying amount	
	2010	2009
	\$	\$
Australia	22,781	1,898

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

	Carrying amount	
	2010	2009
	\$	\$
The Shop Distributive and Allied Employees Association of Western Australia	22,781	1,898
Total	22,781	1,898

The Shop, Distributive and Allied Employees' Association

Western Australian Branch

Notes to the financial statements

6 Financial instruments & financial risk management (cont)

(b) Credit risk (cont)

Impairment losses

Some of the Entity's receivables in 2010 were past due (2009: 100%). The aging of the Entity's trade receivables at the reporting date was:

	Gross 2010 \$	Impairment 2010 \$	Gross 2009 \$	Impairment 2009 \$
Not past due	20,993	-	-	-
Past due 0-60 days	-	-	-	-
Past due 60-120 days	1,788	-	1,898	-
	22,781	-	1,898	-

(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 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 2010						
Non-derivative financial liabilities						
Trade and other payables	24,640	24,640	24,640	-	-	-
	24,640	24,640	24,640	-	-	-

The Shop, Distributive and Allied Employees' Association

Western Australian Branch

Notes to the financial statements

6 Financial instruments & financial risk management (cont)

(c) Liquidity risk continued

	Carrying amount	Contractual cash flows	12mths or less	1-2 yrs	2-5 yrs	More than 5 yrs
30 June 2009	\$	\$	\$	\$	\$	\$
Non-derivative financial liabilities						
Trade and other payables	1,210	1,210	1,210	-	-	-
	1,210	1,210	1,210	-	-	-

(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.

Interest rate risk

The Entity adopts a policy of ensuring that its exposure to changes in interest rates is limited but the 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	
	2010	2009
	\$	\$
Variable rate instruments		
Financial assets	17,014	15,590

An increase/(decrease) in interest rates of 100 basis points would have the effect of increasing/(decreasing) reported profit by \$170/(\$170) (2009: \$156/(\$156)).

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

Notes to the financial statements

7 Cash and cash equivalents

	2010	2009
	\$	\$
Cash at bank	17,014	15,590
Cash and cash equivalents in the statement of cash flows	17,014	15,590

The Entity's exposure to interest rate risk and sensitivity analysis for financial assets and liabilities are disclosed in note 6.

Reconciliation of cash flows from operating activities

	2010	2009
	\$	\$
Cash flows from operating activities		
Deficit for the year	(1,123)	(1,064)
Net finance income	(7)	(36)
Operating profit before changes in working capital	(1,130)	(1,100)
Change in trade and other receivables	(20,883)	15,967
Change in trade and other payables	23,430	(2,196)
	1,417	12,671
Interest received	7	36
Net cash from operating activities	1,424	12,707

8 Trade and other receivables

	2010	2009
	\$	\$
Trade receivables	1,788	-
Other receivables	20,993	1,898
	22,781	1,898

The Entity's exposure to credit risk and impairment losses related to trade and other receivables are disclosed in note 6.

The Shop, Distributive and Allied Employees' Association

Western Australian Branch

Notes to the financial statements

9 Trade and other payables

	2010 \$	2009 \$
Other payables	24,640	1,210
	<u>24,640</u>	<u>1,210</u>

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

10 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. During the year, cash outflows to the national office amounted to \$524,696 (2009: \$495,882).

All donations are received from the SDAWA. Amounts due from SDAWA are set out in note 8. During the year, cash inflows from SDAWA amounted to \$638,677 (2009: \$511,959).

11 Remuneration of Committee of Management (Key management personnel)

The following persons held office through the entire period 1 July 2009 to 30 June 2010 unless otherwise indicated

Branch President	Rita Mahony
Branch Vice President	Phyllis McMahon (1/07/2009 – 19/04/2010) Position Vacant (20/04/2010 – 30/06/2010)
Branch Secretary	Joseph Bullock
Branch Assistant Secretary	Martin Pritchard
Branch Treasurer	Catherine Doust
Branch Member	Margaret Zurakowski
Branch Member	Grace Giles
Branch Member	Tony Hoh
Branch Member	Patricia Glasson
Branch Member	Wendy Morrow
Branch Member	Earle Wendt
National Council Delegate	Thomas Mark Bishop
National Council Delegate	Joseph Bullock



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 Association), which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Committee of Management Statement.

The financial report has been prepared for distribution to the members of the Association for the purpose of fulfilling the requirements of subsection 265(1) and 265(5) of the Fair Work (Registered Organisations) Act 2009) in relation to the financial report and independent auditor's report.

Committee of Management responsibility for the financial report

The Committee of Management is 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. In note 2, the Committee of Management also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

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.

Independence

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

Auditor's opinion

In our opinion:

- (a) the financial report presents fairly, in all material respects, in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009, the financial position of The Shop, Distributive and Allied Employees' Association Western Australian Branch as of 30 June 2010 and of its financial performance and its cash flows for the year then ended; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in note 2.

KPMG

KPMG

Matthew Beevers

Position: *Partner*

Qualifications: Chartered Accountant (94498)

Perth

Dated: 31 August 2010

Operating Report of THE SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES'
ASSOCIATION, WESTERN AUSTRALIAN BRANCH
(2009/2010 Financial Year)

1. Review of the units principal activities, including activities during the financial year, results of those activities and significant changes in the nature of the activities.

- (a) The Fair Work Act commenced on 1st July 2009 and it resulted in a major overhaul of Australia's workplace relations system throughout the 2009/2010 financial year.

Changes included:

- A focus on collective rather than individual bargaining;
 - The introduction of ten (10) National Employment Standards;
 - The introduction of modern awards which commenced on 1st January 2010;
 - Transitional provisions which allow for a five year phasing in period for many of the new safety net wages, loadings and penalties;
 - Greater access to Fair Work Australia for claims of unfair dismissal.
 - Specified rights for unions to negotiate and participate in Enterprise Agreements with improved safety net pre-requisites for registration.
- (b) The Branch is a party to 86 industrial agreements which are actively monitored on behalf of members. Of the 86 agreements, 42 were negotiated or renegotiated during the 2009/2010 financial year. The majority of these agreements have been approved and registered.
- The enterprise agreements provide improved wages, conditions and flexibilities for members in addition to the modern award and legislative safety net standards.
- (c) The transitioning of wages, loadings and penalties in industrial relations agreements and instruments from the pre existing Workplace Relations Act to the Fair Work Act has introduced complexities and has involved Branch officials in lengthy discussions with Fair Work Australia, employees, employer bodies and our colleagues in other States.
- (d) The Fair Work Act focuses dispute resolution on the parties to industrial instruments i.e. the employee, the employer and the union. The union has embarked on lengthy discussions with many employers on behalf of members which have been effective in resolving member problems without the need to refer as many matters to Fair Work Australia.

- (e) Disputes about flexibilities of working arrangements including family responsibilities and rosters have increased as the retail industry has come under financial strain from global financial pressures and continually seeks efficiencies from its labour force. It is pleasing that the majority of disputes have been resolved through the processes of discussion and negotiation without having to resort to arbitration.
- (f) The SDA supports members and handles matters involving work related injuries and has had an average of 40 ongoing files at any one time during the 2009/2010 financial year.
- (g) Twelve training courses were conducted during the 2009/2010 financial year.
- (h) Other than matters already mentioned there have been no significant changes in the industrial activities of the SDA during the 2009/2010 financial year.

2. Details of significant changes in units financial affairs:

During the year the Branch resolved to accept responsibility for a proportion of the wage costs of officials of the state registered Shop, Distributive and Allied Employees' Association of Western Australia to recognize the work performed by these officials on behalf of the Branch.

3. Detail of the right of members to resign under S174 of the Fair Work Registered Organisations Act 2009.

Members of the SDA are entitled to resign pursuant to section 174 Termination of Membership. The SDA strictly adheres to the resignation from membership provisions, contained therein. These 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 employee 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 –

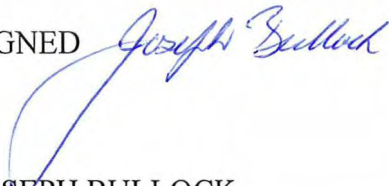
COMMITTEE OF MANAGEMENT 1ST JULY 2009 – 30TH JUNE 2010

Branch President	Rita Mahony
Branch Vice President	Phyllis McMahon (1/7/2009 – 19/4/2010)
	Position Vacant (20/4/2010 – 30/6/2010)
Branch Secretary	Joseph Bullock
Branch Assistant Secretary	Martin Pritchard
Branch Treasurer	Catherine Doust
Branch Members ((7)	Margaret Zurakowski
	Grace Giles
	Patricia Glasson
	Tony Hoh
	Wendy Morrow
	Jacqueline Taft
	Earle Wendt

6. Other

- The report is signed and dated
- The number of members of the SDA WA Branch at 30/06/2010 is 20,893.
- The Branch employs 21 employees
- At point (1) the report contains a review of principal activities
- At point (2) are details of significant change of activities
- At point (4) are details of superannuation trustees
- At point (5) are details of membership of the Committee of Management

SIGNED



DATED 31/8/10

JOSEPH BULLOCK
BRANCH SECRETARY.