

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



Registered Office: 5th Floor, 25 Barrack Street, Perth WA 6000
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

23rd January 2013

:NK

The General Manager
Fair Work Commission
GPO Box 1994
MELBOURNE VIC 3001

Dear Madam

RE: Financial Documents – 30 June 2012
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 2012.

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



All correspondence to be addressed to the Branch Secretary


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 19th September 2012; and

That Rule 19 (c) of the Branch rules provide for the calling of a General Meeting consistent with the provisions of s266(3) of the Fair Work (Registered Organisations) Act 2009 and as such the full report was presented to and received and adopted by the Branch committee of Management on 5th December 2012.

Signature: 

Date: 23/1/13

Operating Report of THE SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES'
ASSOCIATION, WESTERN AUSTRALIAN BRANCH
(2011/2012) 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) There were changes to the Fair Work (Registered Organisations) Act 2012 dealing with the accountability of organisations. The requirements of the legislative changes are dealt with in point 2.

The majority of SDA members are employed by corporations which are regulated by the Fair Work Act resulting in the Branch being responsible for their industrial interests.

- (b) Major cases which the State Branch either ran or was associated with were:

- The SDA WA Branch sought the Federal Court's interpretation of the public holiday clause (clause 7) in the Woolworths National Supermarket Agreement 2009 as it applied in Western Australia, and its construction of the Public and Bank Holidays Act 1972 (WA), and s115 of the Fair Work Act.

The union asked for declarations on holiday entitlements on behalf of Woolworths' service supervisors, head reserve stock hands, shop assistants and replenishment assistants.

The Branch was successful in its application but Woolworths Limited have appealed the decision.

- An appeal to the Federal Court by Yum Restaurants against a decision of Fair Work Australia to uphold the primacy of the Fast Food Industry Award 2010 over a lower paid pre-reform enterprise award was opposed by the SDA and supported by the WA Branch. The application by Yum Restaurants failed.
- The SDA supported by the Branch lost its Federal Court appeal against a decision by Fair Work Australia to vary the Modern General Retail Industry Award to allow school students to work shift of less than three hours.

- (c) In addition to the above cases the WA Branch lodged twenty six unfair dismissal claims with Fair Work Australia. The majority of cases were settled to the satisfaction of the member. Employees signing a "record of interview" when they didn't agree with the contents, and making inappropriate comment on social media were areas of concern and members were advised with respect to this in the Union Journal. The early intervention of organisers and industrial officers in disputes which may have resulted in termination saved the employment of many members.

- (d) Fair Work Australia are undertaking a review of all Modern Awards. The General Retail Industry Award 2010, Fast Food Industry Award 2010, Storage Services and Wholesale Award 2010, Hair and Beauty Industry Award 2010 and Pharmacy Industry Award 2010 are the principle awards underpinning conditions for our members. The Branch has participated with other Branches to provide submissions to these reviews.
- (e) The Union employed 15-20 organisers during the financial year with one of their functions being to visit retail and wholesale stores and distribution centres on a regular basis. Organisers provide a valuable daily “hands on” service to members and were instrumental in solving industrial questions and problems as they arose.
- (f) The SDA is a party to 95 enterprise agreements which were actively monitored on behalf of members. Of the 95 agreements, 39 were negotiated or renegotiated during the 2011/2012 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.

- (g) The SDA supports members and handles matters involving work related injuries commonly known as “workers’ compensation”, and has had an average of 54 ongoing files at any one time during the 2011//2012 financial year.

The majority of claims were settled in conjunction with the Union’s lawyers, Fiocco’s Lawyers. This ensures members had proper support and legal representation.

- (h) Twenty seven training courses were conducted during the 2011/2012 financial year.

2. Details of significant changes in the units financial affairs:

On the 29th June 2012 the Fair Work (Registered Organisation) Amendment Act 2012 was proclaimed. Part 1 provisions of the legislative changes include strengthening penalties for breaches of the Act and came into effect on 29 June 2012. A number of legislative changes will need to be implemented during 2012 and 2013 and will be reported on next financial year. The changes include the training of officers of organizations who have financial responsibilities, altering the rules of the Branch regarding expenditure policies, disclosing remuneration of officers from certain boards and peak councils and related parties.

The Branch continued 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 in partial recognition of the work performed by 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 2011 – 7TH NOVEMBER 2011

Branch President	Rita Mahony
Branch Vice President	Amanda Adams
Branch Secretary	Joseph Bullock
Branch Assistant Secretary	Martin Pritchard
Branch Treasurer	Catherine Doust
Branch Committee of Management Members (7)	Patrician Glasson Grace Thomson Tony Hoh Wendy Morrow Jacqueline Taft Earle Wendt Margaret Zurakowski

National Council Delegates (5)	Mark Bishop Joseph Bullock Martin Pritchard Rita Mahony Tony Hoh
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COMMITTEE OF MANAGEMENT 8TH NOVEMBER 2011 – 30TH JUNE 2012

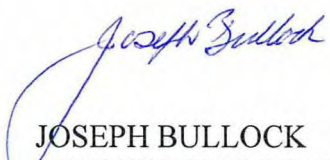
Branch President	Rita Mahony
Branch Vice President	Tony Hoh
Branch Secretary	Joseph Bullock
Branch Assistant Secretary	Martin Pritchard
Branch Treasurer	Peter O'Keeffe
Branch Committee of Management Members (7)	Amanda Adams Pamela Bowman Trevor Cook Marnie Gilbert Grace Thomson Joyce Griffiths Margaret Zurakowski
National Council Delegates (5)	Joseph Bullock Martin Pritchard Peter O'Keeffe Rita Mahony Grace Thomson

6. Other

- The report is signed and dated
- The number of members of the SDA WA Branch at 30/06/2012 is 20,286
- The Branch employs 24 employees
- At point (1) the report contains a review of principal activities
- At point (2) are details of significant change of activities
- At point (3) are details of the rights of members to resign
- At point (4) are details of superannuation trustees
- At point (5) are details of membership of the Committee of Management

SIGNED

DATED


JOSEPH BULLOCK
BRANCH SECRETARY.

5/9/12

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

Annual Financial Report

30 June 2012

Shop, Distributive and Allied Employees' Association,

Western Australian Branch

30 June 2012

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Shop, Distributive and Allied Employees' Association,

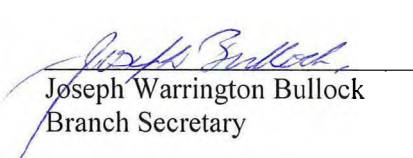
Western Australian Branch

Committee of management statement

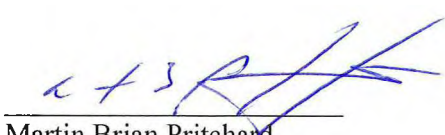
30 June 2012

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 ("the Entity"), do declare on behalf of the Committee and in accordance with a resolution passed by the Committee on 5 September 2012, 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 statements and notes comply with the reporting guidelines of the General Manager of Fair Work Australia;
3. The financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Entity for the financial year to which they relate;
4. There are reasonable grounds to believe that the Entity will be able to pay its debts as and when they become due and payable; and
5. During the year ended 30 June 2012 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 Entity;
 - (ii) The financial affairs of the Entity have been managed in accordance with the rules of the Shop, Distributive and Allied Employees' Association including the rules of the Entity;
 - (iii) The financial records of the Entity 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 Entity 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

**Shop, Distributive and Allied Employees' Association,
Western Australian Branch
Statement of financial position
As at 30 June 2012**

	Note	2012 \$	2011 \$
Assets			
Cash and cash equivalents	7	74,806	79,352
Trade and other receivables	8	-	1,803
Total current assets		74,806	81,155
Total assets		74,806	81,155
Liabilities			
Trade and other payables	9	9,262	13,927
Total current liabilities		9,262	13,927
Total liabilities		9,262	13,927
Net assets		65,544	67,228
Accumulated funds		65,544	67,228
Total accumulated funds		65,544	67,228

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

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

Statement of comprehensive income

For the year ended 30 June 2012

	2012 \$	2011 \$
Revenue		
Donations	866,713	904,628
Total revenue	866,713	904,628
Expenditure		
Affiliation dues	(466,702)	(461,385)
International Fund	(140,011)	(138,415)
Personnel expenses	(259,780)	(249,761)
Audit fees - KPMG	(1,165)	(1,133)
Bank charges	(789)	(1,913)
Total Expenditure	(868,447)	(852,607)
Interest income	50	52
Net finance income	50	52
(Deficit)/profit for the year	(1,684)	52,073
Total comprehensive (loss)/income for the year	(1,684)	52,073

Shop, Distributive and Allied Employees' Association,

Western Australian Branch

Statement of changes in equity

For the year ended 30 June 2012

2012

**Accumulated
Funds
\$**

Balance at 1 July 2011	67,228
Deficit for the year	(1,684)
Total comprehensive loss for the year	(1,684)
Balance at 30 June 2012	65,544

2011

**Accumulated
Funds
\$**

Balance at 1 July 2010	15,155
Profit for the year	52,073
Total comprehensive income for the year	52,073
Balance at 30 June 2011	67,228

Shop, Distributive and Allied Employees' Association,

Western Australian Branch

Statement of cash flows

For the year ended 30 June 2012

	Note	2012 \$	2011 \$
Cash flows from operating activities			
Cash receipts from customers		955,172	995,091
Cash paid to suppliers and employees		(959,768)	(932,805)
Cash (used in)/generated from operations		(4,596)	62,286
Interest received		50	52
Net cash (used in)/from operating activities	7	(4,546)	62,338
Net increase in cash and cash equivalents		(4,546)	62,338
Cash and cash equivalents at 1 July		79,352	17,014
Cash and cash equivalents at 30 June	7	74,806	79,352

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 (AASB) adopted by the Australian Accounting Standards Board (AASB) and Corporations Act 2001. The financial statements comply with International Financial Reporting Standards (IFRSs) 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 5 September 2012.

(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 in conformity with IFRSs 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.

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.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position, when, and only when, the Entity has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less.

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 impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

All individually significant financial assets are assessed for specific impairment on an individual basis. The remaining financial assets are collectively assessed for impairment by grouping together with similar risk characteristics.

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 asset's original effective interest rate. Losses are recognised in profit or loss.

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

Notes to the financial statements

3. Significant accounting policies (cont.)

(b) Impairment (cont.)

(i) Financial assets (cont.)

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.

(c) Revenue

(i) Donations

Donations sufficient to meet the expenses of the Entity were received only from the Shop, Distributive and Allied Employees' Association, of Western Australia (SDAWA). These expenses include the federal affiliation fee and the international fund levy. The federal affiliation fee is based on 10% of the membership fees earned by the SDAWA in the previous financial year. The international fund levy is based on 3% of the membership fees earned by the SDAWA in the previous year.

(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.

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

Notes to the financial statements

3. Significant accounting policies (cont.)

(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

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2012, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Entity, except for AASB 9 *Financial Instruments*, which becomes mandatory for the Entity's 2014 financial statements and could change the classification and measurement of financial assets. The Entity does not plan to adopt this standard early and the extent of the impact has not been determined.

(h) Fair values

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

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:

- 1) 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.
- 2) 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.
- 3) 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 their 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, the Entity's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these financial statements.

The Committee of Management has overall responsibility for the establishment and oversight of the Entity's risk management framework and for developing and monitoring risk management policies.

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

Notes to the financial statements

6 Financial instruments & financial risk management (cont.)

(a) Overview (cont.)

The Entity's 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.

**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.)

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	
	2012	2011
	\$	\$
Trade and other receivables	-	1,803
Cash and cash equivalents	74,806	79,352
	74,806	81,155

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

	Carrying amount	
	2012	2011
	\$	\$
Australia	-	1,803

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

	Carrying amount	
	2012	2011
	\$	\$
Australian Taxation Office	-	1,788
Other	-	15
Total	-	1,803

**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

The aging of the Entity's trade receivables at the reporting date was:

	Gross 2012	Impairment 2012	Gross 2011	Impairment 2011
	\$	\$	\$	\$
Not past due	-	-	15	-
Past due 0-60 days	-	-	-	-
Past due 60-120 days	-	-	1,788	-
	-	-	1,803	-

(c) Liquidity risk

Liquidity risk is the risk that the Entity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. 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 2012	\$	\$	\$	\$	\$	\$
Non-derivative financial liabilities						
Trade and other payables	9,262	9,262	9,262	-	-	-
	9,262	9,262	9,262	-	-	-

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

Notes to the financial statements

6 Financial instruments & financial risk management (cont.)

(c) Liquidity risk (cont.)

	Carrying amount	Contractual cash flows	12mths or less	1-2 yrs	2-5 yrs	More than 5 yrs
30 June 2011	\$	\$	\$	\$	\$	\$
Non-derivative financial liabilities						
Trade and other payables	13,927	13,927	13,927	-	-	-
	<u>13,927</u>	<u>13,927</u>	<u>13,927</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.

Interest rate risk

The Entity adopts a policy of ensuring that its exposure to changes in interest rates is limited to 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	
	2012	2011
	\$	\$
Variable rate instruments		
Financial assets	<u>74,806</u>	<u>79,352</u>

An increase/(decrease) in interest rates of 100 basis points would have the effect of decreasing/(increasing) reported deficit by \$748/(\$748) (2011: increasing/(decreasing) reported profit by \$794/(\$794)).

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

Notes to the financial statements

7 Cash and cash equivalents

	2012	2011
	\$	\$
Cash at bank	74,806	79,352
Cash and cash equivalents in the statement of cash flows	74,806	79,352

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

	2012	2011
	\$	\$
Cash flows from operating activities		
(Deficit)/profit for the year	(1,684)	52,073
Net finance income	(50)	(52)
Operating profit before changes in working capital	(1,734)	52,021
Change in trade and other receivables	1,803	20,978
Change in trade and other payables	(4,665)	(10,713)
	(4,596)	62,286
Interest received	50	52
Net cash (used in)/from operating activities	(4,546)	62,338

8 Trade and other receivables

	2012	2011
	\$	\$
Trade receivables	-	1,788
Other receivables	-	15
	-	1,803

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

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

Notes to the financial statements

9 Trade and other payables

	2012	2011
	\$	\$
Other payables	9,262	13,927
	<u>9,262</u>	<u>13,927</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 \$606,713 (2011: \$599,800).

All donations are received from the SDAWA. During the year, cash inflows from SDAWA amounted to \$866,713 (2011: \$904,628).

11 Remuneration of Committee of Management (Key management personnel)

The following persons held office through the entire period 1 July 2011 to 30 June 2012 unless otherwise indicated

Branch President	Rita Mahony
Branch Vice President	Amanda Adams (01/07/2011 – 07/11/11) Tony Hoh (08/11/11 – 30/06/12)
Branch Secretary	Joseph Bullock
Branch Assistant Secretary	Martin Pritchard
Branch Treasurer	Catherine Doust (01/07/11 – 07/11/11) Peter O'Keeffe (08/11/11 – 30/06/12)
Branch Member	Margaret Zurakowski
Branch Member	Grace Thomson
Branch Member	Tony Hoh (01/07/11 – 07/11/11) Pamela Bowman (08/11/11 – 30/06/12)
Branch Member	Patricia Glasson (01/07/11 – 07/11/11) Amanda Adams (08/11/11 – 30/06/12)
Branch Member	Wendy Morrow (01/07/11 – 07/11/11) Marnie Gilbert (08/11/11 – 30/06/12)

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

Notes to the financial statements

11 Remuneration of Committee of Management (Key management personnel) (cont.)

Branch Member	Earle Wendt (01/07/11 – 07/11/11)
	Trevor Cook (08/11/11 – 30/06/12)
Branch Member	Jacqueline Taft (01/07/11 – 07/11/11)
	Joyce Griffiths (08/11/11 – 30/06/12)
National Council Delegate	Thomas Mark Bishop (01/07/11 – 07/11/11)
	Peter O'Keeffe (08/11/11 – 30/06/12)
National Council Delegate	Joseph Bullock
National Council Delegate	Rita Mahony
National Council Delegate	Martin Pritchard
National Council Delegate	Tony Hoh (01/07/11 – 07/11/11)
	Grace Thomson (08/11/11 – 30/06/12)

The total remuneration paid or payable, directly or indirectly, from the Entity and any other related party to all the members of the Committee of Management was nil (2011: nil).

12 Subsequent events

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Committee of Management of the Entity, to affect significantly the operations of the Entity, the results of those operations, or the state of affairs of the Entity in future financial years.

13 Auditors remuneration

	2012	2011
<i>In AUD</i>		
Audit Services		
Auditors of the Entity		
<i>KPMG Australia:</i>		
Audit of Financial Reports	1,060	1,030
Accounting Assistance	105	103
	<u>1,165</u>	<u>1,133</u>



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 statement of financial position as at 30 June 2012, the statement of comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended, notes 1 to 13 comprising a summary of significant accounting policies and other explanatory information, and the Committee of Management's statement.

Committee of Management's responsibility for the financial report

The Committee of Management of the Entity is responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards, and Fair Work (Registered Organisations) Act 2009 and for such internal control as the Entity's Committee of Management determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error. In note 2, the Committee of Management also states, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply 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. Those 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 Entity's 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, 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 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 Accounting Professional and Ethical Standards Board.

Auditor's opinion

In our opinion,

- (a) the general purpose financial report presents fairly, in all material respects, in accordance with applicable Australian Accounting Standards and other mandatory professional reporting requirements in Australia and the requirements imposed by 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 2012 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

A handwritten signature in blue ink, appearing to read 'Matthew Beevers', written over a faint KPMG logo.

Matthew Beevers

Position: Partner

Qualifications: Chartered Accountant (94498)

Perth

Dated: 5 September 2012