



15 November 2018

Ms Barbara Nebart
Branch Secretary
Shop, Distributive and Allied Employees Association, Newcastle and Northern Branch

By e-mail: secretary@sdan.org.au
CC: wayner@mcgregorsca.com.au

Dear Ms Nebart,

**Shop, Distributive and Allied Employees Association-Newcastle and Northern Branch
Financial Report for the year ended 30 June 2018 - [FR2018/91]**

I acknowledge receipt of the financial report of the Shop, Distributive and Allied Employees Association Newcastle and Northern Branch. The documents were lodged with the Registered Organisations Commission (**the ROC**) on 26 October 2018.

The financial report has now been filed.

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

Please note that the financial report for the year ending 30 June 2019 may be subject to an advanced compliance review.

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

Nil activities disclosure

Item 21 of the reporting guidelines (**RGs**) states that if any activities described within items 10-20 have not occurred in the reporting period, a statement to this effect must be included either in the financial statements, the notes or in an officer's declaration statement. The notes contained nil activity information for all prescribed RG categories except the following:

- Any payments made during the reporting period to a former related party of the reporting unit, where the liability was incurred during the period in which a related party relationship existed.

Please ensure in future years that the above mentioned item is disclosed in the notes as per the RGs.

Reporting Requirements

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 reporting guidelines and a model set of financial statements. The ROC recommends reporting units use these model financial statements to assist in complying with the RO Act, the s.253 reporting guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

If you have any queries regarding this letter, please contact me on (03) 9603 0764 or via email at Kylie.Ngo@roc.gov.au.

Yours sincerely



Kylie Ngo
Financial Reporting Assistant
Registered Organisations Commission

Branch Secretary - Barbara Nebart

President - John Simnett

23 October 2018



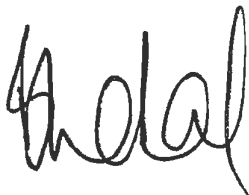
Registered Organisations Commission
GPO Box 2983
MELBOURNE VIC 3001

Dear Sir/Madam

Please find enclosed copies of the Reports, Accounts and Statements of the Shop Distributive and Allied Employees' Association, Newcastle and Northern Branch for the period ending 30 June 2018, together with a Designated Officer's Certificate stating that the above mentioned Reports, Accounts and Statements are copies of the documents that were presented to the meeting of Branch Council held on Monday 22 October 2018.

May we please be advised of your receipt.

Yours faithfully



Barbara Nebart
BRANCH SECRETARY

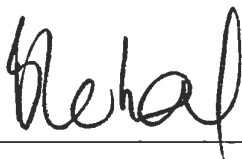
Designated Officer's Certificate

s268 Fair Work (Registered Organisations) Act 2009

I, **Barbara Nebart**, being the **Secretary/Treasurer** of the **Shop Distributive and Allied Employees' Association, Newcastle and Northern 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 *19 September 2018*; and
- that the full report was presented to a **Meeting of the Branch Council** of the reporting unit on **22 October 2018**; in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature: _____



Date: _____ 23 October 2018 _____

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES'
ASSOCIATION, NEWCASTLE AND NORTHERN
BRANCH**

ABN 36 153 379 383

FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2018

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION, NEWCASTLE AND
NORTHERN BRANCH
ABN 36 153 379 383**

CONTENTS

	Page No.
Committee of Management Operating Report	2
Committee of Management Statement	4
Statement of Profit or Loss and Other Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Report Required Under Subsection 255(2A)	9
Notes to the Financial Statements	10
Statement by Members of the Committee	23
Independent Auditor's Report	24

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
NEWCASTLE AND NORTHERN BRANCH**

2018 OPERATING REPORT

Membership of the Newcastle and Northern Branch the Association as at 30 June 2017 was 13,245.

There were no persons who were, at the end of the financial year to which the report relates, employees of the Branch.

No officer or member of the reporting unit holds a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such position is that they are an officer or member of an organisation.

The finances of the Branch are stable and there were no significant changes in the Branch's financial affairs during the year.

Persons eligible to do so under the rules of the Association were actively encouraged to join the Association. Persons join or resign through the Newcastle and Northern Branch of the Association in accordance with Branch Rules 25 and 25A.

The members of the Committee of Management of the Branch for the relevant period were:

Branch President	-	John Simnett
Branch Vice President	-	Garry Luxton
Branch Vice President	-	Robyn McGuire
Branch Secretary-Treasurer	-	Barbara Nebart
Committee of Management	-	Ross Simmons
	-	Colin Moon
	-	Lyn Wiebe
	-	David Bliss
	-	Maria Bartholemew – resigned 21 May 2018
	-	Esyrahlyn Frost
	-	Kelly Brown – appointed 21 May 2018

The Branch maintained its industrial awards and agreements at a high, up-to-date standard.

New Enterprise Agreements are being negotiated with a wide range of employers including Woolworths Supermarkets, Big W, Dan Murphys, Bunnings, KFC, Best & Less, Officeworks, Woolworths Petrol, Coles, Target, Kmart, Priceline, Best & Less, David Jones, Harris Scarfe, Myer, Just Group, SFG and others.

Throughout the year the Branch has conducted periodic training courses for Delegates in respect of Occupational Health and Safety, Workers Compensation Return to Work, Delegates Training Levels Introductory and Advanced and Agreement specific familiarisation and interpretation courses.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
NEWCASTLE AND NORTHERN BRANCH**

2018 OPERATING REPORT CONTINUED

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

The Association is affiliated to the Australian Council of Trade Unions.

The Newcastle and Northern Branch maintained its rules and reported according to statutory requirements.

During the financial year in question, the reporting unit did not engage in any recovery of wages activity which is required to be reported on under the General Manager's FWC Financial Reporting Guidelines.

A 4 monthly magazine is produced and posted to members of the Branch and periodic information Bulletins are posted to delegates and workplaces. Various emails covering different industrial, services and benefits and union campaign issues are emailed to members semi-regularly.

The Branch maintains and regularly updates a comprehensive website and Facebook page.

The Branch produces a range of publications for its members including such matters as Occupational, Health and Safety, Workers Compensation, Equal Opportunity, Superannuation, Sexual Harassment, Young Workers, the Workchoices legislation, Womens and Family issues, Induction Packs and others.

Signed:  _____

Barbara Nebart
Designated Officer

Dated: 27 August 2018

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION,
NEWCASTLE AND NORTHERN BRANCH
ABN 36 153 379 383**

COMMITTEE OF MANAGEMENT STATEMENT

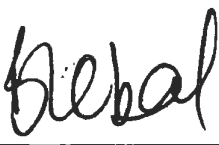
On 27 August 2018 the Committee of Management of Shop, Distributive and Allied Employees' Association, Newcastle and Northern Branch ("reporting unit"), passed the following resolution in relation to the general purpose financial report of the reporting unit for the year ended 30 June, 2018.

The Committee of Management declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the Commissioner;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the general purpose financial report relates and since the end of that year:
 - i. meetings of the Committee of Management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - ii. the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - iii. the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - iv. where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - v. where information has been sought in any request by a member of the reporting unit or the Commissioner duly made under section 272 of the RO Act, that information has been provided to the member or the Commissioner; and
 - vi. where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
- (f) in relation to recovery of wages activity:
 - i. no revenue has been derived from undertaking recovery of wages activity during the reporting year.

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

Committee of Management: Barbara Nebart
Title of Office Held: Designated Officer

Signed: 

Dated: 27 August 2018

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION, NEWCASTLE AND
NORTHERN BRANCH
ABN 36 153 379 383**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2018**

	Note	2018 \$	2017 \$
Revenue	2	<u>569,552.97</u>	<u>572,921.15</u>
Administration expenses		(436.36)	(561.36)
Affiliation fees	3	(402,345.60)	(389,718.18)
Legal costs	3	-	(750.00)
Management expenses		(56,911.99)	(57,255.90)
Printing and supply of membership cards and booklets		<u>(102,090.62)</u>	<u>(141,728.00)</u>
Total expenses		<u>(561,784.57)</u>	<u>(590,013.44)</u>
Profit (loss) before income tax		7,768.40	(17,092.29)
Income tax expense		<u>-</u>	<u>-</u>
Profit (loss) for the year		7,768.40	(17,092.29)
Other comprehensive income for the year		<u>-</u>	<u>-</u>
Total comprehensive income (loss) attributable to members of the entity		<u><u>7,768.40</u></u>	<u><u>(17,092.29)</u></u>

The accompanying notes form part of these financial statements.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION, NEWCASTLE AND
NORTHERN BRANCH
ABN 36 153 379 383**

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018**

	Note	2018 \$	2017 \$
ASSETS			
CURRENT ASSETS			
Cash on hand	4	373,431.81	333,205.54
TOTAL CURRENT ASSETS		<u>373,431.81</u>	<u>333,205.54</u>
TOTAL ASSETS		<u><u>373,431.81</u></u>	<u><u>333,205.54</u></u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	6	43,756.82	11,298.95
TOTAL CURRENT LIABILITIES		<u>43,756.82</u>	<u>11,298.95</u>
TOTAL LIABILITIES		<u><u>43,756.82</u></u>	<u><u>11,298.95</u></u>
NET ASSETS		<u><u>329,674.99</u></u>	<u><u>321,906.59</u></u>
EQUITY			
Retained earnings		<u>329,674.99</u>	<u>321,906.59</u>
TOTAL EQUITY		<u><u>329,674.99</u></u>	<u><u>321,906.59</u></u>

The accompanying notes form part of these financial statements.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION, NEWCASTLE AND
NORTHERN BRANCH
ABN 36 153 379 383**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2018**

	Retained Earnings \$	Total \$
Balance at 1 July 2016	338,998.88	338,998.88
Comprehensive income		
Profit (loss) for the year	<u>(17,092.29)</u>	<u>(17,092.29)</u>
Total comprehensive income for the year attributable to members of the association	<u>(17,092.29)</u>	<u>(17,092.29)</u>
Balance at 30 June 2017	<u><u>321,906.59</u></u>	<u><u>321,906.59</u></u>
Balance at 1 July 2017	321,906.59	321,906.59
Comprehensive income		
Profit for the year	<u>7,768.40</u>	<u>7,768.40</u>
Total comprehensive income for the year attributable to members of the association	<u>7,768.40</u>	<u>7,768.40</u>
Balance at 30 June 2018	<u><u>329,674.99</u></u>	<u><u>329,674.99</u></u>

The accompanying notes form part of these financial statements.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION, NEWCASTLE AND
NORTHERN BRANCH
ABN 36 153 379 383**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2018**

	Note	2018 \$	2017 \$
Cash flows from operating activities			
Receipts from memberships (inclusive of GST)		626,031.90	629,814.91
Payments to suppliers (inclusive of GST)		(586,238.69)	(677,442.49)
Interest received		433.06	362.14
Net cash provided by (used in) operating activities	16	<u>40,226.27</u>	<u>(47,265.44)</u>
Net cash provided by investing activities		<u>-</u>	<u>-</u>
Net cash provided by financing activities		<u>-</u>	<u>-</u>
Net increase (decrease) in cash held		40,226.27	(47,265.44)
Cash on hand at beginning of financial year		<u>333,205.54</u>	<u>380,470.98</u>
Cash on hand at end of financial year	16	<u>373,431.81</u>	<u>333,205.54</u>

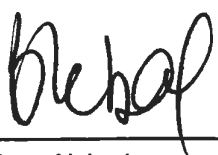
The accompanying notes form part of these financial statements.

SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION, NEWCASTLE AND
NORTHERN BRANCH
ABN 36 153 379 383

REPORT REQUIRED UNDER SUBSECTION 255(2A)
FOR THE YEAR ENDED 30 JUNE 2018

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 30 June 2018.

	2018 \$	2017 \$
Categories of expenditure		
Remuneration and other employment-related costs and expenses - employees	-	-
Advertising	-	-
Operating costs	57,348.35	57,817.26
Donations to political parties	-	-
Legal costs	-	750.00
Other expenses		
- Affiliation fees	402,345.60	389,718.18
- Printing and supply of membership cards and booklets	102,090.62	141,728.00
Total expenses	<u>561,784.57</u>	<u>590,013.44</u>

Signed: 
Barbara Nebart
Designated Officer

Dated: 27 August 2018

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION, NEWCASTLE AND
NORTHERN BRANCH
ABN 36 153 379 383**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

The financial statements cover Shop, Distributive And Allied Employees' Association, Newcastle And Northern Branch as an individual entity. Shop, Distributive And Allied Employees' Association, Newcastle And Northern Branch is an association incorporated in New South Wales and operating pursuant to the Associations Incorporation Act 2009 and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

The financial statements were authorised for issue on 27 August 2018 by the members of the committee.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Associations Incorporation Act 2009, the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 and Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board. The association is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The financial statements are presented in Australian dollars.

(a) Income Tax

The Shop, Distributive and Allied Employees' Association, Newcastle and Northern Branch is an exempt body for income tax purposes.

(b) Fair Value of Assets and Liabilities

The association measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the association would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION, NEWCASTLE AND
NORTHERN BRANCH
ABN 36 153 379 383**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

(c) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the association commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, where the instrument is classified 'at fair value through profit or loss' in which case transactions costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

Impairment

At the end of each reporting period, the association assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a 'loss event') having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

Derecognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION, NEWCASTLE AND
NORTHERN BRANCH
ABN 36 153 379 383**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

(d) Accounts Receivable and Other Debtors

Accounts receivable and other debtors include amounts due from members as well as amounts receivable from donors. Receivables expected to be collected within 12 months of the end of the reporting year are classified as current assets. All other receivables are classified as non-current assets.

(e) Cash on Hand

Cash on hand includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

(f) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Membership revenue is recognised as and when it falls due.

Interest revenue is recognised as and when it is received.

All revenue is stated net of the amount of goods and services tax.

(g) Accounts Payable and Other Payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting year for goods and services received by the association during the reporting year that remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(h) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST component of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(i) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION, NEWCASTLE AND
NORTHERN BRANCH
ABN 36 153 379 383**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

(j) Critical Accounting Estimates and Judgements

The committee evaluates estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the association.

(k) New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The association has decided not to early adopt any of the new and amended pronouncements, as they do not consider any of these applicable to the entity.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION, NEWCASTLE AND
NORTHERN BRANCH
ABN 36 153 379 383**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

	2018 \$	2017 \$
2. REVENUE AND OTHER INCOME		
Revenue		
Members Contributions	569,119.91	572,559.01
Interest Received	433.06	362.14
Total revenue	569,552.97	572,921.15

The reporting unit has not received any amounts for the following items of revenue for either the current or prior reporting years:

- a) Capitation fees from another reporting unit of the organisation;
- b) Compulsory levies raised from the members or as appeals for voluntary contributions (including whip arounds) for the furtherance of a particular purpose;
- c) Donations or grants;
- d) Revenue from recovery of wages activity;
- e) Any other financial support from another reporting unit of the organisation.

3. EXPENSES

The reporting unit discloses balances for the following items of expense for the current reporting year (prior reporting year stated in brackets if applicable):

- a) Fees and periodic subscriptions paid in respect of its affiliation to any political party, any federation, congress, council or group of organisations, or any international body having an interest in industrial matters:
 - i. Shop, Distributive & Allied Employees' Association (National Office) - \$349,865.74 (2017: \$338,885.45)
 - ii. Shop, Distributive & Allied Employees' Association (International Fund) - \$52,479.86 (2017: \$50,832.73)
- b) Legal costs and other expenses related to:
 - i. Litigation: NIL; and
 - ii. Other legal matters: NIL
(2017: A.J. Macken & Co Australian Lawyers \$750.00 - Review of branch rules).
- c) Grants or donations:
All grants or donations are disclosed under Note 3A. Grants or donations.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION, NEWCASTLE AND
NORTHERN BRANCH
ABN 36 153 379 383**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$

The reporting unit has not paid any amounts for the following expense items for either the current or prior reporting years:

- a) Expenses incurred as consideration for employers making payroll deductions of membership subscriptions;
- b) Capitation fees to another reporting unit of the organisation;
- c) Compulsory levies imposed on the reporting unit;
- d) Employee expenses related to holders of office of the reporting unit;
- e) Employee expenses related to employees (other than holders of offices) of the reporting unit;
- f) Fees and/or allowances paid to persons in respect of their attendances as representatives of the reporting unit at conferences or other meetings;
- g) Expenses (other than expenses included in an amount referred to elsewhere in this paragraph) incurred in connection with holding meetings of members of the reporting unit and any conferences or meetings of councils, committees, panels or other bodies for the holding of which the reporting unit was wholly or partly responsible;
- h) Penalties imposed on the organisation under the RO Act and the Fair Work Act 2009.

3A. GRANTS OR DONATIONS

	2018	2017
	\$	\$
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Total grants or donations	-	-

4. CASH ON HAND

Cash at Bank	373,431.81	333,205.54
--------------	------------	------------

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION, NEWCASTLE AND
NORTHERN BRANCH
ABN 36 153 379 383**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$

5. ACCOUNTS RECEIVABLE AND OTHER DEBTORS

No accounts receivable or other debtors have been derived in the current reporting year (or prior reporting year) as a result of one or more transactions and/or past events with another reporting unit of the organisation.

6. ACCOUNTS PAYABLE AND OTHER PAYABLES

CURRENT

Other Creditors

	<u>43,756.82</u>	<u>11,298.95</u>
--	------------------	------------------

No accounts payable or other payables have been derived in the current reporting year (or prior reporting year) as a result of one or more transactions and/or other past events with another reporting unit of the organisation.

7. OTHER LIABILITIES

The reporting unit does not have any of the following items recorded as liabilities at the end of either the current or prior reporting years:

a) Payables to employers as consideration for the employers making payroll deductions of membership subscriptions;

b) Payables in respect of legal costs and other expenses related to:

i. Litigation; and

ii. Other legal matters;

c) Employee provisions in respect of holders of offices in the reporting unit;

d) Employee provisions in respect of employees (other than holders of offices) of the reporting unit.

8. CONTINGENT LIABILITIES

The Committee of Management are not aware of any contingent liabilities that are likely to have a material effect on the Branch.

9. EVENTS AFTER THE REPORTING PERIOD

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

10. RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION, NEWCASTLE AND
NORTHERN BRANCH
ABN 36 153 379 383**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
The following transactions occurred with related parties:		
<i>i Membership Contributions</i>		
Membership contributions are received from the Shop Assistants and Warehouse Employees' Federation of Australia, Newcastle and Northern, New South Wales	<u>569,119.91</u>	<u>572,559.01</u>
<i>ii Management Fees</i>		
Management fees are paid to the Shop Assistants and Warehouse Employees' Federation of Australia, Newcastle and Northern, New South Wales	<u>56,911.99</u>	<u>57,255.90</u>
<i>iii Affiliation Fees</i>		
Affiliation fees are paid to the Shop, Distributive and Allied Employees' Association National and International Fund	<u>402,345.60</u>	<u>389,718.18</u>
<i>iv Remuneration of the Committee of Management</i>		
There were no transactions with, or remuneration paid, to the members of the Committee of Management	<u>-</u>	<u>-</u>
<i>v Accounts Payable</i>		
The following amounts are payable to the Shop Assistants and Warehouse Employees' Federation of Australia, Newcastle and Northern, New South Wales, at the end of the reporting year	<u>31,514.34</u>	<u>-</u>

11. OPERATING SEGMENTS

Segment Reporting

The Shop, Distributive and Allied Employees' Association, Newcastle and Northern Branch operates predominately in one business and geographical segment being the representation of members in industrial matters in Newcastle and Northern New South Wales.

12. FINANCIAL RISK MANAGEMENT

The branch's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, loans to and loans from subsidiaries, bills and leases, preference shares and derivatives.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION, NEWCASTLE AND
NORTHERN BRANCH
ABN 36 153 379 383**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
The totals for each category of financial instruments, measured in accordance with AASB 139 Financial Instruments Recognition and Measurement as detailed in the accounting policies to these financial statements, are as follows:		
Financial Assets		
Cash and cash equivalents	4 373,431.81	333,205.54
Total Financial Assets	<u>373,431.81</u>	<u>333,205.54</u>
Financial Liabilities		
Trade and other payables	43,756.82	11,298.95
Total Financial Liabilities	<u>43,756.82</u>	<u>11,298.95</u>

Financial Risk Management Policies

The association's treasurer is responsible for, among other issues, monitoring and managing financial risk exposures of the association. The treasurer monitors the association's transactions and reviews the effectiveness of controls relating to credit risk, financial risk and interest rate risk. The committee of management discusses at their meetings the monitoring and management of the financial risk exposures.

The Treasurer's overall risk management strategy seeks to ensure that the association meets its financial targets, while minimising potential adverse effects of cash flow shortfalls.

Specific Financial Risk Exposures and Management

The main risks the association is exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk and other price risk.

There have been no substantive changes in the types of risks the association is exposed to, how these risks arise, or the Committee's objectives, policies and processes for managing or measuring the risks from the previous period.

(a) Credit risk

Credit risk arises from the cash assets held.

The branch's holding of cash assets is only held by the Commonwealth Bank of Australia, therefore the cash assets are deemed to have limited credit risk.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the finance committee has otherwise cleared as being financially sound.

Credit risk exposures

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets as reported in the statement of financial position.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION, NEWCASTLE AND
NORTHERN BRANCH
ABN 36 153 379 383**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

2018 2017
\$ \$

(b) Liquidity Risk

Liquidity risk arises from the possibility that the branch might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The branch manages this risk through the following mechanisms:

- monitoring its cash flow on a weekly basis to ensure adequate funds are available to meet expenditure requirements; and
- only holding cash with major financial institutions;

The table below reflects an undiscounted contractual maturity analysis for non-derivative financial liabilities. The association does not hold directly any derivative financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflect the earliest contractual settlement dates.

Financial liability and financial asset maturity analysis

	Within 1 Year	
Financial liabilities due for payment		
Trade and other payables	43,756.82	11,298.95
Total contractual outflows	43,756.82	11,298.95
Total expected outflows	43,756.82	11,298.95
 Financial assets - cash flows realisable		
Cash on hand	373,431.81	333,205.54
Total anticipated inflows	373,431.81	333,205.54
Net (outflow)/inflow on financial instruments	329,674.99	321,906.59

(c) Market risk

Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

The branch does not have any long term borrowings. The branch's interest rate risks arise from cash assets. The branch's payables are non interest bearing.

The association also manages interest rate risk by ensuring that, whenever possible, payables are paid within any pre-agreed credit terms.

The impact of interest rate risk on cash has been considered and is deemed to be immaterial.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION, NEWCASTLE AND
NORTHERN BRANCH
ABN 36 153 379 383**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$

Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities approximate the carrying values of the financial assets and financial liabilities as presented in the statement of financial position. Fair value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

13. ASSOCIATION DETAILS

The registered office and principal place of business of the association is:

Shop, Distributive And Allied Employees' Association, Newcastle And Northern Branch
Level 1, 710 Hunter Street
Newcastle West NSW 2302

14. NOTICE REQUIRED UNDER SECTION 272 FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009

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

Information to be provided to members or the Commissioner of the Registered Organisations Commission:

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

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

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

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION, NEWCASTLE AND
NORTHERN BRANCH
ABN 36 153 379 383**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$

**15. OTHER DISCLOSURE REQUIREMENTS UNDER SECTION 253 FAIR WORK
(REGISTERED ORGANISATIONS) ACT 2009**

The reporting unit makes the following disclosures that are relevant for the current and prior reporting years:

General requirements for presentation and disclosures

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

(2) The reporting unit has not agreed to provide financial support to ensure another reporting unit(s) has the ability to continue as a going concern.

(3) The reporting unit has not acquired an asset or a liability during the financial period as a result of:

a) An amalgamation under Part 2 of Chapter 3, of the RO Act in which the organisation (of which the reporting unit form part) was the amalgamated organisation; or

b) A restructure of the branches of the organisation; or

c) A determination by the General Manager under subsection 245(1) of the RO Act of an alternative reporting structure for the organisation; or

d) A revocation by the General Manager under subsection 249(1) of the RO Act of a certificate issued to an organisation under subsection 245(1).

Statement of changes in equity

a) There are no additional funds or accounts operated (other than the general fund);

b) There has been no transfer(s) and/or withdrawal(s) to/from a fund, account or controlled entity (other than the general fund).

Additional reporting requirements

a) The reporting unit's financial affairs are not administered by another entity.

16. CASH FLOW INFORMATION

(a) Reconciliation of Cash

Cash on hand at the end of financial year as included in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

Cash at Bank	373,431.81	333,205.54
	373,431.81	333,205.54

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION, NEWCASTLE AND
NORTHERN BRANCH
ABN 36 153 379 383**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018**

	2018	2017
	\$	\$
(b) Reconciliation of cash flow from operating activities with net current year profit		
Current year profit after income tax	7,768.40	(17,092.29)
Changes in assets and liabilities:		
Increase/(decrease) in other creditors	<u>32,457.87</u>	<u>(30,173.15)</u>
Net cash provided by (used in) operating activities	<u><u>40,226.27</u></u>	<u><u>(47,265.44)</u></u>

(c) Cash inflows/outflows with related parties

All cash flows with Related Parties (if applicable) are disclosed under Note 10. Related Party Transactions.

(d) Cash inflows/outflows with other reporting units

There have been no cash inflows/outflows from other reporting units and/or controlled entities for either the current or prior reporting year.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION, NEWCASTLE AND
NORTHERN BRANCH
ABN 36 153 379 383**

STATEMENT BY MEMBERS OF THE COMMITTEE

In accordance with a resolution of the committee of Shop, Distributive And Allied Employees' Association, Newcastle And Northern Branch, the members of the committee declare that the financial statements as set out on pages 5 to 22:

1. present a true and fair view of the financial position of Shop, Distributive And Allied Employees' Association, Newcastle And Northern Branch as at 30 June 2018 and its performance for the year ended on that date in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Standards Board and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 and the Associations Incorporation Act 2009; and
2. at the date of this statement there are reasonable grounds to believe that Shop, Distributive And Allied Employees' Association, Newcastle And Northern Branch will be able to pay its debts as and when they fall due.

This statement is signed for and on behalf of the committee by:

Branch Secretary



Barbara Nebart

27 August 2018

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION,
NEWCASTLE AND NORTHERN BRANCH
ABN 36 153 379 383**

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION,
NEWCASTLE AND NORTHERN BRANCH**

Report on the Financial Report

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Shop, Distributive And Allied Employees' Association, Newcastle And Northern Branch (the organisation) which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, the committee of management statement, the subsection 255(2A) report, notes comprising a summary of significant accounting policies and other explanatory information, and the statement by members of the committee on the annual statements giving a true and fair view of the financial position and performance of the organisation.

In our opinion, the accompanying general purpose financial report of Shop, Distributive And Allied Employees' Association, Newcastle And Northern Branch is in accordance with applicable Australian Accounting Standards, the requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 and the Associations Incorporation Act 2009, including:

- (i) presents fairly, in all material aspects, the organisation's financial position as at 30 June 2018, and its financial performance and its cash flows for the year ended on that date; and
- (ii) that the financial records kept by the organisation are such as to enable financial statements to be prepared in accordance with Australian Accounting Standards.
- (iii) management's use of the going concern basis of accounting in preparation of the financial statements is appropriate.

Basis for Opinion

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

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

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION,
NEWCASTLE AND NORTHERN BRANCH
ABN 36 153 379 383**

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION,
NEWCASTLE AND NORTHERN BRANCH**

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

The committee of the organisation is responsible for the other information. The other information comprises the information included in the Committee of Management Operating Report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Committee for the Financial Report

The committee of the organisation is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, the Fair Work (Registered Organisations) Act 2009 and the Associations Incorporation Act 2009 and for such internal control as the committee determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

The committee of the organisation is responsible for overseeing the organisation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION,
NEWCASTLE AND NORTHERN BRANCH
ABN 36 153 379 383**

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION,
NEWCASTLE AND NORTHERN BRANCH**

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organisation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee.
- Conclude on the appropriateness of the committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organisation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Reporting Unit audit. We remain solely responsible for our audit opinion.

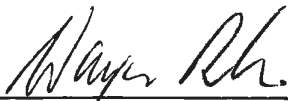
We communicate with the committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We declare that the auditor is registered under the RO Act.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION,
NEWCASTLE AND NORTHERN BRANCH
ABN 36 153 379 383**

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION,
NEWCASTLE AND NORTHERN BRANCH**

**McGregor & McGregor
Chartered Accountants
591 Hunter Street
NEWCASTLE, NSW, 2300**



**PARTNER: W.I. RINKIN
REGISTERED COMPANY AUDITOR: 181104**

NEWCASTLE

27 August 2018

Registration Number (as registered by the RO Commissioner under the RO Act): AA2017/30