Annual Financial Reports

for the year ended 30 June 2014

Shop, Distributive & Allied Employees' Association

(National)

Pages 2-10

and the

YOUR VOICE AT WORK

Shop, Distributive & Allied Employees' Association

(Queensland Branch)

Pages 11-16

SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES' ASSOCIATION
ANNUAL FINANCIAL REPORT - 30 JUNE 2014

OPERATING REPORT

For the year ended 30 June 2014

The members of the National Executive present their report together with the financial report of Shop, Distributive & Allied Employees' Association ('the Association') for the financial year ended 30 June 2014 and the auditor's report thereon.

1. Membership

Membership of the Association as at 30 June 2014 was 209,838 (2013: 213,075).

Persons eligible to do so under the rules of the Association were actively encouraged to join the Association. Pursuant to s174 of the Fair Work (Registered Organisations) Act 2009 ("RO Act") and in accordance with Rule 27 of the Association, members have the right to resign from the Association by written notice to the appropriate Branch of the Association.

2. Committee of Management

The members of the National Executive of the Association at any time during or since the end of the financial year are:

Name	Experience
Mr. Gerard Dwyer National President	National Executive Member since 2005 Elected National President 2008
Mr. Joseph Bullock National Vice President	National Executive Member since 1996 Elected National Vice President 2004
Mr. Joseph De Bruyn National Secretary-Treasurer	National Executive Member since 1978 Elected National Secretary-Treasurer 1978
Mr Ian Blandthorn National Assistant Secretary	National Executive Member since 1986 Elected National Assistant Secretary 1986
Mr. Michael Donovan	National Executive Member since 1996
Mr. Paul Griffin	National Executive Member since 1990
Mr. Chris Ketter	National Executive Member since 1996
Ms. Barbara Nebart	National Executive Member since 2004
Mr. Peter Malinauskas	National Executive Member since 2008

3. Affiliations & Directorships

The Association, through its Branches, is affiliated with the Australian Labor Party ("ALP"). Delegates were credentialed to various state and national meetings of the ALP. The National Secretary-Treasurer is a member of the ALP National Executive and the Australian Labor Advisory Council.

The Association is affiliated with the Australian Council of Trade Unions ("ACTU"). The National Secretary-Treasurer is Senior Vice President of the ACTU. Four other representatives of the Association are also members of the ACTU Executive. Officials of the Association are active on a range of ACTU Committees, including finance, health and safety, women, vocational education and training, future strategies, international and award modernisation.

The Association is affiliated to Union Network International ("UNI"). Various officials of the Association hold elected positions within UNI. The National Secretary-Treasurer is the President of UNI.

Two representatives of the Association are Directors of the Service Industries Skills Council.

4. Principal activities

The Association maintained its industrial awards and agreements at a high, up-to-date standard, and produced a range of publications for its members.

New enterprise agreements were negotiated with a wide range of employers including Hungry Jacks, the Just Group, Villeroy & Boch, Domino's Pizza, Myer, Priceline, Noni B, Dulux, Red Rooster, Chicken Treat, Bras n Things, Lovisa, Masters, Coles Liquor and Specialty Fashion Group. These agreements all resulted in improved wages and working conditions for the employees covered by them.

The Association continues its defence of penalty rates in its major awards and also protects other entitlements from attack by employers. The Association also ran a major test case in support of the principle of the adult rate of pay at 18 years of age, and was successful in achieving the adult rate at 20 years in the General Retail Industry Award.

The Association has also actively opposed legislation by the Abbott Government to take away basic entitlements of workers since its election to office on 7 September, 2013 and, particularly, various regressive provisions aimed against low paid workers in the 2014/2015 Federal Budget.

There were no significant changes in the Association during the financial year in the nature of its activities and financial affairs. At 30 June 2014, there were 14 persons employed by the national office of the Association (2013: 16).

5. Superannuation Trustees

Four representatives of the Association hold positions as Directors of the Retail Employees' Superannuation Trust ("REST"). Below are the directors as at 30 June 2014, along with the nominated alternate Employee Directors. Ms S Burnley is also a Director of CARE Super Pty Ltd.

Directors:	Alternates:
Mr Joseph de Bruyn	Mr Gerard Dwyer
Mr Ian Blandthorn	Mr Michael Donovan
Mr Geoff Williams	Mr Peter Malinauskas
Ms Sue-Anne Burnley	Ms Julia Fox

6. SDA Report to the Workplace Gender Equality Agency

The Shop, Distributive and Allied Employees' Association, as required by the Workplace Gender Equality Act 2012, lodged its public report for the reporting year 2013-2014, to the Workplace Gender Equality Agency, on the 29th May 2014. The report is available on the SDA National website at www.sda.org.au

7. Information to be provided to members or General Manager

In accordance with the requirements of subsection 272(5) of the RO Act, the attention of members is drawn to the provisions of subsections (1), (2) and (3) of section 272, which states as follows:

1. A member of a reporting unit, or the General Manager, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
2. The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
3. A reporting unit must comply with an application made under subsection (1).

Dated at the Gold Coast this 18th day of August, 2014

Gerard Dwyer	**Joseph de Bruyn**
National President	National Secretary-Treasurer

COMMITTEE OF MANAGEMENT STATEMENT

We, Gerard Dwyer and Joseph de Bruyn, being two members of the National Executive of the Association, do state on behalf of the National Executive and in accordance with a resolution passed by the National Executive on 18th August 2014 in relation to the accompanying general purpose financial report that, in the opinion of the National Executive:

(a) the financial statements and notes set out on pages 8 to 41 comply with the Australian Accounting Standards;

(b) the financial statements and notes set out on pages 8 to 41 comply with the reporting guidelines of Fair Work Australia ("FWA");

(c) the financial statements and notes present a true and fair view of the financial performance, financial position and cash flows of the Association for the financial year ended 30 June 2014;

(d) there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable;

(e) during the financial year ended 30 June 2014 and since the end of that year:

(i) meetings of the executive were held in accordance with the rules of the Association;

(ii) the financial affairs of the Association have been managed in accordance with the rules of the Association;

(iii) the financial records of the Association have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009 ("RO Act") and the RO Regulations;

(iv) the financial records of the Association have been kept, as far as practicable, in a consistent manner for each of the branches of the Association;

(v) to the knowledge of any member of the National Executive, there have been no instances of information sought in any request of a member of the Association or FWA duly made under section 272 of the RO Act that have not been furnished to the member or FWA;

(vi) no orders for inspection of financial records have been made by FWA under section 273 of the RO Act; and

(vii) in relation to the recovery of wages activity, there has been no such activity undertaken by the Association and no revenue derived.

Dated at the Gold Coast this 18th day of August, 2014

Gerard Dwyer	**Joseph de Bruyn**
National President	National Secretary-Treasurer

CERTIFICATE BY NATIONAL SECRETARY-TREASURER

I, Joseph de Bruyn, being the officer responsible for keeping the accounting records of the Association certify that as at 30 June 2014 the number of members of the Association was 209,838.

In my opinion:

(i) the accompanying financial report set out on pages 8 to 41 presents a true and fair view of the financial position of the Association as at 30 June 2014;

(ii) a record has been kept of all monies paid by or collected from members of the Association and all monies so paid or collected have been credited to the bank account to which those monies are to be credited in accordance with the rules of the Association;

(iii) before any expenditure was incurred by the Association, approval of the incurring of the expenditure was obtained in accordance with the rules of the Association;

(iv) no payments were made out of funds or accounts operated by the Association in respect of compulsory levies raised by the Association or voluntary contributions collected from members of the Association or other funds, the operation of which is required by the rules of the Association for a purpose other than the purpose for which the funds or accounts were operated;

(v) no loans or other financial benefits other than remuneration in respect of their full time employment with the Association were made to persons holding office in the Association; and

(vi) the Register of Members of the Association was maintained in accordance with the Fair Work (Registered Organisations) Act 2009.

Dated at the Gold Coast this 18th day of August, 2014

Joseph de Bruyn
National Secretary-Treasurer

STATEMENT OF FINANCIAL POSITION - AS AT 30 JUNE 2014

	Note	2014	2013
Assets			
Cash and cash equivalents	9	1,460,407	1,042,785
Receivables	10	428,286	348,125
Other financial assets	11	25,300,000	25,100,000
Total current assets		27,188,693	26,490,910
Investment property	12	15,300,000	15,301,973
Property, plant and equipment	13	316,199	289,366
Employee benefits	15	470,908	-
Total non-current assets		16,087,107	15,591,339
TOTAL ASSETS		**43,275,800**	**42,082,249**
Liabilities			
Trade and other payables	14	406,915	352,839
Employee benefits	15	878,835	815,398
Total current liabilities		1,285,750	1,168,237
Employee benefits	15	13,870	93,507
Total non-current liabilities		13,870	93,507
TOTAL LIABILITIES		**1,299,620**	**1,261,744**
NET ASSETS		**41,976,180**	**40,820,505**
Equity			
Retained earnings		41,976,180	40,820,505
TOTAL EQUITY		**41,976,180**	**40,820,505**

STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME - FOR THE YEAR ENDED 30 JUNE 14

	Note	2014	2013
Income			
Affiliation fee contributions	21	4,852,875	6,208,699
		4,852,875	6,208,699
Other income	7	1,966,088	2,410,754
		6,818,963	**8,619,453**
Expenditure			
53 Queen St, Melbourne - direct operating expenses		532,405	480,541
ACTU IR Campaign Levy	21	431,178	424,158
Affiliation fees	21	1,491,938	1,251,062
Auditors' remuneration	8	24,284	27,465
Campaigning expenses		560,657	231,249
Delegates expenses		360,213	205,334
Depreciation	13	42,462	36,797
Donations		792,094	222,039
Legal expenses		150,078	479,654
Meeting expenses		225,594	199,130
Office & administration expenses		133,604	127,566
Other expenses		540,338	564,437
Personnel expenses	19	1,542,686	1,404,181
Travel expenses		155,172	158,498
Total Expenses		**6,982,703**	**5,812,111**
Result from Operating Activities		**(163,740)**	**2,807,342**
Finance income			
Interest income	11	812,098	959,317
		812,098	959,317
Income tax expense	4(k)	-	-
PROFIT FOR THE PERIOD		**648,358**	**3,766,659**
Other comprehensive income			
Defined benefit plan actuarial gains (losses)	15	507,317	103,565
Income tax on other comprehensive income	4(k)	-	-
		507,317	103,565
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**1,155,675**	**3,870,224**

STATEMENT OF CHANGES IN EQUITY - FOR THE YEAR ENDED 30 JUNE 2014

	Note	Retained earnings	Total equity
Balance at 1 July 2012		36,950,281	36,950,281
Total comprehensive income for the period			
Profit for the period		3,766,659	3,766,659
Other comprehensive income			
Defined benefit plan actuarial (losses), net of tax	15	103,565	103,565
Total comprehensive income for the period		3,870,224	3,870,224
Transactions with members of the Association, recognised directly in equity		-	-
Balance at 30 June 2013		**40,820,505**	**40,820,505**
Balance at 1 July 2013		40,820,505	40,820,505
Total comprehensive income for the period			
Profit for the period		648,358	648,358
Other comprehensive income			
Defined benefit plan actuarial gains, net of tax	15	507,317	507,317
Total comprehensive income for the period		1,155,675	1,155,675
Transactions with members of the Association, recognised directly in equity		-	-
Balance at 30 June 2014		**41,976,180**	**41,976,180**

STATEMENT OF CASH FLOWS - FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014	2013
Cash flows from operating activities			
Cash receipts from operations		7,385,454	8,306,120
Cash paid to suppliers and employees		(7,545,670)	(6,242,298
Cash generated from operations		(160,216)	2,063,822
Interest received		845,748	917,593
Net cash from operating activities	20	**685,532**	**2,981,415**
Cash flows from investing activities			
Acquisition of term deposits		(200,000)	(3,000,000)
Acquisition of property, plant and equipment	13	(69,295)	(10,671)
Proceeds on sale of property, plant and equipment		1,385	-
Net cash from/(used in) investing activities		**(267,910)**	**(3,010,671)**
Cash flows from financing activities			
Net cash from/(used in) financing activities		**-**	**-**
Net increases/(decreases) in cash and cash equivalents		417,622	(29,256)
Cash and cash equivalents at 1 July		1,042,785	1,072,041
CASH AND CASH EQUIVALENTS AT 30 JUNE	9	**1,460,407**	**1,042,785**

NOTES TO THE FINANCIAL STATEMENTS

1. REPORTING ENTITY

Shop, Distributive & Allied Employees' Association (the 'Association') is an Association domiciled in Australia. The address of the Association's registered office is Level 6, 53 Queen Street, Melbourne. The financial report of the Association for the financial year ended 30 June 2014 comprises the National Account and the International Fund. The Association is a not-for-profit entity and primarily is involved in retail trade union activities.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards ('AASBs') adopted by the Australian Accounting Standards Board ('AASB') and the Fair Work (Registered Organisations) Act 2009.

The financial statements were approved by the National Executive on 18th August 2014.

b) Basis of measurement

The financial report is prepared on the historical cost basis except for the following material items in the statement of financial position:

- investment property is measured at fair value; and
- the defined benefit asset is recognised as the net total of the plan assets, plus unrecognised past service cost and unrecognised actuarial losses, less unrecognised actuarial gains and the present value of the defined benefit obligation.

c) Functional and presentation currency

The financial report is presented in Australian dollars, which is the Association's functional currency.

d) Use of estimates and judgements

The preparation of financial statements in conformity with AASBs 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

(i) Judgements

Information about critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is included in the following notes:

- Note 12 – valuation and classification of investment property.
- Note 17 – lease classification.

(ii) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following note:

- Note 15 – measurement of defined benefit obligations: key actuarial assumptions.

Measurement of fair values

A number of the Association's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Association has an established control framework with respect to the measurement of fair values. Significant fair value measurements are overseen and reviewed regularly, including unobservable inputs and valuation adjustments. If third party information is used to measure fair values, the Association assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of AASBs, including the level in the fair value hierarchy in which such valuations should be classified. Significant valuation issues are reviewed by the Association's Audit and Risk Committee.

When measuring the fair value of an asset or a liability, the Association uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Association recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 12 – investment property.

e) Changes in accounting policies

Except for the changes below, the Association has consistently applied the accounting policies set out in Note 4 for all periods presented in these financial statements. The Association has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 July 2013.

(i) Employee benefits

In the current year, the Company adopted AASB 119 Employee benefits (2011), which revised the definition of short-term employee benefits to benefits that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. As a result of the change, the annual leave liability for certain of the Association's employees is now considered to be another long-term employee benefit, when previously it was a short-term benefit.

The Company's obligation is determined as the amount of future benefit that employees have earned in return for their service in the current and prior periods, applying actuarial assumptions, discounted to determine its present value. Re-measurements are recognised in profit or loss in the period in which they arise. The Company has applied the new policy retrospectively in accordance with the transitional provision of the standard. The impact on the comparative figures and opening statement of financial position of the earliest comparative period presented (1 July 2012) is not material.

The Association early adopted the changes in respect of the defined benefit plan accounting policy in the prior financial year and as a result there are no further changes to accounting policy required.

(ii) Fair value measurement

AASB 13 establishes a single framework for measuring fair value and making disclosures about fair value measurements when such measurements are required or permitted by others AASBs. It unifies the definition of fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It replaces and expands the disclosure requirements about fair value measurements in other AASBs, including AASB 7. As a result, the Association has included additional disclosures in this regard (see Notes 12 and 16).

Changes in accounting policies - Fair value measurement Continued

In accordance with the transitional provisions of AASB 13, the Association has applied the new fair value measurement guidance prospectively and has not provided any comparative information for new disclosures. Notwithstanding the above, the changes had no significant impact on the measurements of the Association's assets and liabilities.

4. SIGNIFICANT ACCOUNTING POLICES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Association, except for the changes in accounting policies as explained in Note 3.

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

a) Financial instruments

(i) Non-derivative financial assets
The Association initially recognises receivables and deposits on the date that they originate. All other financial assets (including assets designated at fair value through profit and loss) are recognised initially on the trade date at which the Association becomes a party to the contractual provisions of the instrument.

The Association derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Association is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the financial position when, and only when, the Association 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.

The Association has the following non-derivative financial assets: held-to maturity financial assets, receivables, and cash and cash equivalents.

Held-to-maturity financial assets

Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition held-to-maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses (see note 4e(i)). Any sale or reclassification of a more than insignificant amount of held-to-maturity investments not close to their maturity would result in the reclassification of all held-to-maturity investments as available-for-sale, and prevent the Association from classifying investment securities as held-to-maturity for the current and the following two financial years.

Held to maturity financial assets comprise Term Deposits held with the Commonwealth Bank of Australia (see note 11).

Receivables

Receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition receivables are measured at amortised cost using the effective interest method, less any impairment losses (see note 4e(i)).

Receivables comprise accrued income, prepayments and sundry debtors (see note 10).

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank bills with original maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Association in the management of short-term commitments.

(ii) Non-derivative financial liabilities

The Association's other financial liabilities are recognised initially on the trade date which is the date that the Association becomes a party to the contractual provisions of the instrument.

The Association derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Association 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.

The financial liabilities are recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest rate method. Other financial liabilities comprise trade and other payables.

(iii) Share capital

The Association is an unincorporated registered organisation under the Fair Work (Registered Organisations) Act 2009 and does not have share capital.

b) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Association at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are recognised in profit or loss.

c) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within other income/other expenses in profit or loss.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Association and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit or loss on a straight-line or diminishing value over the estimated useful lives of each part of an item of property, plant and equipment, to most closely reflect the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Association will obtain ownership by the end of the lease term.

The estimated useful lives in the current and comparative periods are as follows:

• Leasehold improvements	6-20 years
• Fixtures and fittings	4-20 years
• Motor vehicles	8 years

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

d) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit and loss. When an investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

e) Impairment

(i) Non-derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at each financial reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event has a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including receivables) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Association on terms the Association would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or the disappearance of an active market for a security.

Financial asset at amortised cost

The Association considers evidence of impairment for receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment, and those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables that are not individually significant are collectively assessed for impairment by grouping together those with similar risk characteristics.

In assessing collective impairment the Association uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that actual losses are likely to be greater or less than suggested by historical trends.

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 and reflected in an allowance account against receivables or held-to-maturity investment securities. Interest on the impaired asset continues to be recognised. When a subsequent event (e.g. repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(ii) Non-financial assets

The carrying amounts of the Association's non-financial assets, other than investment property, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit (CGU) exceeds its recoverable amount. A CGU is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in profit or loss.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

f) Employee benefits

(i) Defined benefit plans

The Association's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Association, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Association determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Association recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(ii) Other long-term employee benefits

The Association's net obligation in respect of long-term employee benefits other than defined benefit superannuation funds is the amount of future benefit that employees have earned in return for their service in the current and prior periods plus related on-costs; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is the yield at the reporting date on Commonwealth Government bonds that have maturity dates approximating the terms of the Association's obligations in which the benefits are expected to be paid.

(iii) Short-term benefits

Liabilities for employee benefits for wages, salaries, annual leave and sick leave represent present obligations resulting from employees' services provided to reporting date and are calculated at undiscounted amounts and expensed based on remuneration wage and salary rates that the Association expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax. Amounts that are expected to be settled beyond 12 months are measured in accordance with long term benefits.

g) Provisions

A provision is recognised if, as a result of a past event, the Association has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

h) Revenue

(i) Affiliation fee contributions

Affiliation fee contributions represent affiliation fees received from the state branches, recognised on receipt.

(ii) Rental income

Rental income from investment property is recognised in profit or loss on a straight line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

i) Finance income

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

Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

j) Leases

(i) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(ii) Determining whether an arrangement contains a lease

At inception of an arrangement, the Association determines whether such an arrangement is or contains a lease. This will be the case if the following two criteria are met:

- the fulfilment of the arrangement is dependent on the use of a specific asset or assets; and
- the arrangement contains a right to use the asset(s).

At inception or upon reassessment of the arrangement, the Association separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Association concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Association's incremental borrowing rate.

k) Income tax

The Association is exempt from income tax under Division 50, section 50-15 of the Income Tax Assessment Act 1997.

l) 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 excluded, as the Association reports to the ATO for GST on a cash-basis. 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 investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

m) Segment reporting

An operating segment is a component of the Association that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the other Association's other components. All operating segments' operating results are reviewed regularly by the Association's office holders to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

n) 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 2013, and have not been applied in preparing these consolidated financial statements. Those which may be relevant to the Association are set out below. The Association does not plan to adopt these standards early.

(i) AASB 9 Financial Instruments (2010), AASB 9 Financial Instruments (2009)

AASB 9 Financial Instruments (2009) introduces new requirements for the classification and measurement of financial assets. Under AASB 9 (2009), financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. AASB 9 (2010) introduces additions relating to financial liabilities. The IASB currently has an active project that may result in limited amendments to the classification and measurement requirements of AASB 9 and add new requirements to address the impairment of financial assets and hedge accounting.

AASB 9 (2010 and 2009) are effective for annual periods beginning on or after 1 July 2015 with early adoption permitted. The extent of the impact has not been determined by the Association.

5. SEGMENT REPORTING

The Association operates in one geographical location, being Australia and in one industry, being trade union activities for the benefit of its members.

6. FINANCIAL RISK MANAGEMENT

The Association has exposure to the following risks from their use of financial instruments:
a) Credit risk
b) Liquidity risk
c) Market risk
d) Operational risk

This note presents information about the Association's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and their management of capital. Further quantitative disclosures are included throughout these financial statements.

Risk Management Framework

The National Executive has overall responsibility for the establishment and oversight of the risk management framework. Risk management policies are established to identify and analyse the risks faced by the Association, 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 Association's activities. The Association, 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.

a) Credit risk

Credit risk is the risk of financial loss to the Association if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Association's receivables from customers and other financial assets.

(i) Receivables

The Association's exposure to credit risk is influenced mainly by the individual characteristics of each customer or tenant. Credit evaluations are performed on all tenants of the investment property prior to the signing of a lease agreement and security deposits are required by way of bank guarantees or cash, to be held for the term of all leases. None of the tenants were in arrears at the balance sheet date and there is no indication to management that any of the tenants present a significant credit risk. All receivables are with tenants in the Australian geographical region and therefore no impairment loss has been recognised at balance date (2013: no impairment loss).

(ii) Cash and cash equivalents

The Group held cash and cash equivalents of $1,460,407 at 30 June 2014 (2013: $1,042,785), which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with bank and financial institution counterparties, which are located in Australia.

(b) Liquidity risk

Liquidity risk is the risk that the Association will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Association'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 Association's reputation.

The Association prepares budgets and cash flow forecasts, which assists it in monitoring cash flow requirements and optimising its cash return on investments. Typically the Association ensures that it has sufficient cash on demand to meet expected operational expenses for a period of at least 120 days, the maximum term of its primary financial assets being term deposits. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. Refer to note 16.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Association'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.

(i) Currency risk

The Association has limited exposure to currency risks on International Fund transactions (international affiliation fees and donations) that are denominated in a currency other than the functional currency, being the Australian dollar (AUD). The currencies in which these transactions primarily are denominated are Swiss Francs (CHF) and Singapore dollars (SGD). Refer to note 16 for further details.

Market risk - Currency risk continued

The Association uses at its discretion forward exchange contracts (typically 1-3 months) to hedge its currency risk, with maturity dates the same as the due dates of the International Fund transactions. At reporting date there were no forward exchange contracts in place.

(ii) Interest rate risk

The Association's interest rate risk arises from its investments in bank bills, term deposits and cash management accounts. Bank bills and term deposits are issued at fixed rates for terms of between 30 and 120 days. The Association maintains a number of different bank bills and term deposits maturing at regular intervals to smooth fluctuations in interest rates being offered. The majority of cash reserves are held in term deposits, with cash management bank accounts (with variable interest rates) used to provide liquidity funds at call.

d) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Association's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Association's operations.

The Association's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Association's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within the Association. This responsibility is supported by the development of overall Association standards for the management of operational risk in the following areas:

- Requirements for appropriate segregation of duties, including the independent authorisation of transactions;
- Requirements for the reconciliation and monitoring of transactions;
- Compliance with regulatory and other legal requirements;
- Documentation of controls and procedures;
- Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- requirements for the reporting of operational losses and proposed remedial action;
- Development of contingency plans;
- Training and professional development;
- Ethical and business standards;
- Risk mitigation, including insurance where this is effective.

Capital management

The Association's policy is to maintain a strong capital base so as to maintain member, creditor and market confidence and to sustain future development of the union's activities. The National Executive monitors the return on capital and seeks to maintain a conservative position between higher returns and the advantages and security afforded by a sound capital position.

There were no changes in the Association's approach to capital management during the year, and the Association is not subject to externally imposed capital requirements.

7. OTHER INCOME

	Note	2014	2013
53 Queen Street, Melbourne -			
Rental income from investment property	17	1,093,609	1,037,208
53 Queen Street, Melbourne - Fair value increment	12	-	1,100,000
ACTU trust distributions		100,609	-
Branch Reimbursements	21	582,388	238,654
CARE director's fees		53,543	34,892
REST director's fees	21	134,554	-
Other income		1,385	-
		1,966,088	**2,410,754**

8. AUDITORS' REMUNERATION

	Note	2014	2013
Audit services			
Auditors of the Association			
KPMG Australia:			
Audit and review of financial reports		24,284	27,465
		24,284	27,465
Other services			
Auditors of the Association			
KPMG Australia:			
Other assurance services		2,460	6,616
		2,460	6,616
TOTAL AUDITORS' REMUNERATION		**26,744**	**34,081**

9. CASH AND CASH EQUIVALENTS

	2014	2013
Cash at bank	138,487	145,206
Cash management accounts	1,197,222	830,074
Term deposits	124,698	67,505
	1,460,407	**1,042,785**

Cash and cash equivalents in the statement of cash flows comprise the following:

	2014	2013
Cash and cash equivalents	1,460,407	1,042,785
	1,460,407	**1,042,785**

The Association's exposure to interest rate risk and a sensitivity analysis for financial assets is disclosed in note 16.

10. RECEIVABLES

	2014	2013
Accrued interest income	133,768	167,418
Prepayments	56,496	46,214
Sundry debtors (includes related parties - note 21)	238,022	134,493
	428,286	**348,125**

The Association's exposure to credit and currency risks, and impairment losses related to receivables is disclosed in note 16.

11. OTHER FINANCIAL ASSETS

	2014	2013
Term deposits	25,300,000	25,100,000
	25,300,000	**25,100,000**

Term deposits have stated interest rates of 3.40 percent (2013: 3.70 to 4.10 percent) and mature in 120 days or more.

The Association's exposure to credit and interest rate risk is disclosed in note 16.

During the year ended 30 June 2014, there was interest income of $812,098 (2013: $959,317) in respect of financial assets not at fair value through profit and loss.

12. INVESTMENT PROPERTY

(a) Reconciliation of carrying amount

Investment property comprises a commercial property located at 53 Queen Street, Melbourne. The Association retains possession of levels 6 and 7 as its registered head office and leases the remaining floors to third parties. Each of the leases contains an initial non-cancellable period of a minimum of three years, with fixed percentage annual rent increases. Some lease incentives were paid and are being amortised over the period of the leases. Subsequent renewals are negotiated with the lessee and on average renewal periods are 4 years. No contingent rents are paid. Further information about these leases are contained in Note 17.

Property	2014	2013
Balance at 1 July	15,300,000	14,200,000
Fair value adjustment (refer below)	-	1,100,000
Balance at 30 June	15,300,000	15,300,000
Lease incentives		
Balance at 1 July	32,296	32,296
Amortisation of lease incentives	(32,296)	(30,323)
Balance at 30 June	-	1,973
	15,300,000	**15,301,973**

(b) Measurement of fair value

(i) Fair value hierarchy

The fair value of investment property was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuers provide the fair value of the Association's investment property at least every two years. In years where external, independent valuations are not obtained, these are substituted with Association management performing internal valuations utilising publicly available market data for properties with similar characteristics to the Association's investment property.

The fair value measurement for investment property of $15,300,000 was determined at 30 June 2013 by RJ Scrivener, Director and certified practising valuer of Urbis, a registered independent appraiser having an appropriate recognised professional qualification in Australian Property Institute and recent experience in the location and category of the property being valued. The Officers of the Association maintained the fair value of $15,300,000 at 30 June 2014 having regard to recent market transactions for similar properties in the same location as the Association's investment property, using midpoint of the capitalisation of net income and direct comparison approaches for 53 Queen Street, Melbourne. The fair value measurement has been categorised as a Level 3 fair value based on the inputs to the valuation technique used (see Note 2(d)).

(ii) Level 3 fair value – valuation technique and significant unobservable inputs

The following shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

Valuation technique

Capitalisation approach: The valuation model involves estimating the potential sustainable Gross Market Income of a property from which annual outgoings are deducted to derive the Net Market Income. This Net Market Income is then capitalised at an appropriate rate derived from analysis of comparable sales evidence. Adjustments to the capitalised value are then made for items including profit rent/shortfall derived from passing rents which are above or below market, letting up allowance over vacant areas including foregone rental and outgoings over the assumed letting up period and outstanding lease incentives including rent free periods.

Significant unobservable inputs

- Capitalisation rate (7.75%).

Inter-relationship between key unobservable inputs and fair value measurement

The estimated fair value would increase (decrease) if:

- The capitalisation rate were lower (higher).

13. PROPERTY, PLANT AND EQUIPMENT

Cost	Furniture and Fittings	Motor Vehicles	Leasehold Improvements	Total
Balance at 1 July 2012	201,041	92,189	331,840	625,070
Acquisitions	10,671	-	-	10,671
Balance at 30 June 2013	**211,712**	**92,189**	**331,840**	**635,741**
Balance at 1 July 2013	211,712	92,189	331,840	635,741
Acquisitions	7,418	-	61,877	69,295
Impairments	(32,507)	-	-	(32,507)
Balance at 30 June 2014	**186,623**	**92,189**	**393,717**	**672,529**
Depreciation and impairment losses				
Balance at 1 July 2012	147,988	62,038	99,552	309,578
Depreciation expense for the year	13,557	6,648	16,592	36,797
Balance at 30 June 2013	**161,545**	**68,686**	**116,144**	**346,375**
Balance at 1 July 2013	161,545	68,686	116,144	346,375
Depreciation expense for the year	14,754	5,153	22,555	42,462
Impairments	(32,507)	-	-	(32,507)
Balance at 30 June 2014	**143,792**	**73,839**	**138,699**	**356,330**
Carrying amounts				
At 1 July 2012	**53,053**	**30,151**	**232,288**	**315,492**
At 30 June 2013	**50,167**	**23,503**	**215,696**	**289,366**
At 1 July 2013	**50,167**	**23,503**	**215,696**	**289,366**
At 30 June 2014	**42,831**	**18,350**	**255,018**	**316,199**

14. TRADE AND OTHER PAYABLES

	2014	2013
Sundry creditors	250,896	257,723
PAYG withholding tax payable	31,321	27,611
Tenant security deposit	124,698	67,505
	406,915	**352,839**

The Association's exposure to liquidity risk is disclosed in note 16 (b).

15. EMPLOYEE BENEFITS

Current liability		
Olffice holders		
Liability for long service leave	308,239	289,558
Liability for annual leave	90,289	84,935
	398,528	374,493
Employees other than office holders		
Liability for long service leave	267,539	240,858
Liability for annual leave	212,768	200,047
	480,307	440,905
	878,835	**815,398**
Non-current liability		
Employees other than office holders		
Liability for long-service leave	13,870	6,608
Office holders and other employees		
Present value of funded obligations	-	2,297,379
Fair value of plan assets - funded	-	(2,210,480)
Recognised liability for defined benefit obligations	-	86,899
	13,870	**93,507**
Non-current asset		
Office holders and other employees		
Present value of funded obligations	2,463,350	-
Fair value of plan assets - funded	(2,934,258)	-
Recognised (asset) for defined benefit obligations	**(470,908)**	-

The Association makes contributions to the SDA (Victoria Branch) benefit superannuation plan, a sub-plan of the Retail Employees' Superannuation Trust, that provide defined benefit amounts for office holders and other employees upon retirement.

The Association has determined that, in accordance with the terms and conditions of the defined benefit plans, and in accordance with statutory requirements (such as minimum funding requirements) of the plan of the respective jurisdictions, the present value of refunds or reductions in future contributions is not lower than the balance of the fair value of the plan assets less the total present value of obligations. As such, no decrease in the defined benefit asset is necessary at 30 June 2014 (30 June 2013: no decrease in the defined benefit asset).

The following tables analyse plan assets, present value of defined benefit obligations, expense recognised in profit or loss, actuarial assumptions and other information for the plan.

Movements in the net asset for defined benefit obligations recognised in the statement of financial position:

	2014	2013
Net liability/(asset) for defined benefit obligations at 1 July	86,899	208,446
Contributions paid into the plan	(187,876)	(151,751)
Amount recognised in other comprehensive income - actuarial (gains) losses	(507,317)	(103,565)
Expenses recognised in statement of comprehensive income with personnel expenses	137,386	133,769
Net liability/(asset) for defined benefit obligations at 30 June	**(470,908)**	**86,899**

Movement in the present value of the defined benefit obligations

	Note	2014	2013
Defined benefit obligations at 1 July		2,297,379	2,258,545
Current service cost		137,686	130,495
Interest cost		94,784	72,912
Actuarial (gains)/ losses recognised in other comprehensive income (see below)		24,373	60,710
Benefits paid by the plan		(41,825)	(181,238)
Taxes, premium & expenses paid		(49,047)	(44,045)
Defined benefit obligations at 30 June		**2,463,350**	**2,297,379**

All benefits are vested at the end of the reporting period.

Movement in the present value of plan assets

Fair value of plan assets at 1 July	2,210,480	2,050,099
Expected return on plan assets at discount rate	95,084	69,638
Actuarial gains/(losses) recognised in other comprehensive income (see below)	531,690	164,275
Contributions paid	187,876	151,751
Benefits paid	(41,825)	(181,238)
Taxes and expenses	(49,047)	(44,045)
Fair value of plan assets at 30 June	**2,934,258**	**2,210,480**

Expense recognised in profit or loss

	Note		
Current service costs		137,686	130,495
Net interest costs		(300)	3,274
	18	**137,386**	**133,769**

Re-measurements of net defined benefit liability/asset

Loss/(Gain) on Defined Benefit Obligation	24,373	60,710
Loss/(Gain) on Assets	(531,690)	(164,275)
Recognised in Other comprehensive (income)/expense	**(507,317)**	**(103,565)**

Actuarial gains (and losses) recognised in other comprehensive income

Cumulative amount at 1 July	(572,642)	(676,207)
Recognised during the period	507,317	103,565
Cumulative amount at 30 June	**(65,325)**	**(572,642)**

The major categories of plan assets as a percentage of total fund assets are as follows:

The major categories of plan assets as a percentage of total fund assets are as follows:

	2014	2013
Australian Equity	20%	24%
International Equity	30%	31%
Fixed Income	10%	12%
Property	11%	9%
Cash	6%	6%
Other	23%	18%

Actuarial assumptions

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

Discount rate at 30 June	3.50%	3.75%
Future salary increases	4.00%	4.00%

Sensitivity analysis

The calculation of the defined benefit obligation is sensitive to the assumptions set out above. The following table summarises how the impact on the defined benefit obligation at the end of the reporting period would have increased (decreased) as a result of a change in the respective assumptions by one percent.

Additional DBO for a 1% decrease in the discount rate	(248)	(225)
Additional DBO for a 1% increase in the discount rate	171	220

The above sensitivities are based on the average duration of the benefit obligation determined at the date of the last full actuarial valuation at 1 July 2013 and are applied to adjust the defined benefit obligation at the end of the reporting period for the assumptions concerned. Whilst the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation to the sensitivity of the assumptions shown.

Historical information

	2014	2013	2012	2011	2010
Present value of the defined benefit obligation	2,463,350	2,297,379	2,258,545	2,046,200	2,122,605
Fair value of plan assets - funded	(2,934,258)	(2,210,480)	(2,050,099)	(2,199,441)	(2,210,909)
Recognised liability / (asset) for defined benefit obligation	**(470,908)**	**86,899**	**208,446**	**(153,241)**	**(88,304)**

Funding

The plan is fully funded by the Association. The funding requirements are based on the plan fund's actuarial measurement framework set out in the funding policies of the plan. The funding is based on a separate actuarial valuation for funding purposes for which the assumptions may differ from the assumptions above. Employees are not required to contribute to the plan.

The Association expects to contribute $134,121 to its defined benefit superannuation funds during the year ended 30 June 2014.

16. FINANCIAL INSTRUMENTS

(a) Credit risk

Exposure to credit risk

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

	Note	Carrying amount 2014	2013
Current			
Cash and cash equivalents	9	1,460,407	1,042,785
Receivables	10	428,286	348,125
Other financial assets	11	25,300,000	25,100,000
		27,188,693	26,490,910

Impairment losses

None of the Association's receivables are past due (2013: nil) and based on historic default rates and the minimal credit risk, the Association believes no impairment allowance is necessary. The other financial assets are all bank bills and term deposits issued by the Commonwealth Bank of Australia and the Association believes no impairment allowance is necessary. At 30 June 2014 the Association does not have any collective impairments on its cash and cash equivalents, receivables or other financial assets (2013: nil). All receivables are in the Australia geographic region.

(b) Liquidity risk

The carrying amount of the Association's financial liabilities is represented by trade and other payables (note 14). The carrying amounts approximate contractual cashflows and all are due in 3 months or less (2013: 3 months or less). The Association has adequate financial assets to meet these liabilities and assesses liquidity risk as minimal.

(c) Currency risk

International Fund transactions requiring settlement in foreign currencies represent the carrying amount and maximum exposure to currency risk. The Association has no contractual obligations (trade payables or receivables) or forward exchange contracts in place at reporting date (2013: nil).

(d) Interest rate risk

Profile

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

	Note	Effective interest rate	Carrying amount
		2014	
Financial assets			
Cash and cash equivalents (fixed and variable rates)	9	1.28%	1,460,407
Other financial assets (fixed rate)	11	3.40%	25,300,000
			26,760,407
		2013	
Financial assets			
Cash and cash equivalents (fixed and variable rates)	9	1.40%	1,042,785
Other financial assets (fixed rate)	11	3.91%	25,100,000
			26,142,785

Fair value sensitivity analysis for fixed rate instruments

The Association does not account for any fixed and variable rate financial assets at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Fair value sensitivity analysis for variable rate instruments

Variable rate instruments consist of cash management bank accounts, shown in cash and cash equivalents (note 9). A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2013.

	Profit or loss 100bp increase	100bp decrease
30 June 2014		
Cash management accounts	11,972	(11,972)
30 June 2013		
Cash management accounts	8,301	(8,301)

Fair values

The fair value of the Association's assets and liabilities as at 30 June 2014 approximate their carrying amounts shown in the statement of financial position.

17. OPERATING LEASES

Leases as lessor

The Association leases out its investment property under operating leases (see note 12). The future minimum lease income under non-cancellable leases are as follows:

	Notes	2014	2013
Less than one year		960,983	793,068
Between one and five years		1,908,029	1,416,894
More than five years		437,479	-
		3,306,491	2,209,962

During the year, $1,093,609 was recognised as rental income in profit or loss (2013: $1,037,208).

18. CONTROLLED ENTITIES

Parent entity

The Association comprises the Shop, Distributive and Allied Employees' Association National Account and the International Fund.

	2014	2013
Controlled Entity		
Ordinary shares	%	%
WT Travel Pty Ltd	100	100

WT Travel Pty Ltd, an Australian controlled entity, was purchased by the Shop Distributive and Allied Employees' Association National Executive on 30 September 1993. It formerly traded as a travel agency, but is currently a dormant company. Given WT Travel is a dormant company and its results and financial position at 30 June 2014 are nil, consolidated accounts are not prepared.

19. PERSONNEL EXPENSES

	2014	2013
Holders of office:		
Wages and salaries expense	238,288	229,712
Holiday leave expense	19,857	19,142
Long service leave provision (decrease) / increase	18,681	24,690
Subtotal employee expenses - holders of office	**276,826**	**273,544**
Employees other than office holders:		
Wages and salaries expense	928,179	818,032
Holiday leave expense	75,046	64,302
Long service leave provision (decrease) / increase	33,944	34,609
Subtotal employee expenses - employees other than office holders	**1,037,169**	**916,943**
Other employee expenses		
Payroll tax expense	66,353	57,407
Expenses related to defined benefit plan 15	137,386	133,769
Other superannuation expense	1,518	1,671
Workcover expense	13,753	10,267
Fringe benefits tax expense	9,681	10,580
Subtotal - Other employee expenses	**228,691**	**213,694**
Total employee expenses	**1,542,686**	**1,404,181**

20. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

	2014	2013
Profit for the period	648,358	3,766,659
Adjustment for:		
Amortisation of lease incentives	1,973	30,323
Depreciation	42,462	36,797
Fair value (increment) / decrement on investment property	-	(1,100,000)
(Profit)/Loss on disposal of property, plant and equipment	(1,385)	-
Actuarial gains/(losses) recognised in equity on defined benefit plan	507,317	103,565
Operating profit before changes in working capital & provisions	**1,198,725**	**2,837,344**
Change in accrued income	33,650	(41,724)
Change in prepayments	(10,282)	(19,582)
Change in sundry debtors	(103,529)	31,565
Change in pension asset/ (liability)	(557,807)	(121,547)
Change in trade and other payables	54,076	190,724
Change in provisions and employee benefits	70,699	104,635
Net cash from operating activities	**685,532**	**2,981,415**

21. RELATED PARTY DISCLOSURES

Branches

The Association received from its branches the following income:

	Affiliation fee contributions 2014	2013
Newcastle	(325,034)	428,190
New South Wales	1,556,083	1,759,951
Queensland	966,173	1,100,233
South Australia	646,391	738,474
Tasmania	170,595	169,565
Victoria	1,233,062	1,390,841
Western Australia	605,605	621,445
	4,852,875	**6,208,699**

The Association received from its branches the following expense reimbursements:

2014	ACTU IR Campaign Levy	ALP Election Donation	100% Pay - Week of Action	Induction Materials	Intranet	TOTAL
Newcastle	13,128	15,224	4,871	-	2,324	35,547
New South Wales	61,772	71,632	22,922	-	10,058	166,384
Queensland	35,798	41,512	13,284	-	5,829	96,423
South Australia	27,560	31,959	10,227	-	4,831	74,577
Tasmania	6,192	7,180	2,298	-	1,018	16,688
Victoria	49,026	56,851	18,192	-	8,730	132,799
Western Australia	22,113	25,642	8,206	-	4,009	59,970
	215,589	**250,000**	**80,000**	**-**	**36,799**	**582,388**

Branches Continued:

The Association received from its branches the following expense reimbursements continued:

2013	ACTU IR Campaign Levy	ALP Election Donation	100% Pay - Week of Action	Induction Materials	Intranet	TOTAL
Newcastle	12,815	-	-	1,618	-	14,433
New South Wales	60,040	-	-	7,615	-	67,655
Queensland	37,179	-	-	4,413	-	41,592
South Australia	26,469	-	-	3,397	-	29,866
Tasmania	6,082	-	-	763	-	6,845
Victoria	48,692	-	-	6,043	-	54,735
Western Australia	20,802	-	-	2,726	-	23,528
	212,079	**-**	**-**	**26,575**	**-**	**238,654**

At 30 June 2014, amounts of $2,135+GST and $981+GST were owed by the Victoria and Western Australia branches respectively with regard to intranet expense reimbursements above (2013: $nil). These amounts are included in sundry debtors in note 10.

The amounts paid or payable by the Association to its branches for expenses incurred on it's behalf:

	Target seat coordinator employment reimbursements		Other expense reimbursements	
	2014	2013	2014	2013
Newcastle	18,416	51,847	1,305	8,735
New South Wales	45,000	49,333	50,355	5,332
Queensland	51,597	108,238	3,716	-
South Australia	-	-	37,261	3,636
Tasmania	-	-	-	313
Victoria	22,716	12,977	339	35,734
Western Australia	13,278	7,112	1,666	75,128
	151,007	**229,507**	**94,642**	**128,878**

Affiliates

The Association received trust distribution income of $100,609 (2013: nil) from the ACTU as an affiliate. In accordance with the ACTU "Constitution, Rules and Standing Orders" this amount was acquitted by the ACTU as additional affiliation fees, included below.

The Association made the following payments to its affiliates:

	2014	2013
Affiliation fees		
ACTU affiliation fees	850,219	719,371
Union Network International affiliation fees	641,719	531,691
	1,491,938	**1,251,062**
Donations		
ACTU (ITUC Congress Fundraising)	500	-
ACTU (Worksite For Schools program)	12,500	20,000
ALP (2013 Federal Election Campaign)	500,000	-
ALP (Shorten Leadership Campaign)	10,000	-
ALP (WA Branch Senate Election Campaign)	50,000	-
Union Network International (UNI APRO Activities Fund donation)	118,494	101,539
	691,494	**121,539**

Campaign levy

The Association contributed $431,178 (2013: $424,158) towards the ACTU IR Campaign Fund, and also made total payments of $4,965 (2013: $2,182) to the ACTU for legal, consulting and training.

Other related parties

Key management personnel

The following were key management personnel of the Association during the financial year:

Name	Position
Gerard Dwyer	Officer – National President
Joseph Bullock	Officer – National Vice-President
Joseph de Bruyn	Officer – National Secretary-Treasurer
Ian Blandthorn	Officer – National Assistant Secretary
Michael Donovan	National Executive Member
Paul Griffin	National Executive Member
Chris Ketter	National Executive Member
Barbara Nebart	National Executive Member
Peter Malinauskas	National Executive Member

Key management personnel remuneration

The National President and Vice-President were paid honorariums for their services while the National Secretary-Treasurer and Assistant Secretary are salaried employees of the Association and all are included as key management personnel. In addition to their salaries and fees, the Association also provides motor vehicles to the National Secretary-Treasurer and Assistant Secretary and contributes to a post-employment defined benefit superannuation fund on their behalf. As the National Executive Members are not paid by the Association, there are only 4 remunerated officer holders of the Association

The Association pays or reimburses travel, accommodation and meal allowances for the National Officers and the National Executive Members whilst attending National Council and/or National Executive meetings or performing other Association duties. The National Officers and National Executive Members are allowed to keep any frequent flyer points or rewards earned as a result of such travel, the value of which cannot be determined.

Key management personnel compensation to the National Officers comprised:

	2014	2013
Short-term employee benefits	316,843	308,886
Post-employment benefits	49,316	37,328
Other long term benefits	6,454	6,221
	372,613	**352,435**

Note 15 discloses liabilities for annual leave and long service leave for office holders.

Key management personnel remuneration continued:

The remuneration by officer comprised:

Key Management Personnel Remuneration for 2013	Gerard Dwyer President	Joseph Bullock Vice-President	Joseph de Bruyn Secretary-Treasurer	Ian Blandthorn Assistant Secretary	Total
Short-term employee benefits					
Salary (including annual leave taken)	-	-	133,532	115,322	248,854
Honorarium	5,000	3,500	-	-	8,500
Annual leave accrued	-	-	5,216	319	5,535
Non-monetary (motor vehicle & parking)	-	-	21,794	24,203	45,997
Total short-term employee benefits	**5,000**	**3,500**	**160,542**	**139,844**	**308,886**
Post-employment benefits					
Superannuation	-	-	20,030	17,298	37,328
Total post-employment benefits	**-**	**-**	**20,030**	**17,298**	**37,328**
Other long-term benefits					
Long-service leave	-	-	3,338	2,883	6,221
Total other long-term benefits	**-**	**-**	**3,338**	**2,883**	**6,221**
Total	**5,000**	**3,500**	**183,910**	**160,025**	**352,435**

Key Management Personnel Remuneration for 2014	Gerard Dwyer President	Joseph Bullock Vice-President	Joseph de Bruyn Secretary-Treasurer	Ian Blandthorn Assistant Secretary	Total
Short-term employee benefits					
Salary (including annual leave taken)	-	-	138,518	119,627	258,145
Honorarium	5,000	3,500	-	-	8,500
Annual leave accrued	-	-	7,156	(2,936)	4,220
Non-monetary (motor vehicle & parking)	-	-	25,148	20,830	45,978
Total short-term employee benefits	**5,000**	**3,500**	**170,822**	**137,521**	**316,843**
Post-employment benefits					
Superannuation (defined benefit)	-	-	20,778	17,944	38,722
Superannuation (REST SG payments)	-	-	7,878	2,716	10,594
Total post-employment benefits	**-**	**-**	**28,656**	**20,660**	**49,316**
Other long-term benefits					
Long-service leave	-	-	3,463	2,991	6,454
Total other long-term benefits	**-**	**-**	**3,463**	**2,991**	**6,454**
Total	**5,000**	**3,500**	**202,941**	**161,172**	**372,613**

Apart from the details disclosed in this note, no officer has entered into any material transactions with the Association since the end of the previous financial year and there were no material contracts involving officers' interests existing at year-end.

Other related parties

Contributions to a post-employment defined benefit fund managed by the Retail Employees' Superannuation Trust ("REST") on behalf of employees are disclosed in note 15.

The Association receives director fees from REST for the services performed by three representatives of the Association, Mr Joseph de Bruyn, Mr Ian Blandthorn and Ms Sue-Anne Burnley. These are disclosed in note 7. The directors personally receive Superannuation Guarantee (SG) payments from REST for the director fees, these are disclosed in post-employment benefits in note 21 for key.

22. 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 officer holders of the Association, to affect significantly the operations of the Association, the results of those operations, or the state of affairs of the Association in future financial years.

23. INFORMATION TO BE PROVIDED TO MEMBERS OR GENERAL MANAGER

In accordance with the requirements of subsection 272(5) of the RO Act, the attention of members is drawn to the provisions of subsections (1), (2) and (3) of section 272, which states as follows:

1. A member of a reporting unit, or the General Manager, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
2. The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
3. A reporting unit must comply with an application made under subsection (1).

24. ECONOMIC DEPENDENCY

The Association is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis (as noted in the Committee of Management Statement). The Association has not agreed to provide financial support to ensure another reporting unit, branch or affiliate has the ability to continue as a going concern.

KPMG

Independent auditor's report to the members of the Shop, Distributive and Allied Employees' Association

Report on the financial report

We have audited the accompanying financial report of the Shop, Distributive and Allied Employee's Association (the Association), which comprises the statement of financial position as at 30 June 2014, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended Operating Report, the Committee of Management Statement and Certificate by the National Secretary-Treasurer. on that date, notes 1 to 24 comprising a summary of significant accounting policies, other explanatory information, the Operating Report, the Committee of Management Statement and Certificate by the National Secretary-Treasurer.

National Executive's responsibility for the financial report

The National Executive of the Association are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Fair Work (Registered Organisations) Act 2009 and for such internal control as the National Executive determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Association's preparation of the financial report that gives a true and fair view 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 Association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the members of the National Executive, 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 and the Fair Work (Registered Organisations) Act 2009, a view which is consistent with our understanding of the Association's financial position and of its performance.

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

Independence

In conducting our audit we have complied with the independence requirements of the Accounting Professional and Ethical Standards Board.

Auditor's opinion

In our opinion the Shop, Distributive and Allied Employees' Association general purpose financial report for the year ended 30 June 2014 presents fairly in accordance with applicable Australian Accounting Standards and other professional reporting requirements in Australia and the requirements of the Fair Work (Registered Organisations) Act 2009.

KPMG

Antoni Cinanni
Partner
Melbourne
19th August, 2014

Lead auditor's independence declaration to the members of the Shop, Distributive and Allied Employees' Association

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2014 there have been:

- no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Antoni Cinanni
Partner
Melbourne
18th August, 2014

INDEPENDENT AUDITOR'S REPORT

To the Committee of Management of Shop Distributive and Allied Employees Association (QLD Branch)

Report on the Financial Report

We have audited the accompanying financial report of Shop Distributive and Allied Employees Association (QLD Branch), which comprises the statement of financial position as at 30 June 2014, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and management committee declaration.

Committee's Responsibility for the Financial Report

The Committee of Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Fair Work (Registered Organisations) Act 2009 and for such internal control as the 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.

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

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 about whether the financial report is free from material misstatement.

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

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

Independence

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

Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of Shop Distributive and Allied Employees Association (QLD Branch) as at 30 June 2014, and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards.

In our opinion:

1) All information and explanation that, under Section 257 of the Fair Work (Register Organisations) Act 2009, officers or employees of the Association were required to provide, were provided;
2) In our opinion the general purpose financial report is presented fairly in accordance with applicable Australian Accounting Standards and requirement imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.
3) Management's use of the going concern basis of accounting in preparation of the financial statements is appropriate

Where necessary, we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

BDO Audit Pty Ltd

P A Gallagher - Director

Brisbane, 9 September 2014

DECLARATION OF INDEPENDENCE BY PAUL A GALLAGHER TO THE COMMITTEE MANAGEMENT OF SHOP DISTRIBUTIVE & ALLIED EMPLOYEES ASSOCIATION (QLD BRANCH)

As lead auditor of Shop Distributive & Allied Employees Association (QLD Branch) for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

This declaration is in respect Shop & Distributive & Allied Employees Association (QLD Branch) and the entities it controlled during the period.

P A Gallagher - Director

BDO Audit Pty Ltd

Brisbane, 9 September 2014

OPERATING REPORT

The committee presents its report on the reporting unit for the financial year ended 30 June 2014.

Review of principal activities

The principal activities of the Branch is to preserve and enhance the wages and working conditions of its members, and promote the interests and rights of workers. In addition to industrial representation, members are also provided with a range of services and benefits. The Branch produced a range of publications for its members.

There were no significant changes in the nature of the Branch's principal activities during the reporting period.

Significant Changes in Financial Affairs

There were no significant changes in the Branch's financial affairs for the year.

Rights of Members to Resign

Pursuant to section 174 of the Fair Work (Registered Organisations) Act 2009, members could resign from the Branch by written notice addressed and delivered to the Secretary-Treasurer in accordance with the rule 22A of the Branch.

Superannuation Trustees

Chris Ketter, the Branch Secretary at 30 June, is an Alternate Director of the Retail Employees' Superannuation Trust ("REST").

Affiliations & Directorships

The Branch is affiliated with the Australian Labor Party ("ALP"). Delegates were credentialed to the State meetings of the ALP.

Membership

Membership of the Branch as at 30 June 2014 was 32,257.

Persons eligible to do so under the rules of the Branch were actively encouraged to join the Branch.

Employees

At 30 June 2014, there were 46 persons employed by the Branch.

Committee of Management

The members of the State Council of the Branch at any time during or since the end of the financial year were:

Name	*State Council*
Senator J. Hogg Branch President	State Council member since 1980 Branch President since 1996
Ms. E. Beswick Branch Vice President	State Council member since 1998 Branch Vice President since 2002
Mr. K. Addison Branch Vice President	State Council member since 1972 Branch Vice President since 1995 Term finished June 2014 (retired)
Mr C. Gazenbeek Branch Secretary - Treasurer	State Council member since Oct 2011 First Assistant Secretary since Oct 2011 Branch Secretary - Treasurer since 26 July 2014
Mr. C. Ketter Branch Secretary – Treasurer	State Council member since 1984 Branch Secretary – Treasurer since 1996 Resigned 25 July 2014
Mr. J. Power	State Council member since 5 August 2014 Assistant Secretary since 5 August 2014
Mrs. P. Jarrett	State Council member since 1984 Brisbane Area Representative
Mrs. S. Pulungan	State Council member since 1998 Brisbane Area Representative
Ms. C. Oliver	State Council member since August 2009 Brisbane Area Representative
Ms. M. Wedgwood	State Council member since July 2014 Brisbane Area Representative
Ms. E. Berry	State Council member since June 2010 Brisbane Area Representative Term finished June 2014
Ms. M. Stanton	State Council member since June 2010 Brisbane Area Representative
Mr. B. Plath	State Council member since 1984 Representative from the Northern Districts Term finished June 2014 (retired)
Ms. B. Flood	State Council member since July 2012 Representative from the Northern Districts
Ms. T. Williams	State Council member since July 2014 Representative from the Northern Districts
Mr. B. Johnson	State Council member since Feb 2010 Representative from the Southern & Western Districts Term finished October 2013 (resigned)
Ms. S. McLean	State Council member since July 2014 Representative from the Southern & Western Districts
Mrs. P. Wilson	State Council member since Feb 2009 Representative from the Southern & Western Districts
Mrs. M. Wilson	State Council member since Feb 2009 Representative from the area covered by the Shop Assistants and Storemen and Packers Award - Central Division Term finished June 2014
Mrs. R. Welch	State Council member since July 2014 Representative from the area covered by the Shop Assistants and Storemen and Packers Award - Central Division

The Association maintained its rules and reported according to statutory requirements.

Dated at Brisbane this 9th day of September 2014

Christopher Gazenbeek

Branch Secretary - Treasurer

COMMITTEE OF MANAGEMENT STATEMENT

On the 9th day of September 2014 the Committee of Management of Shop, Distributive and Allied Employees' Association (QLD Branch) passed the following resolution in relation to the general-purpose financial report (GPFR) of the Branch for the year ended 30 June 2014.

The Committee of Management declares in relation to the General Purpose Financial Report 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 General Manager of Fair Work Australia;
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; and
e) During the financial year to which the GPFR 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 Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009; and
    iv) Where information has been sought in any request by a member of the reporting unit or a General Manager duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been provided to the member or General Manager of Fair Work Australia; and
    v) Where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the Fair Work (Registered Organisations) Act 2009, there has been compliance.
f) In relation to recovery of wages activity; no revenue has been derived from undertaking recovery of wages activity during the reporting period.

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

Signed on behalf of the Committee of Management:

John Joseph Hogg *Branch President*	**Christopher Gazenbeek** *Branch Secretary - Treasurer*

Dated at Brisbane this 9th day of September 2014

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014

	Notes	2014	2013
INCOME			
Membership income		10,508,216	10,185,128
Interest		36,099	23,380
Other Income	3	72,685	115,363
Rental income		1,710,859	1,652,358
TOTAL INCOME		**12,327,859**	**11,976,229**
LESS EXPENSES			
Administration costs	7	973,561	934,398
ACTU costs	30	35,798	37,179
Affiliation fees	8	1,262,621	1,328,084
Audit fees	9	35,350	35,650
Commission paid (Stores)		976,021	943,475
Consulting/ Training		322,171	397,787
Depreciation		427,362	432,672
Federal Meeting expenses		88,441	91,083
Fringe benefits		80,183	99,048
Insurance		210,979	207,565
Legal costs	10	219,956	224,636
Loss on disposal of investment property		-	-
Loss on disposals of property, plant & equipment		32,243	12,588
Organising expenses		390,163	418,280
Other (rental properties expenses)		903,774	877,089
Payroll tax		187,607	195,107
Postage		182,943	200,920
Printing and stationery		146,239	286,948
Provision for Long Service Leave		(49,934)	-
Salaries and wages			
- Officials	12	687,831	535,932
- Staff	12	2,672,285	3,382,919
Scholarship bursaries		153,820	138,530
Shop steward expenses		535,300	471,369
Superannuation	12	406,055	425,212
TOTAL EXPENSES		**10,880,769**	**11,676,471**
OPERATING PROFIT		**1,447,090**	**299,758**

STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014

Operating Profit for the year	1,447,090	299,758
Other Comprehensive Income/(Loss):		
Net gain/(loss) on revaluation of property, plant and equipment	271,566	(1,183,278)
Other comprehensive income/ (loss) for the year	-	-
Total other comprehensive income/ (loss) for the year	271,566	(1,183,278
Total comprehensive income attributable to the organisation	**1,718,656**	**(883,520)**

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

	Notes	2014	2013
CURRENT ASSETS			
Cash and cash equivalents	14	406,385	476,350
Trade and other receivables	15	500,946	599,410
Tickets on hand	16	6,290	4,643
Cash management accounts	17	1,918,422	424,249
Other current assets	18	978,809	961,246
TOTAL CURRENT ASSETS		**3,810,852**	**2,465,898**
NON CURRENT ASSETS			
Property, plant and equipment	19	10,391,346	10,700,481
Investment properties	20	17,292,690	17,020,614
TOTAL NON CURRENT ASSETS		**27,684,036**	**27,721,095**
TOTAL ASSETS		**31,494,888**	**30,186,993**
CURRENT LIABILITIES			
Trade and other payables	21	455,716	478,123
Provision for employee benefits	22	1,054,747	1,442,985
Other Current Liabilities	23	12,893	2,305
TOTAL CURRENT LIABILITIES		**1,523,356**	**1,923,413**
NON CURRENT LIABILITIES			
Trade and other payables	21	-	-
Provision for long service leave	22	108,466	87,170
TOTAL NON CURRENT LIABILITIES		**108,466**	**87,170**
TOTAL LIABILITIES		**1,631,822**	**2,010,583**
NET ASSETS		**29,863,066**	**28,176,410**
EQUITY			
Mortality fund	24	128,536	160,536
General fund	25	29,734,530	28,015,874
Asset revaluation reserves		-	-
TOTAL EQUITY	**26**	**29,863,066**	**28,176,410**

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014

	Mortality Fund	General Fund	Asset Revaluation Reserve	Total
	$	$	$	$
Balance at 30 June 2011	234,936	26,690,327	2,089,000	29,014,263
Profit/(loss) attributable to the organisation	-	120,067	-	120,067
Transfers to and from reserves				
- Asset Revaluation Reserve		2,089,000	(2,089,000)	-
- Mortality fund	(38,800)	-	-	(38,800)
Transfers from retained earnings	-	-	-	-
Sub-total	**(38,800)**	**2,209,067**	**(2,089,000)**	**81,267**
Balance at 30 June 2012	196,136	28,899,394	-	29,095,530
Profit/(loss) attributable to the organisation	-	299,758	-	299,758
Other Comprehensive Income for the year	-	(1,183,278)	-	(1,183,278)
Transfers to and from reserves				
- Asset Revaluation Reserve	-	-	-	-
- Mortality fund	(35,600)	-	-	(35,600)
Transfers from retained earnings	-	-	-	-
Sub-total	**(35,600)**	**(883,520)**	**-**	**(919,120)**
Balance at 30 June 2013	160,536	28,015,874	-	28,176,410
Profit/(loss) attributable to the organisation	-	1,447,090	-	1,447,090
Other Comprehensive Income for the year	-	271,566	-	271,566
Transfers to and from reserves				
- Asset Revaluation Reserve	-	-	-	-
- Mortality fund	(32,000)	-	-	(32,000)
Transfers from retained earnings	-	-	-	-
Sub-total	(32,000)	1,718,656	-	1,686,656
Balance at 30 June 2014	**128,536**	**29,734,530**	**-**	**29,863,066**

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014

	Notes	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		12,310,144	11,870,880
Payments to suppliers and employees		(10,811,427)	(11,173,299)
Interest received		36,099	23,380
Other receipts		72,685	115,363
Interest and other costs of finance paid		(312)	-
Other payments		(32,000)	-
Net cash provided by operating activities	27	**1,575,189**	**836,324**
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		79,606	70,592
Payment for property, plant and equipment		(214,133)	(253,725)
Payment for investment properties		(510)	(492,180)
Payment for other non-current assets		(15,943)	-
Proceeds from investments		(1,494,174)	27,094
Net cash provided by investing activities		**(1,645,154)**	**(648,219)**
Net decrease in cash held		(69,965)	188,105
Cash at beginning of financial year		476,350	288,245
Cash at end of financial year	14	**406,385**	**476,350**

RECOVERY OF WAGES ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2014

	Notes	2014	2013
Cash assets in respect of recovered money at beginning of year		-	-
RECEIPTS			
Amounts recovered from employers in respect of wages		-	-
Interest received on recovered monies		-	-
TOTAL RECEIPTS		-	-
LESS PAYMENTS			
Deductions of amounts due in respect of membership for:			
- Less than 12 months		-	-
- Greater than 12 months		-	-
Deductions of donations or other contributions to accounts or funds for:			
- The reporting unit		-	-
- Other reporting unit of the organisation		-	-
- Other entity		-	-
Deductions of fees or reimbursement of expenses		-	-
Payments to workers in respect of recovered money		-	-
TOTAL PAYMENTS		-	-
Cash assets in respect of recovered money at end of year		-	-
Number of workers to which the monies recovered relates		-	-
Aggregate Payables to workers attributable to recovered monies but not yet distributed			
Payable balance		-	-
Number of Workers the payable relates to		-	-
Funds or Account operated for recovery of wages			
Account Name		-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Shop, Distributive and Allied Employees Association (QLD Branch) is a state employees Branch and is domiciled in Australia.

Basis of Preparation

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the Fair Work (Registered Organisation) Act 2009. For the purpose of preparing the general purpose financial statements, the Shop, Distributive and Allied Employees Association (QLD Branch) is a not-for-profit entity.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

The following is a summary of the material accounting policies adopted by the Branch in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Comparative amounts

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

Significant accounting judgements and estimates

The following accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Measurement of fair values

A number of the branch's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The branch has an established control framework with respect to the measurement of fair values. Significant fair value measurements are overseen and reviewed regularly, including unobservable inputs and valuation adjustments. If third party information is used to measure fair values, the branch assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of AASBs, including the level in the fair value hierarchy in which such valuations should be classified. Significant valuation issues are reviewed by the branch's Audit and Risk Committee.

When measuring the fair value of an asset or a liability, the branch uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Measurement of fair values continued

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The branch recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes: Note 20: Investment property.

New Australian Accounting Standards

The branch has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any significant impact on the accounting policies of the branch from the adoption of these Accounting Standards and Interpretations are disclosed below. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the branch.

No accounting standard has been adopted earlier than the application date stated in the standard.

Adoption of New Australian Accounting Standard Requirements

The accounting policies adopted are consistent with those of the previous financial year except as follows:

AASB 119 Employee benefits (2011) revised the definition of short-term employee benefits to benefits that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. As a result of the change, the annual leave liability for the entities employees is now considered to be another long-term employee benefit, when previously it was a short-term benefit.

AASB 13 Fair Value Measurement (2011) establishes a single framework for measuring fair value and making disclosures about fair value measurements when such measurements are required or permitted by others AASBs. It unifies the definition of fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It replaces and expands the disclosure requirements about fair value measurements in other AASBs, including AASB 7. As a result, the branch has included additional disclosures in this regard (see Note 20).

In accordance with the transitional provisions of AASB 13, the Association has applied the new fair value measurement guidance prospectively and has not provided any comparative information for new disclosures. Notwithstanding the above, the changes had no significant impact on the measurements of the Association's assets and liabilities

Future Australian Accounting Standards Requirements

No new standards, amendments to standards or interpretations that were issued prior to the sign-off date that are applicable to the future reporting period and are expected to have a future financial impact on the branch.

Accounting Policies

(a) Revenue

Revenue is measured at the fair value of the consideration received or receivable. All revenue is stated net of the amount of goods and services tax (GST).

Revenue from subscriptions is accounted for on an accrual basis and is recorded as revenue in the year to which it relates.

Revenue from the sale of goods is recognised when, the risks and rewards of ownership have been transferred to the buyer, the branch retains no managerial involvement or effective control over the goods, the revenue and transaction costs incurred can be reliably measured, and it is probable that the economic benefits associated with the transaction will flow to the branch. Proceeds from the disposal of non-current assets are stated net of carrying amounts.

Donation income is recognised when it is received.

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

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Other revenue is recognised when the right to receive the revenue has been established

(b) Employee Benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in AASB 119 Employee Benefits) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability, plus related on-costs.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the reporting unit in respect of services provided by employees up to reporting date.

(c) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit and loss in the period in which they are incurred.

(d) Cash and Cash Equivalents

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the consolidated statement of financial position.

(e) Tickets on hand

Tickets on hand are measured at the lower of cost and net realisable value.

(f) Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(g) Financial Instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the branch becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Classification and Subsequent Measurement

(i) Financial assets at fair value through profit or loss

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

(ii) Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

(iii) Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity dates that the reporting unit has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

(v) Financial liabilities at fair value through profit or loss

Financial liabilities are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial liabilities is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

(vi) Other Financial Liabilities

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the branch assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the Income Statement.

Critical accounting estimates and judgments

The Committee of Management evaluates estimates and judgments incorporated into the financial report 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 branch.

Key estimates impairment

The branch assesses impairment at each reporting date by evaluating conditions specific to the branch that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is terminated. Value in use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

(h) Contingent liabilities and contingent assets

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

(i) Property, Plant and Equipment

Each class of property plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Property

Following initial recognition at cost, land and buildings are carried at fair value (being the amount which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction) less subsequent accumulated depreciation and accumulated impairment losses. Revaluations by external valuers are performed with periodically, but at least triennial, such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Plant and equipment

Plant and equipment is measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the Committee of Management to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have been not discounted to present values in determining recoverable amounts.

The cost of fixed assets constructed includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Branch and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they occurred.

Revaluations

Increments in the valuation of property plant & equipment are recognised in the asset revaluation reserve. Any decrements in the valuation of a class of property, plant & equipment are recognised in the asset revaluation reserve up to the amount of previous valuation increments. Any excess decrement is recognised in the income statement.

Increments and decrements in the valuation of land and buildings held as investments properties are recognised in the income statement in the period in which they arise.

NOTES TO THE FINANCIAL STATEMENTS Continued
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, are depreciated using the straight line and diminishing value methods over their useful lives commencing from the time the asset is held ready for use. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The assets' residual value and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

The depreciation rates used for each class of depreciable assets are:

Motor Vehicles	25%	Diminishing value
Computer Equipment	50% - 66.67%	Diminishing value
Computer Software	25% - 40%	Straight line
Furniture, Fixtures & Fittings	6.67% - 50%	Diminishing value
Office Equipment	20% - 40%	Diminishing value
Land & Buildings	2.5%	Straight line

Derecognition

An item of land, buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

The assets' carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.

(j) Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit and loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

A portion of land & buildings are investment properties that are held by the Branch for the abovementioned purposes, and they are not occupied by or for the operations of the Branch. The investment properties were revalued at 30 June 2014. Investment properties are not depreciated.

(k) Impairment of Assets

At each reporting date, the Branch reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and the value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over it recoverable amounts is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the Branch estimate the recoverable amount of the cash generating unit to which the asset belongs.

(l) Taxation & Goods and Services Tax (GST)

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

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

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

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

NOTE 2: REQUIREMENTS OF SUBSECTION 272(5)

In accordance with the requirements of subsection 272(5) of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of subsections (1), (2) and (3) of section 272, which reads as follows:

Information to be provided to members or General Manager:

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

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

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

	2014	2013
NOTE 3: OTHER INCOME		
Wage Entitlement	61,488	102,337
Special Event Income	-	2,000
Government Paid Parental Leave	11,197	11,026
	72,685	115,363
NOTE 4: CAPITATION FEES		
Capitation Fees Received	-	-
	-	-
NOTE 5: LEVIES		
Compulsory Levies for Voluntary Levy/Appeals	-	-
	-	-
NOTE 6: GRANTS OR DONATIONS RECEIVED		
Grants	-	-
Donations	-	-
	-	-
NOTE 7: ADMINISTRATION EXPENSES		
Advertising Costs	39,243	81,000
Bank Charges	12,052	10,462
Building Expenses – Head office	206,956	175,007
Donations (a)	43,827	2,150
General Expenses	189,273	172,887
Information Technology costs	185,038	181,788
Interest Expense	31	1,240
Meeting Expenses	36,438	32,812
Photocopier Expenses	129,633	104,511
Telephone	131,070	172,541
Total administration expenses	**973,561**	**934,398**
NOTE 7(a): DONATIONS PAID		
- Total paid that were $1,000 or less	500	200
- Total Paid that exceeded $1,000	43,327	1,950
	43,827	**2,150**
NOTE 8: AFFILIATION FEES		
Shop Distributive & Allied Employees National Fund	838,087	836,445
Shop Distributive & Allied Employees International Fund	188,415	250,934
The Australian Labor Party	148,450	190,487
The Union Shopper Inc	87,669	50,218
Total Affiliation Fees	**1,262,621**	**1,328,084**
NOTE 9: AUDITORS' REMUNERATION		
Remuneration of the auditor for:		
- Auditing or reviewing the financial report	35,000	33,000
- Other accounting and taxation services provided by related practice of auditor	164,772	160,073
	199,772	**193,073**
NOTE 10: LEGAL COSTS		
- Litigation	26,150	-
- Other Legal Matters	193,806	224,636
	219,956	**224,636**
NOTE 11: CAPITATION FEES		
Capitation Fees Paid	-	-
	-	-
NOTE 12: EMPLOYEE EXPENSES		
Holders of Office:		
- Wages and Salaries	495,186	535,932
- Leave and Other Entitlements	192,645	-
- Separation and Redundancies	-	-
- Other Employee Expenses	-	-
	687,831	535,932

NOTE 12: EMPLOYEE EXPENSES Continued

	2014	2013
Employees other than Office Holders:		
- Wages and Salaries	2,461,152	3,382,919
- Leave and Other Entitlements	211,133	-
- Separation and Redundancies	-	-
- Other Employee Expenses	-	-
	2,672,285	**3,382,919**
Total Employee Expenses	3,360,116	3,918,851
Superannuation – Holders of Office	69,297	51,674
Superannuation – Employees other than Office Holders	336,758	373,538
Total Superannuation Expenses	**406,055**	**425,212**
NOTE 13: OTHER EXPENSES		
Penalties – via RO Act or RO Regulations	-	-
	-	-
NOTE 14: CASH AND CASH EQUIVALENTS		
Cash on hand	345,673	417,501
Members Equity Bank Account	60,212	58,349
Cash – other	500	500
	406,385	**476,350**
Reconciliation of cash		
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:		
Cash and cash equivalents	**406,385**	**476,350**
NOTE 15: TRADE AND OTHER RECEIVABLES		
CURRENT		
Membership fee receivables	500,946	599,410
Receivables from other reporting units	-	-
Less Provision for Doubtful Debts	-	-
	500,946	**599,410**
NOTE 16: TICKETS ON HAND		
CURRENT		
Tickets	6,290	4,643
NOTE 17: CASH MANAGEMENT ACCOUNTS		
CURRENT		
Queensland Credit Union – Action	813	813
Queensland Credit Union – Moneymaker	1,917,609	423,436
	1,918,422	**424,249**
NOTE 18: OTHER ASSETS		
CURRENT		
Rental Property Debtors	51,966	33,032
Prepayments	926,843	928,214
	978,809	**961,246**
NOTE 19: PROPERTY, PLANT AND EQUIPMENT		
LAND & BUILDING (385 ST PAULS TERRACE)		
At Fair Value	9,015,943	9,000,000
Less accumulated depreciation	(77,730)	-
Total land and buildings	**8,938,213**	**9,000,000**
PLANT AND EQUIPMENT		
Air conditioners		
At cost	194,771	194,771
Less accumulated depreciation	(51,446)	(35,521)
	143,325	**159,250**
Computer equipment		
At cost	168,188	139,323
Less accumulated depreciation	(130,332)	(102,689)
	37,856	**36,634**
Furniture, fixtures and fittings		
At cost	1,010,650	1,010,651
Less accumulated depreciation	(420,525)	(307,239)
	590,125	**703,412**
Office equipment		
At cost	277,168	273,875
Less accumulated depreciation	(132,094)	(95,393)
	145,074	**178,482**
Motor vehicles		
At cost	930,678	1,100,266
Less accumulated depreciation	(393,925)	(477,563)
	536,753	**622,703**
Total plant and equipment	1,453,133	1,700,481
Total property, plant and equipment	**10,391,346**	**10,700,481**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

NOTE 19: PROPERTY, PLANT AND EQUIPMENT Continued

Movements in property, plant & equipment during the financial year were as follows:

	Land & Building $	Plant & Equipment $	Total $
Balance at the beginning of the year	9,000,000	1,700,481	10,700,481
Additions	15,943	214,132	230,075
Disposals	-	(111,848)	(111,848)
Revaluation increment/(decrement)	-	-	-
Depreciation expenses	(77,730)	(349,632)	(427,362)
Carrying amount at the end of the year	**8,938,213**	**1,453,133**	**10,391,346**

NOTE 20: INVESTMENT PROPERTIES

At Fair Value	17,020,614	16,528,434
Additions at cost	510	492,180
Disposals	-	-
Revaluation increment/(decrement)	271,566	-
Total investment properties	**17,292,690**	**17,020,614**

Movements in the investment properties during the financial year were as follows:

	67 St Pauls Terrace $	48-52 Jephson Street $	Total $
Balance at the beginning of the year	9,662,049	7,358,565	17,020,614
Additions	-	510	510
Disposals	-	-	-
Fair Value Adjustment (see below)	(1,162,049)	1,433,615	271,566
Carrying amount at the end of the year	**8,500,000**	**8,792,690**	**17,292,690**

Measurement of fair value

	Level 1	Level 2	Level 3
Assets Measured at Fair Value			
67 St Pauls Terrace, Fortitude Valley	-	-	8,500,000
48 Jephson St, Toowong	-	3,900,000	-
52 Jephson St, Toowong	-	4,400,000	-
	-	**8,300,000**	**8,500,000**

(i) Fair value hierarchy

The fair value of investment properties was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuers provide the fair value of the branch's investment property at least every three years.

The fair value measurement for the investment properties of $16,800,000 was determined at 30 June 2014 by T Gasiewski, Director and certified practicing valuer of CBRE, a registered independent appraiser having an appropriate recognised professional qualification in Australian Property Institute and recent experience in the location and category of the property being valued. The fair value measurements have been categorized as follows based on the inputs to the valuation technique used (see Note 1).

(ii) Level 2 fair value – valuation techniques and significant observable inputs

The following shows the valuation technique used in measuring the fair value of investment properties, as well as the significant observable inputs used.

Valuation technique

Direct Comparison approach

The valuation model involves assessing the value based on a direct comparison of dollar rates per square meter of land area, against current market data of similar properties. This approach takes into account market evidence, nature and condition of the property, location and development potential.

(a) Significant unobservable inputs
Land Area – 2,077 m2
Adopted rate/m2 range - $3,500 - $4,500 (weighted average $4,000)

(b) Inter-relationship between key unobservable inputs and fair value measurement
The higher the discount rate, yield and expected vacancy rate, the lower the fair value.
The higher the rental growth rate, the higher the fair value.

(iii) Level 3 fair value – valuation techniques and significant unobservable inputs

The following shows the valuation technique used in measuring the fair value of investment properties, as well as the significant unobservable inputs used.

Primary Valuation technique

Capitalisation approach

The valuation model involves estimating the potential sustainable Gross Rental Income and other at passing and market rates and other income (e.g. car parking) of a similar property from which annual outgoings as well as adjustments for vacancies are deducted to derive the Net Income. This Net Income is then capitalised at an appropriate rate derived from analysis of comparable sales evidence. Adjustments to the capitalised value are then made for items including profit rent/shortfall derived from passing rents which are above or below market, letting up allowance over vacant areas including foregone rental and outgoings over the assumed letting up period and outstanding lease incentives including rent free periods and capital expenditure and refurbishments and make good allowances.

Secondary Valuation technique

Discount Cash Flow approach

The valuation model involves estimating the long term return that is likely to be derived from a property with a combination of both rental and capital growth over an assumed investment horizon. Assumptions used include a target or pre-selected rate of return, rental growth, occupancy, sale price of the property at the end of the investment horizon, potential capital expenditure, costs associate with the initial purchase of the property, and also its disposal at the end of the investment period.

(a) Significant unobservable inputs
Full tenancy area – 2,612m2
Vacancy area – 368m2
Tenancy terms – 3 years
Passing rent/m2 - $433
Market rent/m2 - $424
Other income/m2 - $51
Outgoings/m2 - $161
Vacancy/m2 - $448
Capitalised value – 9%
Passing capital adjustments - $1,034
Market capital adjustments - $930

(b) Inter-relationship between key unobservable inputs and fair value measurement

The higher the discount rate, yield and expected vacancy rate, the lower the fair value.

The higher the rental growth rate, the higher the fair value.

	2014	2013
NOTE 21: TRADE AND OTHER PAYABLES		
CURRENT		
Unsecured liabilities		
Trade creditors	32,419	31,859
Payables to other reporting units	-	-
Accrued Expenses	146,371	189,932
PAYG tax withholding	78,469	66,055
GST payable/(refundable)	198,647	190,384
Legal Costs	-	-
Superannuation	-	203
Employee Deductions	(190)	(310)
	455,716	**478,123**

NOTE 22: EMPLOYEE ENTITLEMENT PROVISIONS

CURRENT		
Holders of Office:		
- Provision for Annual Leave	65,226	116,844
- Provision for Long Service Leave	126,539	241,725
	191,765	**358,569**
Employees other than Office Holders:		
- Provision for Annual Leave	433,322	461,551
- Provision for Long Service Leave	429,660	533,209
	862,983	**994,760**
Provision for wage increase	-	89,656
	1,054,747	**1,442,985**
NON-CURRENT		
Holders of Office:		
- Provision for Long Service Leave	-	-
Employees other than Office Holders:		
- Provision for Long Service Leave	**108,466**	**87,170**
	1,163,213	**1,530,155**

NOTE 23: OTHER CURRENT LIABILITIES

Prepaid Rent	12,905	2,005
Credit Facility	(12)	300
	12,893	**2,305**

NOTE 24: MORTALITY FUND

Total at the beginning of the financial year	160,536	196,136
Mortality Funds Paid	(32,000)	(35,600)
Total at reporting date	**128,536**	**160,536**

NOTE 25: GENERAL FUND

Total at the beginning of the financial year	28,015,874	28,899,394
Net income/(loss) for the year	1,718,656	(883,520)
Total at the reporting date	**29,734,530**	**28,015,874**

NOTE 26: EQUITY

	2014	2013
Mortality fund	128,536	160,536
General fund	29,734,530	28,015,874
Asset revaluation reserve	-	-
Total at the reporting date	**29,863,066**	**28,176,410**

NOTE 27: CASH FLOW INFORMATION

(a) Reconciliation of cash flow from operations with Net profit attributable to the organization:

Profit/(Loss) for the year	1,718,656	299,758
Non cash flows in profit		
Depreciation	427,362	432,672
Loss/(gain) on disposal of property, plant & equipment 32,243	12,588	
Loss/(gain) on investment properties	(271,566)	-
(Increase)/decrease in receivables	87,155	34,300
(Increase)/decrease in tickets on hand	(1,647)	(905)
(Increase)/decrease in other assets	1,371	162,331
Increase/(decrease) in payables	13,611	(162,751)
Increase/(decrease) in employee provisions	(367,024)	118,843
Increase/(decrease) in prepaid rent	(10,900)	(24,912)
Increase/(decrease) in other liabilities	(43,562)	-
Increase/(decrease) in line of credit	(312)	-
Increase/(decrease) in mortality fund	(32,000)	(35,600)
Cash flows from operations	1,575,189	836,324

NOTE 28: CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

The Branch has a contingent liability of $340,000 over its credit stand-by arrangements for autopay (2013: $340,000).

The Branch has a $1,500,000 Line of Credit with Commonwealth Bank. The facility was drawn down during the year and closing balance at 30 June 2014 is $12.

NOTE 29: COMMITMENTS

Lease Commitments Receivable

The Branch has commitments receivable related to tenancy agreements in its rental properties:

Less than one year	1,117,627	1,441,164
Greater than one year but less than two years	663,182	803,836
Greater than two years but less than five years	571,212	850,542
Greater than five years	-	28,307
	2,352,021	**3,123,849**

Commitments Payable

The Branch has commitments payable related to maintenance contracts for the head office:

Less than one year	80,348	-
Greater than one year but less than five years	-	-
Greater than five years	-	-
	80,348	**51,598**

NOTE 30: RELATED PARTY TRANSACTIONS

SDA National		
Affiliation Fees paid to	966,173	1,100,233
Revenue received from	(52,249)	
Expenses paid to		
- ACTU IR Campaign Levy	35,798	37,179
- ALP Election Donation	41,512	-
- 100% Pay Week of Action	13,284	-
- Intranet	5,829	4,413
Employment Expenses Incurred on behalf of	52,249	108,238
Expenses Reimbursed	2,948	-
	1,065,544	**1,250,063**

NOTE 31: NUMBER OF EMPLOYEES AT BALANCE DATE

46	54

NOTE 32: KEY MANAGEMENT PERSONNEL

The following were key management personnel of the Association during the financial year:

Name	Position
Chris Ketter	Secretary / Treasurer
Chris Gazenbeek	First Assistant Secretary
Bob Stockwell	Administration Manager / Superannuation Officer

Key management personnel compensation to the Officers comprised:

Short-term employee benefits	375,025	310,542
Post-employment benefits	48,860	32,013
Other long-term benefits	19,905	6,528
Total	**443,790**	**349,083**

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NOTE 32: KEY MANAGEMENT PERSONNEL Continued

	Chris Ketter	Chris Gazenbeek	Bob Stockwell	Total
2014	$	$	$	$
Short-term employee benefits				
Salary (including annual leave taken AND termination payments)	173,140	91,952	74,776	339,868
Salary Sacrifice	(8,400)	-	(8,920)	(17,320)
Annual leave accrued during the year	(22,999)	(2,133)	3,222	(21,910)
Non-monetary benefits	25,547	21,295	10,730	57,572
Total short-term employee benefits	**167,288**	**111,114**	**79,808**	**358,210**
Post-employment benefits				
Superannuation	17,013	8,851	22,996	48,860
Total post-employment benefits	**17,013**	**8,851**	**22,996**	**48,860**
Other long-term benefits				
Long-service leave accrued during the year	(49,570)	7,008	1,732	(40,830)
Total other long-term benefits	**(49,570)**	**7,008**	**1,732**	**(40,830)**
Total	**134,731**	**126,973**	**104,536**	**366,240**

	Chris Ketter	Chris Gazenbeek	Bob Stockwell	Total
2013	$	$	$	$
Short-term employee benefits				
Salary (including annual leave taken)	104,727	93,188	85,447	283,362
Salary Sacrifice	(9,100)	-	(7,995)	(17,095)
Annual leave accrued during the year	(692)	(720)	(1,490)	(2,902)
Non-monetary benefits	18,911	10,349	17,917	47,177
Total short-term employee benefits	**113,846**	**102,817**	**93,879**	**310,542**
Post-employment benefits				
Superannuation	12,903	8,424	10,686	32,013
Total post-employment benefits	**12,903**	**8,424**	**10,686**	**32,013**
Other long-term benefits				
Long-service leave accrued during the year	2,250	2,340	1,938	6,528
Total other long-term benefits	**2,250**	**2,340**	**1,938**	**6,528**
	128,999	**113,581**	**106,503**	**349,083**

NOTE 33: FINANCIAL RISK MANAGEMENT

a. Financial Risk Management Policies

The entity's financial instruments consist mainly of deposits with banks, short-term investments, and accounts receivable and payable.

The entity does not have any derivative instruments at 30 June 2014.

i. Treasury Risk Management
A finance committee consisting of senior committee members meets on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

ii. Financial Risk Exposures and Management
The main risks the entity is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

Foreign currency risk
The entity is not exposed to fluctuations in foreign currencies.

Liquidity risk
Liquidity risk is the risk that the Branch may encounter difficulties raising funds to meet commitments associated with financial instruments. The entity manages liquidity risk by monitoring forecast cash flows.

Credit Risk
The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. The entity does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the entity.

There is no material amounts of collateral held as security at 30 June 2014.

Credit Risk Continued
Credit risk is managed by the entity and reviewed regularly by the finance committee. It arises from exposures to customers as well as through deposits with financial institutions.

The entity monitors the credit risk by actively assessing the rating quality and liquidity of counterparties:

- Only banks and financial institutions with an 'A' rating are utilised.
- The credit standing of counterparties is reviewed monthly for liquidity and credit risk.

b. Financial Instruments Composition and Maturity Analysis

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the balance sheet.

	Floating Interest Rate		Fixed Interest Rate Maturing		Non-interest Bearing		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
	$	$	$	$	$	$	$	$
Financial assets								
Cash at bank	-	-	60,212	58,349	345,672	417,501	405,884	475,850
Trade and other receivables	-	-	-	-	552,911	632,442	552,911	632,442
Investments	-	-	1,918,422	424,249	-	-	1,918,422	424,249
Other & Stock	-	-	-	-	933,133	932,857	933,133	932,857
Total financial assets	**-**	**-**	**1,978,634**	**482,598**	**1,831,716**	**1,982,800**	**3,810,350**	**2,465,398**
Financial liabilities								
Trade and sundry payables	-	-	-	-	455,905	478,231	455,905	478,231
Business Facility	-	-	(12)	299	-	-	(12)	299
Total financial liabilities	**-**	**-**	**(12)**	**299**	**455,905**	**478,231**	**455,893**	**478,530**

Sensitivity analysis:

Interest rate risk

The branch has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on current year results and equity which could result from a change in this risk.

As at 30 June 2014, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant, would be as follows:

	2014	2013
	$	$
Change in profit		
- Increase in interest rate by 2%	39,573	9,652
- Decrease in interest rate by 2%	(39,573)	(9,652)

This sensitivity analysis has been performed on the assumption that all other variables remain unchanged. No sensitivity analysis has been performed for foreign exchange risk, as the branch is not exposed to fluctuations in foreign exchange.

c. Financing arrangements

The following financing facilities were available to the Branch at the end of the reporting period:

	2014	2013
	$	$
Bank Overdraft		
Total facilities:	1,500,000	1,500,000
Used at the end of the reporting period	-	299
Unused at the end of the reporting period	**1,500,000**	**1,499,701**

NOTE 34: BRANCH DETAILS

The registered office of the Branch is:
SDA House
385 St Pauls Terrace
Fortitude Valley, QLD 4006

NOTE 35: PARENT ENTITY

SDAEA National Office is this Branch's parent entity.

NOTE 36: EVENTS OCCURRING AFTER BALANCE DATE

The following events occurred after 30 June 2014 and prior to the signing of the financial statements;

A contract of sale for 48 Jephson Street and 52 Jephson Street, Toowong was signed. The sale is subject to a Call Option agreement with Chiway Solutions Toowong Pty Ltd which safeguards the interest of the Union. The contract price is $11million plus $500,000 for any loss of rental income, and settlement will occur approximately July 2015. On 19 August a deposit of $575,000 was received and is being held on trust by Norton Rose.

The event described above will significantly increase the cash funds held by Shop, Distributive and Allied Employees Association (Queensland Branch) pending the settlement in July 2015.

End.