



SHOP DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
(QLD BRANCH)

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2019

SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
(QLD BRANCH)

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INDEPENDENT AUDITOR'S REPORT

To the members of Shop, Distributive and Allied Employees Association (QLD Branch)

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Shop, Distributive and Allied Employees Association (QLD Branch) (the reporting unit), which comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, the Committee of Management Statement and the subsection 255(2A) report.

In our opinion the accompanying financial report of Shop, Distributive and Allied Employees Association (QLD Branch), presents fairly, in all material respects the reporting unit's financial position as at 30 June 2019 and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and any other requirement imposed by these Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

As part of our audit of the financial statements, we have concluded that managements use of the going concern assumption as set out in Note 1 in the preparation of the financial statements is appropriate.

Basis for opinion

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

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

Other information

The Committee of Management are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the reporting unit's operating report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Committee of Management for the Financial Report

The Committee of Management of the reporting unit are responsible for the preparation of the financial report that gives a true and fair view 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 of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee of Management are responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible entities either intends to liquidate the registered entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Reporting Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.

- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Reporting Unit audit. We remain solely responsible for our audit opinion.

We communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that are identified during our audit.

This description forms part of our auditor's report.

Declaration by the auditor

I, T R Mann, declare that I am an approved auditor, a member of the Chartered Accountants Australia New Zealand and hold a current Public Practice Certificate.

BDO Audit Pty Ltd



T R Mann
Director

Brisbane, 17 September 2019

Registration number (as registered by the RO Commissioner under the Act): AA2017/48

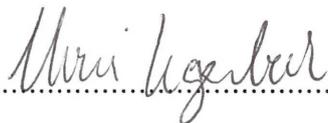
SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
(QLD BRANCH)

EXPENDITURE REPORT REQUIRED UNDER SUBSECTION 255(2A)
FOR THE YEAR ENDED 30 JUNE 2019

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 30 June 2019.

Categories of expenditures	2019 \$	2018 \$
Remuneration and other employment-related costs and expenses - employees	4,865,358	4,698,165
Advertising	8,076	1,665
Operating costs	6,307,888	6,067,981
Donations to political parties	-	2,300
Legal costs	166,572	163,909

Signature of designated officer:


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Name and title of designated officer:

Christopher Gazenbeek
Secretary - Treasurer

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
(QLD BRANCH)**

**OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

The Committee of Management presents its operating report on the Reporting Unit for the financial year ended 30 June 2019.

Review of principal activities

The principal activity 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.

Throughout the year under the guidance of the National Association, the Branch has assisted in carrying out the policies and objectives of the National Association; including the defence of penalty rates, and protecting the workers' rights to other employee entitlements.

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

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 fund trustees

There are no officers or employees of the Branch who are superannuation fund trustees or director of a company that is a superannuation fund trustee.

Affiliations and 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 2019 was 30,622.

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

Employees

At 30 June 2019, there were 47 full time equivalent employees 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:

<i>Name</i>	<i>State Council</i>
Mr 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 C. Gazenbeek Branch Secretary - Treasurer	State Council member since 2011 Branch Secretary - Treasurer since 2014

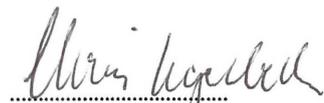
SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
(QLD BRANCH)

OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2019

Mr. J. Power Assistant Secretary	State Council member since 2014 Assistant Secretary since 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 2009 Brisbane Area Representative
Ms. M. Wedgwood	State Council member since 2014 Brisbane Area Representative
Ms. K. Burgess	State Council member since 2016 Brisbane Area Representative
Ms. B. Flood	State Council member since 2012 Representative from the Northern Districts
Ms. T. Williams	State Council member since 2014 Representative from the Northern Districts
Ms. S. McLean	State Council member since 2014 Representative from the Southern & Western Districts
Mrs. R. Welch	State Council member since 2014 Representative from the area covered by the Shop Assistants and Storemen and Packers Award - Central Division
Mr. B. Knap	State Council member since 2018 Representative from the Southern & Western Districts

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

Dated at Brisbane this 17th day of September 2019



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Christopher Gazebeek
Branch Secretary - Treasurer

SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
(QLD BRANCH)

COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019

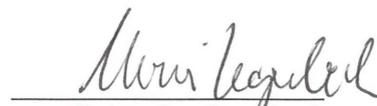
On the 17th day of September 2019 the Committee of Management of Shop, Distributive and Allied Employees' Association (QLD Branch) passed the following resolution in relation to the general-purpose financial report (GPFR) of the Branch for the year ended 30 June 2019.

The Committee of Management declares in relation to the General Purpose Financial Report ("GPFR") that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act);
- (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 RO Act; and
 - iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - v) where information has been sought in any request by a member of the reporting unit or a Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and
 - vi) where any order for inspection of financial records has been made by the Registered Organisations Commission under section 273 of the RO Act, there has been compliance.

This declaration is made in accordance with a resolution of the Committee of Management.
Signed on behalf of the Committee of Management:


John Hogg
Branch President


Christopher Gzenbeek
Branch Secretary - Treasurer

Dated at Brisbane this 17th day of September 2019

Dated at Brisbane this 17th day of September 2019

SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
(QLD BRANCH)

OFFICER DECLARATION STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019

I, Christopher Gazenbeek, being the Secretary-Treasurer of the Branch, declare that the following activities did not occur during the reporting period ending 30 June 2019.

The reporting unit did not:

- agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive capitation fees or any other revenue amount from another reporting unit
- receive revenue via compulsory levies
- receive donations or grants
- receive revenue from undertaking recovery of wages activity
- pay capitation fees or any other expense to another reporting unit
- pay a grant that was \$1,000 or less
- pay a grant that exceeded \$1,000
- pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit
- incur expenses due to holding a meeting as required under the rules of the organisation
- pay a penalty imposed under the RO Act or the Fair Work Act 2009
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit

Signed by the officer:

Dated:

Chris Gazenbeek
17th September 2019

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
(QLD BRANCH)**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019**

	Notes	2019 \$	2018 \$
INCOME			
Membership subscriptions		10,667,658	11,009,434
Interest		29,667	55,093
Other Income	3	450,241	248,993
Gain/(Loss) on disposal of depreciable assets		(7,551)	(13,406)
Gain/(Loss) on disposal of investment property		(1,195,105)	-
Gain on revaluation of investment property		200,000	-
Gain on revaluation of investment portfolio		243,952	-
Rental income		478,766	602,547
TOTAL INCOME		<u>10,867,628</u>	<u>11,902,661</u>
LESS EXPENSES			
Administration costs	4	1,427,042	1,407,958
ACTU costs		2,578	155,947
Affiliation fees	5	1,802,079	1,203,972
Audit fees	6	42,439	39,546
Considerations paid to employers for payroll deductions		26,402	238,114
Consulting / Training		422,425	367,461
Depreciation		205,411	223,328
Federal meeting expenses	7	271,016	149,507
Fringe benefits		99,502	82,133
Insurance		356,311	270,294
Legal costs	8	166,572	163,909
Loss on revaluation of investment property		-	-
Organisation expenses		757,129	787,230
Other (rental properties expenses)		534,755	571,111
Payroll tax		219,163	238,917
Postage		110,675	151,129
Printing and stationery		385,724	335,465
Leave entitlements accrual		38,479	40,984
Salaries and wages	9	4,032,224	3,955,906
Scholarship bursaries		144,865	156,495
Shop steward expenses		388,384	503,370
Superannuation	9	475,991	462,357
TOTAL EXPENSES		<u>11,909,166</u>	<u>11,505,133</u>
Surplus (deficit) for the year		<u>(1,041,538)</u>	<u>397,528</u>
Other Comprehensive Income			
Items that may be subsequently reclassified to profit or loss			
Net gain on available for sale investments		-	132,290
Total comprehensive income attributable to the organisation		<u>(1,041,538)</u>	<u>529,818</u>

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
(QLD BRANCH)**

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019**

	Notes	2019 \$	2018 \$
CURRENT ASSETS			
Cash and cash equivalents	10	453,614	910,758
Trade and other receivables	11	881,984	795,345
Tickets on hand	12	739	8,835
Cash management accounts	13	9,274,663	1,786,952
Other current assets	14	398,938	974,475
Assets classified as held for sale	15	-	7,500,000
TOTAL CURRENT ASSETS		<u>11,009,938</u>	<u>11,976,365</u>
NON-CURRENT ASSETS			
Financial assets	16	6,978,469	6,545,964
Property, plant and equipment	17	9,078,952	9,234,581
Investment properties	18	6,300,000	6,100,000
TOTAL NON-CURRENT ASSETS		<u>22,357,421</u>	<u>21,880,545</u>
TOTAL ASSETS		<u>33,367,359</u>	<u>33,856,910</u>
CURRENT LIABILITIES			
Trade and other payables	19	1,135,455	711,979
Provision for employee benefits	21	1,114,130	1,068,407
Other current liabilities	22	1,991	574
TOTAL CURRENT LIABILITIES		<u>2,251,576</u>	<u>1,780,960</u>
NON-CURRENT LIABILITIES			
Provision for long service leave	21	74,410	81,654
TOTAL NON-CURRENT LIABILITIES		<u>74,410</u>	<u>81,654</u>
TOTAL LIABILITIES		<u>2,325,986</u>	<u>1,862,614</u>
NET ASSETS		<u>31,041,372</u>	<u>31,994,296</u>
EQUITY			
Mortality fund	23	-	(88,614)
General fund	24	31,041,372	31,854,499
Asset revaluation reserves	25	-	228,411
TOTAL EQUITY		<u>31,041,372</u>	<u>31,994,296</u>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
(QLD BRANCH)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

	Mortality Fund \$	General Fund \$	Asset Revaluation Reserve \$	Total \$
Balance at 1 July 2017	(364)	31,456,971	96,121	31,552,728
Profit/(loss) attributable to the organisation	-	397,528	-	397,528
Other Comprehensive Income for the year	-	-	132,290	132,290
Transfers to and from reserves				
- Auxiliary fund payment	-	-	-	-
- Colonial fund	-	-	-	-
- Mortality fund	(88,250)	-	-	(88,250)
Sub-total	(88,250)	397,528	132,290	441,568
Closing balance at 30 June 2018	(88,614)	31,854,499	228,411	31,994,296
Profit/(loss) attributable to the organisation	-	(1,041,538)	-	(1,041,538)
Other Comprehensive Income for the year	-	-	-	-
Transfers to and from reserves				
- Auxiliary fund payment	-	-	-	-
- Colonial fund	-	228,411	(228,411)	-
- Mortality fund	88,614	-	-	88,614
Sub-total	88,614	(813,127)	(228,411)	(952,924)
Closing balance at 30 June 2019	-	31,041,372	-	31,041,372

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
(QLD BRANCH)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019**

	Notes	2019 \$	2018 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units	26(b)	46,369	-
Interest received		29,667	55,093
Membership subscriptions		11,551,271	11,730,607
Receipts from other sources		952,253	872,116
Cash used			
Employees		(4,508,215)	(4,418,264)
Suppliers		(5,702,334)	(6,674,646)
Payments to other reporting units	26(b)	(1,326,703)	(1,257,269)
Net cash from (used by) operating activities	26(a)	<u>1,042,307</u>	<u>307,635</u>
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant and equipment		10,909	-
Proceeds from sale of land and buildings		6,568,242	-
Proceeds from investments		1,369,008	2,298,837
Cash used			
Purchase of plant and equipment		(68,242)	(146,877)
Purchase of land and buildings		(263,347)	-
Payments for investments		(9,045,271)	(1,972,842)
Net cash from (used by) investing activities		<u>(1,428,701)</u>	<u>179,118</u>
FINANCING ACTIVITIES			
Cash used			
Other - mortality fund claims		(70,750)	(88,250)
Net cash from (used by) financing activities		<u>(70,750)</u>	<u>(88,250)</u>
Net increase/(decrease) in cash held		(457,144)	398,503
Cash and cash equivalents at the beginning of the reporting period		910,758	512,255
Cash and cash equivalents at the end of the reporting period	10	<u>453,614</u>	<u>910,758</u>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
(QLD BRANCH)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

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 and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting year 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 and the financial statements are prepared on a going concern basis.

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).

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 17: Property, Plant & Equipment and Note 18: Investment property.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
(QLD BRANCH)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

New Australian Accounting Standards

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

The accounting policies adopted are consistent with those of the previous financial year except for the following standards and amendments, which have been adopted for the first time this financial year:

- i) AASB 9 Financial instruments and relevant amending standards, which replaces AASB 139 Financial Instruments: Recognition and Measurement.

Impact on adoption of AASB 9

AASB 9 Financial Instruments (AASB 9) replaces AASB 139 Financial Instruments: Recognition and Measurement (AASB 139) for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Branch has applied AASB 9 using the modified retrospective approach, with an initial application date of 1 July 2018. The Branch has not restated the comparative information, which continues to be reported under AASB 139. There was no change to the financial instruments as a result of adopting AASB 9, other than available for sale investments. The Branch previously recognised the change in the fair value of equity investments through other comprehensive income. The Branch's equity investments are investments in managed funds which does not meet the definition of equity under AASB 132 *Financial Instruments: Presentation and Disclosure*, therefore equity instruments are measured at fair value with changes in fair value recognised through profit and loss. Differences arising from the adoption of AASB 9 have been recognised directly in opening retained earnings on 1 July 2018. The nature and effect of the changes as a result of adoption of AASB 9 are as follows:

Impact on the statement of financial position (increase/(decrease)):

	30 June 2018	Adjustments resulting from Adoption of AASB 9	1 July 2018 \$
General fund	31,854,499	228,411	32,082,910
Asset revaluation reserve	228,411	(228,411)	-

The Branch's equity investment was previously classified as an available for sale investment and are now classified at financial asset fair value through profit or loss from 1 July 2018.

Future Australian Accounting Standards Requirements

The following new standards, amendments to standards and interpretations have been identified as those that may affect the Branch on initial application. They have not been applied in preparing these financial statements.

- i) AASB 15 Revenue from Contracts with Customers (applicable for reporting periods beginning on or after 1 January 2019); and
- ii) AASB 16 Leases (applicable for reporting periods beginning on or after 1 January 2019); and
- iii) AASB 1058 Income of Not-for-Profit Entities (applicable for reporting periods beginning on or after 1 January 2019).

AASB 15 - Revenue from Contracts with Customers; AASB 1058 - Income of Not-for-Profit Entities and AASB 2016-8 Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities

AASB 15 will replace AASB 118 Revenue, AASB 111 Construction Contracts and a number of Interpretations. AASB 2016-8 provides Australian requirements and guidance for not-for-profit entities in applying AASB 9 and AASB 15, and AASB 1058 will replace AASB 1004 Contributions. Together they contain a comprehensive and robust framework for the recognition, measurement and disclosure of income including revenue from contracts with customers.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

The transition date for both AASB 15 and AASB 1058 is 1 July 2019. Consequently, these standards will first apply to the Branch when preparing the financial statements for the 2020 financial year. The Branch has reviewed the effect of AASB 15 and AASB 1058 on membership income and does not expect there will be any change in revenue recognition as a result of adopting the new revenue standard.

AASB 16 - Leases

AASB 16 was issued in January 2016 and it replaces AASB 117 *Leases*, AASB Interpretation 4 *Determining whether an Arrangement contains a Lease*, AASB Interpretation-115 *Operating Leases-Incentives* and AASB Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

For NFP entities, AASB 16 will commence from financial years beginning on or after 1 January 2019. Either a full retrospective application or a modified retrospective application is required for AASB 16. The Branch plans to adopt AASB 16 on the required effective date 1 July 2019 of using modified retrospective method.

AASB 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under AASB 117. The standard includes two recognition exemptions for lessees - leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under AASB 16 is substantially unchanged from today's accounting under AASB 117. Lessors will continue to classify all leases using the same classification principle as in AASB 117 and distinguish between two types of leases: operating and finance leases.

As at the reporting date, the union has non-cancellable undiscounted operating lease commitments of \$492,211. However, the Branch has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Branch's profit and classification of cash flows.

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.

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

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NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(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) 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.

Cash management accounts are short term deposits with a maturity of greater than 90 days from acquisition.

(d) Tickets on hand

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

(e) 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.

(f) Financial Instruments

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Branch's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Branch initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Branch's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

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**NOTES TO THE FINANCIAL STATEMENTS
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NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in five categories:

- (Other) financial assets at amortised cost
- (Other) financial assets at fair value through other comprehensive income
- Investments in equity instruments designated at fair value through other comprehensive income
- (Other) financial assets at fair value through profit or loss
- (Other) financial assets designated at fair value through profit or loss

Financial assets at amortised cost

The Branch measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding
- Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Branch's financial assets at amortised cost includes trade receivables.

Financial assets at fair value through profit or loss (including designated)

Upon initial recognition, the Branch can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB 132 *Financial Instruments: Presentation and Disclosure* are not held for trading. The classification is determined on an instrument-by-instrument basis. The Branch's equity investments does not meet the definition of equity under AASB 132 *Financial Instruments: Presentation and Disclosure* therefore equity instruments are measured at fair value with changes in fair value recognised through profit and loss.

Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at amortised cost unless or at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The Branch's financial liabilities include trade and other payables.

Subsequent measurement

Financial liabilities at amortised cost

After initial recognition, trade payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

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**NOTES TO THE FINANCIAL STATEMENTS
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NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(g) 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.

(h) 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 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 profit or loss.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(h) Property, Plant and Equipment(cont.)

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:

Plant & equipment	10 - 30%	Diminishing value
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.

(i) 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.

(j) Impairment of Assets

At each reporting date, the Branch reviews the carrying values of its 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 its 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(k) Non-Current Assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs of disposal.

(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.

(m) Acquisition of assets and or liabilities that do not constitute a business combination

The Branch has not acquired any assets or liabilities transferred to the Branch for no consideration for the purposes of amalgamation under Part 2 of Chapter 3 of the Fair Work (Registered Organisations) Act 2009; a restructure of the branches of the Queensland branch; a determination by the General Manager under subsections 245(1) of the Fair Work (Registered Organisations) Act 2009; or a revocation by the General Manager under subsection 249(1) of the Fair Work (Registered Organisations) Act 2009.

If any assets and liabilities were acquired for no consideration they are recognised at the date of transfer.

(n) Mortality Fund

Any member who has been with the Branch for more than 25 years would be able to apply to be a mortality member, and the application is then approved by the board. Upon the death of a member, the amount paid out to the member's next-of-kin is based on the number of hours the member worked each week prior to their death.

NOTE 2: Section 272 Fair Work (Registered Organisation) Act 2009

In accordance with the requirements 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 Commissioner:

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

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

	Note	2019 \$	2018 \$
NOTE 3: OTHER INCOME			
Other income		209,473	-
Investment Income		240,768	248,993
		<u>450,241</u>	<u>248,993</u>
NOTE 4: ADMINISTRATION EXPENSES			
Advertising Costs		8,076	1,665
Bank Charges		10,549	27,888
Building Expenses - Head office		215,179	288,980
Compulsory Levies		-	-
Grants and Donations	4(a)	16,641	16,236
General Expenses		547,420	446,247
Information Technology costs		255,812	230,905
Interest Expense		-	-
Conference & Meeting Expenses		56,834	60,969
Photocopier Expenses		209,461	168,642
Telephone		107,070	166,426
Total administration expenses		<u>1,427,042</u>	<u>1,407,958</u>
NOTE 4(a): GRANTS & DONATIONS PAID			
Donations			
- Total paid that were \$1,000 or less		380	650
- Total paid that exceeded \$1,000		16,261	17,886
Grants			
- Total paid that were \$1,000 or less		-	-
- Total paid that exceeded \$1,000		-	-
		<u>16,641</u>	<u>18,536</u>
NOTE 5: AFFILIATION FEES			
Shop Distributive & Allied Employees National Fund*		1,479,337	884,930
Shop Distributive & Allied Employees International Fund		146,882	132,740
The Australian Labor Party		164,497	165,847
The Union Shopper Inc		11,363	20,455
Total Affiliation Fees		<u>1,802,079</u>	<u>1,203,972</u>

*Includes prepaid affiliation fees of \$405,039 expensed during the year.

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

	Note	2019 \$	2018 \$
NOTE 6: AUDITORS' REMUNERATION			
Remuneration of the auditor for:			
- Auditing or reviewing the financial report		42,439	39,546
- Other accounting and taxation services provided by related practice of auditor		212,084	179,599
		<u>254,523</u>	<u>219,145</u>
NOTE 7: FEDERAL EXPENSES			
- Conference & Meeting Expenses		215,340	109,657
- Fees & Allowances - Meeting & Conferences		55,676	39,850
		<u>271,016</u>	<u>149,507</u>
NOTE 8: LEGAL COSTS			
- Litigation		-	-
- Other Legal Matters		166,572	163,909
		<u>166,572</u>	<u>163,909</u>
NOTE 9: EMPLOYEE EXPENSES			
Holders of Office:			
- Wages and Salaries		280,234	273,712
- Leave and Other Entitlements		30,188	48,270
- Separation and Redundancy		-	-
- Other Employee Expenses		-	-
		<u>310,422</u>	<u>321,982</u>
Employees other than Office Holders:			
- Wages and Salaries		3,411,638	3,388,846
- Leave and Other Entitlements		310,164	245,078
- Separation and Redundancy		-	-
- Other Employee Expenses		-	-
		<u>3,721,802</u>	<u>3,633,924</u>
Total Employee Expenses		<u>4,032,224</u>	<u>3,955,906</u>
Superannuation - Holders of Office		47,895	50,254
Superannuation - Employees other than Office Holders		428,096	412,103
Total Superannuation Expenses		<u>475,991</u>	<u>462,357</u>

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

	Note	2019 \$	2018 \$
NOTE 10: CASH AND CASH EQUIVALENTS			
Cash on hand		453,114	910,258
Cash - other		500	500
		453,614	910,758
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		453,614	910,758
 NOTE 11: TRADE AND OTHER RECEIVABLES			
CURRENT			
Membership fees receivable		881,984	795,345
Receivables from other reporting units	34	-	-
Less Provision for doubtful debts		-	-
		881,984	795,345
 <i>Membership fees receivable represents the net amount after the amount payable to employers as consideration for payroll deductions of membership subscriptions estimated to be \$0 (2018: \$0).</i>			
The Branch is not owed any other amounts from other reporting units of the organization.			
 NOTE 12: TICKETS ON HAND			
CURRENT			
Tickets		739	8,835
		739	8,835
 NOTE 13: CASH MANAGEMENT ACCOUNTS			
CURRENT			
Queensland Credit Union - Moneymaker		1,222,455	1,786,952
Queensland Credit Union - Action Account		(8)	-
Colonial Investment Portfolio - Cash and Short Term Deposits		8,052,216	-
		9,274,663	1,786,952
 NOTE 14: OTHER ASSETS			
CURRENT			
Rental property debtors		45,681	172
Accrued interest		-	-
Prepayments		353,257	974,303
		398,938	974,475
 NOTE 15: ASSETS CLASSIFIED HELD FOR SALE			
CURRENT			
Investment property		-	7,500,000
		-	7,500,000

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

	2019 \$	2018 \$
NOTE 16: FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		
Non Current Asset		
Investments - Colonial Long Term Reserve	6,978,469	6,545,964
	6,978,469	6,545,964
	6,978,469	6,545,964

(i) Fair value Hierarchy

The following table provides an analysis of financial assets that are measured at fair value, by fair value hierarchy.

Fair value hierarchy - 30 June 2019

	Date of valuation	Level 1 \$	Level 2 \$	Level 3 \$
Assets measured at fair value		\$	\$	\$
Colonial Long Term Reserve	30/06/2019	-	6,978,469	-
Total		-	6,978,469	-
		-	6,978,469	-

Fair Value hierarchy - 30 June 2018

	Date of valuation	Level 1 \$	Level 2 \$	Level 3 \$
Assets measured at fair value		\$	\$	\$
Colonial Long Term Reserve	30/06/2018	-	6,545,964	-
Total		-	6,545,964	-
		-	6,545,964	-

NOTE 17: PROPERTY, PLANT AND EQUIPMENT

	2019 \$	2018 \$
LAND & BUILDING (385 ST PAULS TERRACE)		
At Fair Value	9,015,943	9,015,943
Less accumulated depreciation	(467,510)	(389,554)
Total land and buildings	8,548,433	8,626,389
PLANT AND EQUIPMENT		
At cost	1,687,731	1,705,073
Less accumulated depreciation	(1,157,212)	(1,096,881)
Total plant & equipment	530,519	608,192
Total property, plant and equipment	9,078,952	9,234,581

Movements in property, plant & equipment during the financial year ended 30 June 2019 were as follows:

	Land & Building \$	Plant & Equipment \$	Total \$
Balance at the beginning of the year	8,626,389	608,192	9,234,581
Additions	-	68,242	68,242
Disposals	-	(18,460)	(18,460)
Revaluation increment/(decrement)	-	-	-
Depreciation expenses	(77,956)	(127,455)	(205,411)
Carrying amount at the end of the year	8,548,433	530,519	9,078,952

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**NOTES TO THE FINANCIAL STATEMENTS
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NOTE 17: PROPERTY, PLANT AND EQUIPMENT (CONT.)

Movements in property, plant & equipment during the financial year ended 30 June 2018 were as follows:

	Land & Building \$	Plant & Equipment \$	Total \$
Balance at the beginning of the year	8,704,345	620,093	9,324,438
Additions	-	146,877	146,877
Disposals	-	(13,406)	(13,406)
Revaluation increment/(decrement)	-	-	-
Depreciation expenses	(77,956)	(145,372)	(223,328)
Carrying amount at the end of the year	<u>8,626,389</u>	<u>608,192</u>	<u>9,234,581</u>

Measurement of fair value at 30 June 2019

	Level 1	Level 2	Level 3
Assets Measured at Fair Value			
385 St Pauls Terrace, Fortitude Valley	-	-	8,548,433
	-	-	<u>8,548,433</u>

Measurement of fair value at 30 June 2018

	Level 1	Level 2	Level 3
Assets Measured at Fair Value			
385 St Pauls Terrace, Fortitude Valley	-	-	8,626,389
	-	-	<u>8,626,389</u>

(i) Measurement of fair value

Fair value hierarchy

The fair value of land and buildings 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 head office property at least every three years.

The fair value measurement for the investment properties was determined at 30 June 2013 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. Management are currently in the process of engaging a valuer to complete an updated valuation. The fair value measurements have been categorized as follows based on the inputs to the valuation technique used (see Note 1).

(ii) Level 3 fair value - valuation techniques and significant unobservable inputs

The following table sets out the valuation techniques used to measure fair value within Level 3, including details of the significant unobservable inputs used and the relationship between unobservable inputs and fair value.

Description	Valuation Approach	Unobservable inputs	Range of inputs	Relationship between unobservable inputs and fair value
Land & buildings	Income approach based on estimated rental value of a similar property. Discount rates, terminal yields, expected vacancy rates and rental growth rates are estimated by an external valuer or management based on comparable transactions and industry data.	Discount rate	9.5%	The higher the discount rate, terminal yield and expected vacancy rate, the lower the fair value.
		Terminal yield	8.5%	
		Expected vacancy rate	(weighted average 0%)	The higher the rental growth, the higher the fair value.
		Rental growth rate	3.2%	

**SHOP, DISTRIBUTIVE AND ALLIED EMPLOYEES ASSOCIATION
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**NOTES TO THE FINANCIAL STATEMENTS
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NOTE 17: PROPERTY, PLANT AND EQUIPMENT (CONT.)

A significant increase (decrease) in estimated price per square metre in isolation would result in a significantly higher (lower) fair value.

The revalued land and buildings consist of 1,474 sqm of land, Multi Purpose Building, and 40 car parking bays. Management determined that these constitute one class of asset based on the nature, characteristics and risks of the property. Management have also reviewed the valuation previously conducted and have determined that the valuation is true and fair for the financial year ended 30 June 2019.

	2019 \$	2018 \$
NOTE 18: INVESTMENT PROPERTIES		
At Fair Value	6,100,000	6,100,000
Additions at cost	-	-
Disposals	-	-
Transfer to Assets held for sale	-	-
Revaluation increment/(decrement)	200,000	-
Total investment properties	6,300,000	6,100,000

Movements in the investment properties during the financial year ended 30 June 2019 were as follows:

	Eagle Farm \$	Total \$
Balance at the beginning of the year	6,100,000	6,100,000
Additions	-	-
Disposals	-	-
Fair Value Adjustment (see below)	200,000	200,000
Transfer to Assets held for sale	-	-
Carrying amount at the end of the year	6,300,000	6,300,000

Movements in the investment properties during the financial year ended 30 June 2018 were as follows:

	Eagle Farm \$	Total \$
Balance at the beginning of the year	6,100,000	6,100,000
Additions	-	-
Disposals	-	-
Fair Value Adjustment (see below)	-	-
Transfer to Assets held for sale	-	-
Carrying amount at the end of the year	6,100,000	6,100,000

Measurement of fair value at 30 June 2019

	Level 1	Level 2	Level 3
Assets Measured at Fair Value			
48 Harvey St, Eagle Farm	-	-	4,200,000
52 Cullen St, Eagle Farm	-	-	2,100,000
	-	-	6,300,000

Measurement of fair value at 30 June 2018

	Level 1	Level 2	Level 3
Assets Measured at Fair Value			
48 Harvey St, Eagle Farm	-	-	3,350,000
52 Cullen St, Eagle Farm	-	-	2,750,000
	-	-	6,100,000

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NOTE 18: INVESTMENT PROPERTIES (CONT.)

(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. In June 2019 the fair value measurement for the investment properties was determined based on valuations completed as at December 2018 by David Walsh from Herron Todd White, 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.

(ii) Level 3 fair value - valuation techniques and significant unobservable inputs

The following table sets out the valuation techniques used to measure fair value within Level 3, including details of the significant unobservable inputs used and the relationship between unobservable inputs and fair value.

The fair value measurements have been categorized as follows based on the inputs to the valuation technique used (see Note 1).

Description	Valuation Approach	Unobservable inputs	Range of inputs	Relationship between unobservable inputs and fair value
Investment Properties	Income approach based on estimated rental value of a similar property. Discount rates, terminal yields, expected vacancy rates and rental growth rates are estimated by an external valuer or management based on comparable transactions and industry data.	Discount rate	8.5%	The higher the discount rate the lower the fair value.
		Rental growth rate	CPI	The higher the rental growth, the higher the fair value.

A significant increase (decrease) in estimated rental value in isolation would result in a significantly higher (lower) fair value

	Note	2019 \$	2018 \$
NOTE 19: TRADE AND OTHER PAYABLES			
CURRENT			
Unsecured liabilities			
Trade creditors		87,871	322,368
Payables to other reporting units	29	-	-
Accrued expenses		153,634	155,524
PAYG tax withholding		72,561	91,877
GST payable/(refundable)		819,653	142,210
Employee deductions		1,736	-
		<u>1,135,455</u>	<u>711,979</u>

The Branch does not owe any other amounts to another reporting unit of the organisation.

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	Note	2019 \$	2018 \$
NOTE 20: LEGAL COSTS PAYABLE			
- Litigation costs payable		-	-
- Other legal costs payable		12,422	6,468
		<u>12,422</u>	<u>6,468</u>
NOTE 21: EMPLOYEE ENTITLEMENT PROVISIONS			
CURRENT			
Holders of Office:			
Provision for annual leave		14,232	18,983
Provision for long service leave		73,837	62,959
Provision for separation & redundancies		-	-
Provision for other employee provisions		-	-
		<u>88,069</u>	<u>81,942</u>
Employees other than Office Holders:			
Provision for annual leave		483,037	470,860
Provision for long service leave		543,024	515,605
Provision for separation & redundancies		-	-
Provision for other employee provisions		-	-
		<u>1,026,061</u>	<u>986,465</u>
Provision for wage increase		-	-
		<u>1,114,130</u>	<u>1,068,407</u>
NON-CURRENT			
Holders of Office:			
Provision for long service leave		-	-
Employees other than Office Holders:			
Provision for long service leave		74,410	81,654
Provision for separation & redundancies		-	-
Provision for other employee provisions		-	-
		<u>74,410</u>	<u>81,654</u>
Total Employee Entitlements		<u>1,188,540</u>	<u>1,150,061</u>
NOTE 22: OTHER CURRENT LIABILITIES			
Withholding tax credit		-	51
CBA Mastercards		379	523
AWU Owings		387	-
Other SDA Owings		1,225	-
		<u>1,991</u>	<u>574</u>
NOTE 23: MORTALITY FUND			
Balance as at start of year		(88,614)	(364)
Transfer to reserve		-	-
Transferred out of reserve		88,614	(88,250)
Balance as at end of year		<u>-</u>	<u>(88,614)</u>
Member mortality claim is approximately between \$2,250 to \$3,000 per member (2018: \$3,000)			
NOTE 24: GENERAL FUND			
Total at the beginning of the financial year		31,854,499	31,456,971
Prior year adjustment to Asset Revaluation Reserve		228,411	-
Net income/(loss) for the year		(1,041,538)	397,528
Total at the reporting date		<u>31,041,372</u>	<u>31,854,499</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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	Note	2019 \$	2018 \$
NOTE 25: ASSET REVALUATION RESERVE			
Total at the beginning of the financial year		228,411	96,121
Revaluation increments - Colonial Fund		-	132,290
Transfers out of reserve - Colonial Fund		(228,411)	-
Total at reporting date		<u>-</u>	<u>228,411</u>
NOTE 26: CASH FLOW RECONCILIATION			
(a) Reconciliation of cash and cash equivalents as per balance sheet to cash flow statement:			
Cash and cash equivalents as per:			
Cash flow statement		453,614	910,758
Balance sheet		453,614	910,758
Difference		<u>-</u>	<u>-</u>
Reconciliation of profit/(deficit) to net cash from operating activities:			
Profit/(deficit) for the year		(1,041,538)	397,528
Adjustments for non-cash items:			
Depreciation		205,411	223,328
Fair value movements in investment property		(200,000)	-
Fair value movements in investments		(243,952)	-
Loss/(gain) on disposal of assets		1,202,655	13,406
Changes in current assets and liabilities:			
(Increase)/decrease in net receivables		(107,227)	(406,794)
(Increase)/decrease in other assets		8,096	5,785
(Increase)/decrease in prepayments		621,046	(186,301)
Increase/(decrease) in supplier payables		(234,497)	268,024
Increase/(decrease) in employee provisions		38,479	51,270
Increase/(decrease) in mortality funds		159,364	-
Increase/(decrease) in other payables		634,470	(58,611)
Cash flows from operations		<u>1,042,307</u>	<u>307,635</u>
Note 26(b) : Cash flow information			
Cash inflows			
SDA National		43,245	-
SDA NSW		2,146	-
SDA WA		977	-
Total Cash inflows	29	<u>46,369</u>	<u>-</u>
Cash outflows			
SDA National		1,326,031	1,257,269
SDA South Australia		673	-
Total Cash outflows	29	<u>1,326,703</u>	<u>1,257,269</u>

NOTE 27: CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

The Branch does not have any contingent liabilities.

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NOTE 28: COMMITMENTS

Lease Commitments Receivable

Some of the investment properties are leased to tenants under long-term operating leases with rentals payable monthly. Minimum lease payments receivable on leases of investment properties are as follows:

	2019 \$	2018 \$
Less than one year	204,010	294,216
Greater than one year but less than two years	204,010	-
Greater than two years but less than five years	153,706	-
Greater than five years	-	-
	<u>561,726</u>	<u>294,216</u>

Commitments Payable

The Branch has commitments payable related to maintenance contracts for the head office and motor vehicle leases for staff members:

	2019	2018
Less than one year	322,644	334,714
Greater than one year but less than two years	119,205	250,824
Greater than two years but less than five years	50,362	109,220
Greater than five years	-	-
	<u>492,211</u>	<u>694,758</u>

NOTE 29: RELATED PARTY TRANSACTIONS

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 30 June 2019, the Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2018: \$Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

The following table provides the total amount of expenses that have been incurred on behalf of related parties for the period.

Affiliation fees paid to SDA National	1,126,093	1,000,253
Expenses paid to SDA National		
• ACTU "Change the Rules" Campaign	-	150,248
• "No One Deserves a Serve" Campaign	106,293	44,158
• Plastic Bag Ban (NODAS) Campaign	-	33,005
• Intranet and IT	23,766	22,822
• ACTU Congress Accommodation	-	4,893
• Thompson Reuters Subscriptions	-	1,532
• Branch contribution to ALP 2019 Election	65,616	-
• Other	4,264	358
Amounts owed by SDA National	-	-
Amounts owed to SDA National	-	-
Loans from/to SDA National	-	-
Assets transferred from/to SDA National	-	-
Expense reimbursement paid to SDA South Australia	673	-
	<u>1,326,703</u>	<u>1,257,269</u>

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NOTE 29: RELATED PARTY TRANSACTIONS (CONT.)

The following table provides the total amount of expense reimbursements that have been received from related parties for the period.

	2019	2018
	\$	\$
SDA NSW	2,146	-
SDA Western Australia	977	-
SDA National	43,245	-
	<u>46,369</u>	<u>-</u>

The SDA National Association is a related party of the Branch. The National Association helps and guides the affiliated Branches to carry out the policy of the Association and/or all or any of the objects of the Association. SDA NSW, SDA Western Australia and SDA South Australia are related parties of the Branch and are affiliated branches under SDA National Association.

The Branch has not received any other financial support from another reporting unit of the organization.

NOTE 30: NUMBER OF EMPLOYEES AT BALANCE DATE 47

NOTE 31: KEY MANAGEMENT PERSONNEL REMUNERATION FOR THE REPORTING PERIOD

Short-term employee benefits		
Salary (including annual leave taken & termination payments)	310,422	321,981
Salary sacrifice	-	-
Annual leave accrued during the year	23,878	24,416
Non-monetary benefits	30,609	23,198
Total short-term employee benefits	<u>364,909</u>	<u>369,595</u>
Post-employment benefits		
Superannuation	47,894	50,253
Total post-employment benefits	<u>47,894</u>	<u>50,253</u>
Other long-term benefits		
Long-service leave accrued	12,438	16,476
Total other long-term benefits	<u>12,438</u>	<u>16,476</u>
Total	<u>425,241</u>	<u>436,324</u>

NOTE 32: 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 2019.

i. Treasury Risk Management

An audit and risk 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.

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**NOTES TO THE FINANCIAL STATEMENTS
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NOTE 32: FINANCIAL RISK MANAGEMENT (CONT.)

ii. Financial Risks Exposure Management

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

(a) Foreign currency risk

The entity is not exposed to fluctuations in foreign currencies.

(b) 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.

(c) 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 table below. 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 2019.

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.

iii. Equity price risk

The Branch's equity investments are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Branch manages the equity price risk by engaging an external investment manager who provides advice on managing the investment portfolio and managed funds are used to diversify the investments.

Reports on the equity portfolio are submitted to the Branch's senior management on a regular basis. The Branch's senior management reviews and approves all equity investment decisions.

At the reporting date, the exposure to equity investments at fair value was \$6,978,469. The Branch has determined that an increase/(decrease) of 2% on the unit price could have an impact of approximately \$139,569 increase/(decrease) on the income and equity attributable to the Branch.

b. Financial Instruments Composition and Sensitivity Analysis

Credit Risk Analysis:

The following illustrates the Branch's exposure to credit risk at the end of the reporting period:

		2019	2018
		\$	\$
CURRENT			
Cash management accounts	13	9,274,663	1,786,952
Other current assets	14	398,938	974,476
Trade and other receivables	11	881,984	795,345
		<u>10,555,585</u>	<u>3,556,773</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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NOTE 32: FINANCIAL RISK MANAGEMENT (CONT.)

None of the above receivables are past due (2018: nil) and based on historic default rates and the minimal credit risk, the Branch believes no impairment allowance is necessary. At 30 June 2019 the Branch does not have any collective impairments on its cash and cash equivalents, receivables or other financial assets (2018: nil).

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.

Contractual maturities for financial liabilities 2019

	On Demand	< 1 year	1-2 years	2-5 years	>5 years	Total
Financial liabilities						
Other payables	-	1,135,455	-	-	-	1,135,455
Total financial liabilities	-	1,135,455	-	-	-	1,135,455

Contractual maturities for financial liabilities 2018

	On Demand	< 1 year	1-2 years	2-5 years	>5 years	Total
Financial liabilities						
Other payables	-	711,979	-	-	-	711,979
Total financial liabilities	-	711,979	-	-	-	711,979

Management of the reporting unit assessed that all of its financial instruments approximate their carrying amounts largely due to the short term maturities of these instruments.

Market Risk:

(d) 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 2019, 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:

	2019 \$	2018 \$
Change in profit		
- Increase in interest rate by 2%	10,107	18,215
- Decrease in interest rate by 2%	(10,107)	(18,215)

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.

Financing arrangements

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

	2019 \$	2018 \$
Bank Overdraft		
Total facilities:		
Used at the end of the reporting period	-	-
Unused at the end of the reporting period	-	-

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**NOTES TO THE FINANCIAL STATEMENTS
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NOTE 33: ADMINISTRATION OF FINANCIAL AFFAIRS BY A THIRD PARTY

SDA did not have another entity administer the financial affairs of the reporting unit.

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

No matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect the Branch's operations, the results of those operations, or the incorporated association's state of affairs in future financial years.

NOTE 37: GOING CONCERN

The Branch 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 Branch has not agreed to provide financial support to ensure another reporting unit or affiliate has the ability to continue as a going concern.