Australian Government
Registered Organisations Commission

13 December 2021

Mr Stephen Plarre
Secretary
Australian Retailers Association

By e-mail: info@retail.org.au

Dear Mr Plarre

Australian Retailers Association
Financial Report for the year ended 30 June 2021 - FR2021/49

I acknowledge receipt of the financial report for the year ended 30 June 2021 for the Australian Retailers Association (**the reporting unit**). The financial report was lodged with the Registered Organisations Commission (**ROC**) on 9 December 2021.

The financial report has now been filed.

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

Please note that the financial report for the year ending 30 June 2022 may be subject to an advanced compliance review.

Reporting Requirements

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 reporting guidelines and a model set of financial statements. The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 reporting guidelines and Australian Accounting Standards.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 9603 0707 or by email at ken.morgan@roc.gov.au

Yours faithfully

KEN MORGAN
Financial Reporting Specialist
Registered Organisations Commission

Australian Retailers Association

s.268 Fair Work (Registered Organisations) Act 2009

Certificate by prescribed designated officer[1]

Certificate for the year ended 2020 2021

I Stephen Plarre being the Secretary of the Australian Retailers Association certify:

- that the documents lodged herewith are copies of the full report for the Australian Retailers Association for the period ended referred to in s.268 of the Fair Work (Registered Organisations) Act 2009; and
- that the full report was provided to members of the reporting unit on 16/11/2021
- and
- that the full report was presented to a general meeting of members of the reporting unit on 08/12/2021 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.

Signature of prescribed designated officer:

Name of prescribed designated officer: Stephen Plarre

Title of prescribed designated officer: Secretary

Dated: 08/12/2021

1 Regulation 162 of the Fair Work (Registered Organisations) Regulations 2009 defines a 'prescribed designated officer' of a reporting unit for the purposes of s.268(c) as:
(a) the secretary; or
(b) an officer of the organisation other than the secretary who is authorised by the organisation or by the rules of the organisation to sign the certificate mentioned in that paragraph.

Australian Retailers Association

Financial Statements 2020–21

Australian Retailers Association

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Independent Audit Report to the Members of Australian Retailers Association

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of the Australian Retailers Association (the reporting unit), which comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2021 and notes to the financial statements, including a summary of significant accounting policies, the committee of management statement, the subsection 255(2A) report and the officer declaration statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Australian Retailers Association as at 30 June 2021 and its financial performance and its cash flows for the year ended on that date in accordance with:

a) the Australian Accounting Standards; and

b) 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).

I declare that management's use of the going concern basis in the preparation of the financial statements of the reporting unit is appropriate.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am 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 my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

The committee of management is responsible for the other information. The other information obtained at the date of this auditor's report is in the operating report accompanying the financial report.

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

ACCOUNTANTS & ADVISORS
Level 20, 181 William Street
Melbourne VIC 3000
Telephone: +61 3 9824 8555
williambuck.com

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Committee of Management for the Financial Report

The committee of management of the reporting unit is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the committee of management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

My objective is 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 my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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 the financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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. I am responsible for the direction, supervision and performance of the reporting unit audit. I remain solely responsible for my audit opinion.

I 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 I identify during my audit.

I declare that I am an auditor registered under the RO Act.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN: 59 116 151 136

CSiddles

Corrine Siddles
Director

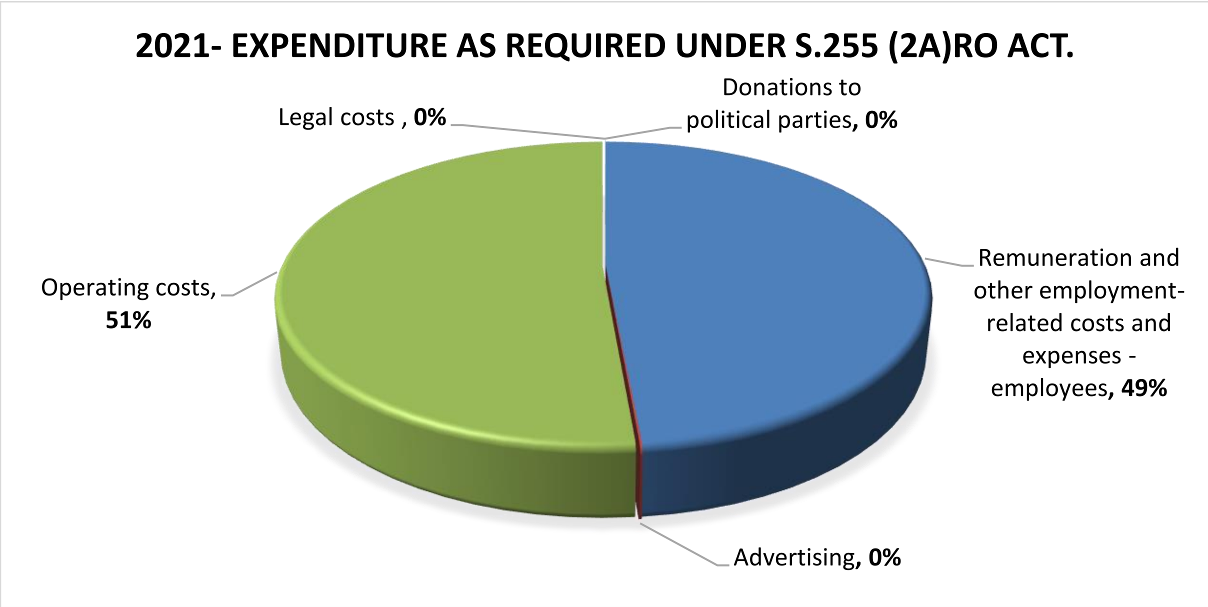
Melbourne, 22nd October 2021

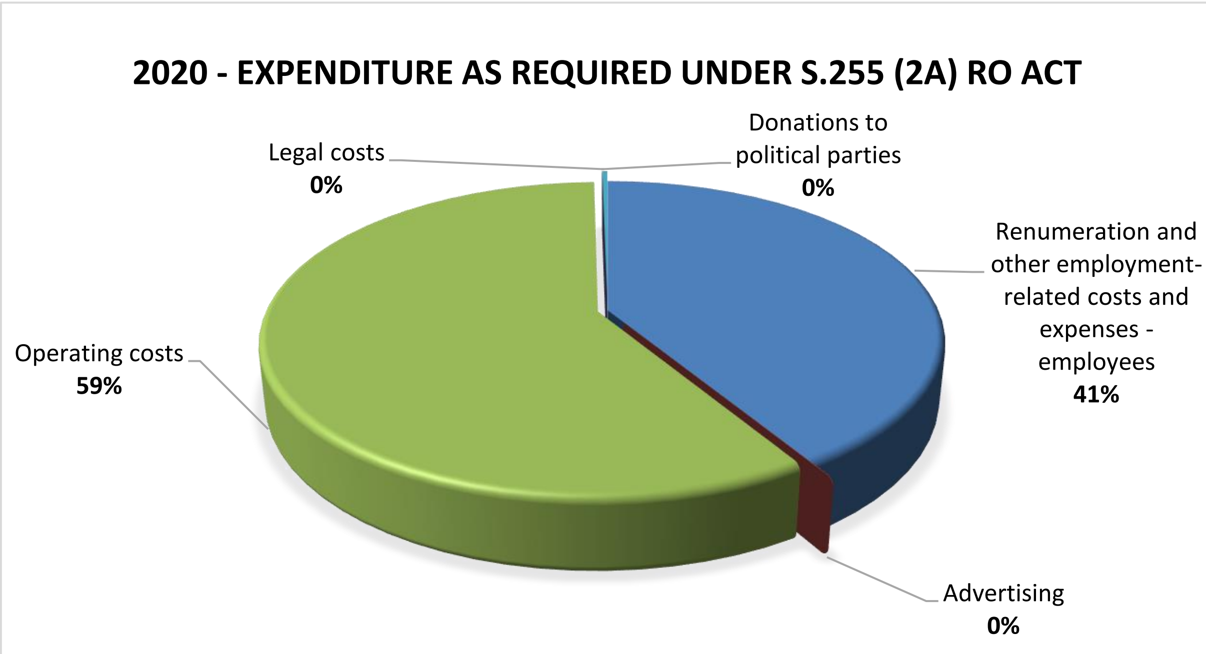
Registered Company Auditor number: 328543
ROC Registration Number: AA2021/24
Registered Address: Level 20, 181 William St, Melbourne VIC 3000

Australian Retailers Association
For the year ended 30 June 2021

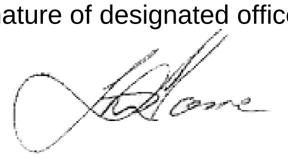
The committee of management presents the expenditure report as required under subsection 255(2A) on the Australian Retailers Association for the year ended 30 June 2021.

Diagrammatic form





Signature of designated officer



Steven Plarre, ARA Secretary
Date: 21/10/2021

Australian Retailers Association

Operating report

for the year ended 30 June 2021

The committee of management presents its operating report on the Australian Retailers Association for the year ended 30 June 2021.

Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year

The Australian Retailers Association is the truly national leading retail association in providing advocate services to represent the retail industry in policy changes. ARA members and associates are part of this process and contribute to the development of retail policy.

The principal activity of the Association was to provide advocacy, membership and training services for the retail industry.

The Association continued to be the leading voice in retail by providing thought leadership and advocacy services on a number of issues such as Employment Law, Supply chain, Payments, Education & training, Taxation and Tenancy.

ARA members received employment relations advice via its telephone advisory and online Human Resources services.

The Association RTO ARA Retail Institute provided education, consulting and professional development needs to the industry. The ARA Retail Institute specialises in consulting and education on a broad range of topics comprising of Retail Buying, Financials, Visual Merchandising, Marketing, Operations and Sales and Service Strategy, over the previous 12 months ARA delivered education & training services to 1,886 retail trainees.

Significant changes in financial affairs

There have been no significant changes in the financial affairs of the association during the financial year.

Right of members to resign

All members have a right to resign from the Australian Retailers Association in accordance with Section 174 of Chapter 6 of the Fair Work (Registered Organisations) Act 2009. In accordance with Section 174 (1) of the Fair Work (Registered Organisations) Act 2009 a member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a branch of the organisation. Members are encouraged to contact the Association's staff at any time should they have any concerns regarding service or policy or even simply wish to provide input. Members may resign from the Association by written notice addressed to The Membership Department, Australian Retailers Association, Level 1, 112 Wellington Parade, East Melbourne, VIC, 3002.

Officers or members who are superannuation fund trustee(s) (include position details) or director of a company that is a superannuation fund trustee where being a member or officer of a registered organisation is a criterion for them holding such position

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

Number of members

There were 7,346 financial members as of 30 June 2021, (2020: 7,162) an increase of 184 members.

Number of employees

The total number of staff employed by the Association as of 30 June 2021 was, made up of the following;

Full Time: 32 (FTE)

Casual: 0

Part Time: 3

Names of committee of management members and period positions held during the financial year

Name	Position	Date Appointed	Date Resigned
Rowan Hodge	President/Councillor	28 April 2017	
Ralph Edwards	Councillor	28 April 2015	
Steven Plarre	Secretary/Councillor	28 April 2015	
Anthony Wilson	Councillor	28 April 2017	15 July 2020
Toby Darvall	Councillor	28 April 2017	26 Aug 2020
Charles Davey	Councillor	9 May 2019	
Drew Meads	Councillor	9 May 2019	
Greg Leslie	Councillor	9 May 2019	
Jack Gance	Councillor	9 May 2019	
Stephen Younane	Councillor	9 May 2019	

Signature of designated officer

Steven Plarre, ARA Secretary

Date: 21/10/2021

Australian Retailers Association

Committee of management statement

for the year ended 30 June 2021.

On 20 October 2021, the Australian Retailers Association Committee of Management passed the following resolution in relation to the general-purpose financial report (**GPFR**) for the year ended 30 June 2021:

The Australian Retailers Association declares that in its opinion:

a) the financial statements and notes comply with the Australian Accounting Standards;

b) the financial statements and notes comply with 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 Australian Retailers Association for the financial year to which they relate;

d) there are reasonable grounds to believe that the Australian Retailers Association 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; and

    ii. the financial affairs of the Australian Retailers Association have been managed in accordance with the rules of the organisation; and

    iii. the financial records of the Australian Retailers Association 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 Australian Retailers Association 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 Australian Retailers Association or the Commissioner duly made under section 272 of the RO Act, that information has been provided to the member or the Commissioner; and

    vi. where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

This declaration is made in accordance with a resolution of the committee of management.

Signature of designated officer

Steven Plarre, ARA Secretary

Date: 21/10/2021

Australian Retailers Association

Statement of comprehensive income

for the year ended 30 June 2021

	Notes	2021	2020
		$	$
Revenue from contracts with customers	3		
Membership subscriptions		**3,026,784**	1,852,829
Capitation fees and other revenue from another reporting unit	3A	**-**	-
Levies	3B	**-**	-
Fees for services	3C	**697,717**	941,113
Advertising & sponsorship revenue		**609,806**	424,900
Retail Institute Training Income		**3,392,841**	3,085,660
Total revenue from contracts with customers		**7,727,148**	6,304,502
Income for furthering objectives			
Grants and/or donations	3D	**279,500**	332,682
Total income for furthering objectives		**279,500**	332,682
Other Income			
Revenue from recovery of wages activity	3E	**-**	-
Investment income	3F	**28,534**	8,951
Net gains from sale of assets	3G	**2,649**	-
Other income	3H	**125,568**	103,397
Total other income		**156,751**	112,348
Total income		**8,163,399**	6,749,532
Expenses			
Employee expenses	4A	**3,863,460**	2,947,405
Cost of goods sold	4B	**2,863,154**	3,000,113
Capitation fees and other expense to another reporting unit	4C	**-**	-
Affiliation fees	4D	**68,108**	131,900
Administration expenses	4E	**921,291**	798,355
Grants or donations*	4F	**-**	-
Depreciation and amortisation	4G	**191,748**	199,029
Finance costs	4H	**33,799**	40,108
Legal costs	4I	**1,520**	20,646
Audit fees	14	**20,000**	12,900
Total expenses		**7,963,080**	7,150,456
Surplus (deficit) for the year		**200,319**	(400,924)

The above statement should be read in conjunction with the notes.

Australian Retailers Association

Statement of financial position

as at 30 June 2021

	Notes	**2021**	2020
		$	$
ASSETS			
Current assets			
Cash and cash equivalents	5A	**3,837,336**	2,140,066
Trade and other receivables	5B	**204,258**	100,297
Contract assets	5B	**212,686**	185,377
Other current assets	5C	**101,479**	90,837
Total current assets		**4,355,759**	2,516,577
Non-current assets			
Property, plant and equipment	6A	**27,518**	22,919
Right-of-use assets	6C	**529,664**	711,262
Other financial assets	6D	**95,886**	72,886
Total non-current assets		**653,068**	807,067
Total assets		**5,008,827**	3,323,644
LIABILITIES			
Current liabilities			
Trade payables	7A	**513,223**	415,004
Other payables	7B	**425,323**	536,413
Employee provisions	8A	**500,174**	364,788
Contract liabilities		**3,340,087**	1,779,017
Lease liabilities	15E	**181,640**	173,432
Total current liabilities		**4,960,449**	3,268,654
Non-current liabilities			
Employee provisions	8A	**34,449**	59,741
Lease liabilities	9A	**372,283**	553,921
Total non-current liabilities		**406,732**	613,662
Total liabilities		**5,367,179**	3,882,316
Net assets		**(358,352)**	(558,672)
EQUITY			
General funds	10A		
Reserves	10A	**-**	-
Retained earnings (accumulated deficit)		**(358,352)**	(558,672)
Total equity		**(358,352)**	(558,672)

The above statement should be read in conjunction with the notes.

Statement of changes in equity

for the year ended 30 June 2021

	Notes	General funds /reserves $	Retained earnings $	Total equity $
Balance as at 1 July 2019		-	(157,748)	(157,748)
Adjustment for errors		-	-	-
Adjustment for changes in accounting policies		-	-	-
Adjusted Balance as at 1 July 2019				
Surplus / (deficit)		-	(400,924)	(400,924)
Other comprehensive income		-	-	-
Transfer from retained earnings		-	-	-
Closing balance as at 30 June 2020		**-**	**(558,672)**	**(558,672)**
Adjustment for errors		-	-	-
Surplus / (deficit)		-	200,320	200,320
Other comprehensive income		-	-	-
Transfer from retained earnings		-	-	-
Closing balance as at 30 June 2021		**-**	**(358,352)**	**(358,352)**

The above statement should be read in conjunction with the notes.

Australian Retailers Association

Statement of cash flows

for the year ended 30 June 2021

	Notes	2021 $	2020 $
OPERATING ACTIVITIES			
Cash received		**9,916,400**	7,644,158
Receipts from customers Donations and Grants		**303,000**	332,682
Receipts from other reporting unit/controlled entity(s)		**-**	-
Interest		**28,410**	8,593
Other		**53,712**	-
Cash used			
Employees		**(3,487,854)**	(2,744,617)
Suppliers		**(4,912,581)**	(4,225,399)
Net cash from (used by) operating activities	11A	**1,901,087**	1,015,417
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant and equipment		**12,801**	-
Proceeds from sale of land and buildings		**-**	-
Other		**-**	-
Cash used			
Purchase of plant and equipment		**(23,737)**	(8,344)
Purchase of land and buildings		**-**	-
Other		**-**	-
Net cash from (used by) investing activities		**(10,936)**	(8,344)
FINANCING ACTIVITIES			
Cash received			
Contributed equity		**-**	-
Other		**-**	-
Cash used			
Repayment of borrowings		**-**	-
Repayment of lease liabilities	6C	**(192,880)**	(190,030)
Net cash from (used by) financing activities		**(192,880)**	(190,030)
Net increase (decrease) in cash held		**1,697,270**	817,043
Cash & cash equivalents at the beginning of the reporting period		**2,140,066**	1,323,023
Cash & cash equivalents at the end of the reporting period	5A	**3,837,336**	2,140,066

The above statement should be read in conjunction with the notes.

Index to the notes of the financial statements

Note 1 Summary of significant accounting policies

1.1 Basis of preparation of the financial statements

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 (**RO Act**). For the purpose of preparing the general-purpose financial statements, The Australian Retailers Association 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.

1.2 Comparative amounts

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

1.3 Significant accounting judgements and estimates

There are no accounting assumptions or estimates that have been identified as having a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standards and amendments

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

- AASB 2018-7 *Amendments to Australian Accounting Standards – Definition of Material*

  Application of this standard is discussed further below

Application of these above amendments are discussed in Appendix C

- AASB 2020-4 *Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions*
- AASB 2019-1 *Amendments to Australian Accounting Standards – References to the Conceptual Framework*
- AASB 2018-6 *Amendments to Australian Accounting Standards - Definition of a Business*

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

Impact on adoption of AASB 2018-7 *Amendments to Australian Accounting Standards - Definition of Material*

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity." The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the Australian Retailers Association.

Future Australian Accounting Standards Requirements

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to future reporting periods that are expected to have a future financial impact on the Australian Retailers Association include[1]:

[1] Refer to Appendix B for the full list of Australian Accounting Standards excluded or not yet effective

AASB 2020-1 – Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. This Standard applies to annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted.

1.5 Current versus non-current classification

The Australian Retailers Association presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Australian Retailers Association classifies all other liabilities as non-current.

1.7 Revenue

The Australian Retailers Association enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, partnership, Advertising & sponsorship, capitation fees, levies, grants, and donations.

The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements.

Revenue from contracts with customers

Where the Australian Retailers Association has a contract with a customer, it recognises revenue when or as it transfers control of goods or services to the customer. The Australian Retailers Association accounts for an arrangement as a contract with a customer if the following criteria are met:

- the arrangement is enforceable; and
- the arrangement contains promises (that are also known as performance obligations) to transfer goods or services to the customer (or to other parties on behalf of the customer) that are sufficiently specific so that it can be determined when the performance obligation has been satisfied.

Membership subscriptions

For membership subscription arrangements that meet the criteria to be contracts with customers, revenue is recognised when the promised goods or services transfer to the customer as a member of the Australian Retailers Association.

If there is only one distinct membership service promised in the arrangement, the Australian Retailers Association recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect the ARA promise to stand ready to provide assistance and support to the member as required.

If there is more than one distinct good or service promised in the membership subscription, the Australian Retailers Association allocates the transaction price to each performance obligation based on the relative standalone selling prices of each promised good or service. In performing this allocation, standalone selling prices are estimated if there is no observable evidence of the price that the Australian Retailers Association charges for that good or service in a standalone sale. When a performance obligation is satisfied, which is either when the customer obtains control of the good or as the service transfers to the customer (for example, member services or training course), the Australian Retailers Association recognises revenue at the amount of the transaction price that was allocated to that performance obligation.

For member subscriptions paid annually in advance, the Australian Retailers Association has elected to apply the practical expedient to not adjust the transaction price for the effects of a significant financing component because the period from when the customer pays and the good or services will transfer to the customer will be one year or less.

When a member subsequently purchases additional goods or services from the Australian Retailers Association at their standalone selling price, the Australian Retailers Association accounts for those sales as a separate contract with a customer.

Retail Institute Training Income

The Retail Institute generates a significant amount of revenue for the Australian Retailers Association. Most of the accredited training courses provided by the Retail Institute are based on a written fixed duration contracts that spell out the performance obligation of each party to the contract. Some contracts may automatically renew on a periodic basis that is specified in the contract.

For each performance obligation satisfied over time in accordance with the contract, the Australian Association recognises revenue over time by measuring the progress towards complete satisfaction of the performance obligation identified in the contract. The objective when measuring progress is to depict the Institute's performance in transferring control of services promised to a customer (ie the provision of the training services as specified in the contract).

If the consideration promised in a contract includes a variable amount, the Australian Association estimates the amount of consideration to which it will be entitled in exchange for transferring the promised goods or services to a customer as specified in the contract.
The Australian Retailers Association allocates the transaction price to each performance obligation (enrolment fee, tuition fee and various loadings) in an amount that depicts the consideration to which it expects to be entitled in exchange for transferring the promised services to the customer.

Fee for services

The Australian Retailers Association provides various type of services (advocacy, consulting services, management service etc) to members and non-members for which it charges fees. Most of these services are provided through a written contract that have commercial substance as money is received in exchange for services.
Payment terms are specified in each contract. As the parties to the contract are committed to perform their respective obligations, the probability of collection is taken to be high. The transaction price is the contract price (the amount of consideration) specified under each contract that the Australian Retailers Association is entitled in exchange for transferring the promised goods or services to the customer.

The performance obligation under fee for services is satisfied when the goods or services are transferred by the Australian Retailers Association to its customers over time (including passage of time) or a point in time depending on the terms and conditions relating to the contract. To determine the point in time at which a customer obtains control of a promised asset and the Australian Retailers Association satisfies a performance obligation, it considers the requirements for control.

The Australian Retailers Association therefore recognises revenue when (or as) it satisfies the performance obligations specifically outlined in each contract.

Advertising and sponsorship

Revenue from Advertising and Sponsorship represents a small portion of the Australian Retailers Association's total income.

The contract with the customer is relatively straight forward, as in most cases, a written fixed duration contracts exist that spell out the performance obligation of each party to the contract.

In most instances, the Australian Retailers Association satisfies the performance obligation at a point in time- when events or services outlined in the contract are delivered. However, in certain circumstances, performance obligation is satisfied when the goods or services are transferred by the Australian Retailers Association to its customers over time in which case the Australian Retailers Association recognises revenue when it satisfies the performance obligations outlined in the contract.

The transaction price is the contract price (the amount of consideration) specified under each contract that the Australian Retailers Association is entitled in exchange for transferring the promised goods or services to the customer.

The Australian Retailers Association allocates the transaction price to each performance obligation on a relative stand-alone selling price basis as specified in the contract.

For advertising and sponsorship invoices paid annually in advance, the Australian Retailers Association has elected to apply the practical expedient to not adjust the transaction price for the effects of a significant financing component because the period from when the customer pays and the good or services will transfer to the customer will be one year or less.

Income of the Australian Retailers Association as a Not-for-Profit Entity

Consideration is received by the Australian Retailers Association to enable the entity to further its objectives. The Australian Retailers Association recognises each of these amounts of consideration as income when the consideration is received (which is when the Australian Retailers Association obtains control of the cash) because, based on the rights and obligations in each arrangement:

- the arrangements do not meet the criteria to be contracts with customers because either the arrangement is unenforceable or lacks sufficiently specific promises to transfer goods or services to the customer; and
- the Australian Retailers Association recognition of the cash contribution does not give to any related liabilities.

During the year, the Australian Retailers Association received cash consideration from the following arrangements whereby that consideration will be recognised as income upon receipt:

- government grants.

Volunteer services

During the year, the Australian Retailers Association did not recognise any volunteer services as revenue because it could not reliably measure the fair value of those services.

Income recognised from transfers to acquire or construct a non-financial asset

Where, as part of an enforceable agreement, the Australian Retailers Association receives consideration to acquire or construct a non-financial asset such as property, plant and equipment to an identified specification and for the Australian Retailers Association's own use, a liability is recognised for the obligation to acquire or construct the asset. Income is recognised as the obligation to acquire or construct the asset is satisfied, which is typically over time. The asset that is being acquired or constructed is recognised in accordance with the policy on property, plant and equipment.

Gains from sale of assets

An item of property, plant and equipment is derecognised upon disposal (which is at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

Interest income

Interest revenue is recognised on an accrual basis using the effective interest method.

Rental income

Leases in which the Australian Retailers Association as a lessor, does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the relevant lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

1.8 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.

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 Australian Retailers Association in respect of services provided by employees up to reporting date.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Provision is made for separation and redundancy benefit payments. The Australian Retailers Association recognises a provision for termination as part of a broader restructuring when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. A provision for voluntary termination is recognised when the employee has accepted the offer of termination.

1.9 Leases

The Australian Retailers Association assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Australian Retailers Association as a lessee

The Australian Retailers Association applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Australian Retailers Association recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Australian Retailers Association recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

	2021	2020
Land and building	**1 to 20 years**	**1 to 20 years**
Plant and equipment	**1 to 10 years**	**1 to 10 years**

If ownership of the leased asset transfers to the Australian Retailers Association at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

Lease liabilities

At the commencement date of the lease, the Australian Retailers Association recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Australian Retailers Association and payments of penalties for terminating the lease, if the lease term reflects the Australian Retailers Association exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Australian Retailers Association uses the implicit interest rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Peppercorn or below market leases

The Australian Retailers Association has elected to recognise the fair value of the leased property at inception of the lease. The difference between the fair value of the leased asset and the lease liability measured at the present value of the 'peppercorn' lease rental, is recognised as income.

Short-term leases and leases of low-value assets

The Australian Retailers Association's short-term leases are those that have a lease term of 12 months or less from the commencement. It also applies the lease of low-value assets recognition exemption to leases of office equipment that are below $5,000. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

1.10 Borrowing costs

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

1.11 Cash

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 statement of financial position.

1.12 Financial instruments

Financial assets and financial liabilities are recognised when the Australian Retailers Association entity becomes a party to the contractual provisions of the instrument.

1.13 Financial assets

Contract assets and receivables

A contract asset is recognised when the Australian Retailers Association's right to consideration in exchange for goods or services that has transferred to the customer when that right is conditioned on the Australian Retailers Association's future performance or some other condition.

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due).

Contract assets and receivables are subject to impairment assessment. Refer to accounting policies on impairment of financial assets below.

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 Australian Retailers Association's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Australian Retailers Association 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 Australian Retailers Association'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.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Australian Retailers Association commits to purchase or sell the asset.

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 Australian Retailers Association 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 Australian Retailers Association's financial assets at amortised cost includes trade receivables and loans to related parties.

Financial assets at fair value through other comprehensive income

The Australian Retailers Association measures debt instruments at fair value through other comprehensive income (**OCI**) if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; 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.

For debt instruments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost.

The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

Australian Retailers Association's debt instruments at fair value through other comprehensive income includes investments in quoted debt instruments included under other non-current financial assets.

Investments in equity instruments designated at fair value through other comprehensive income

Upon initial recognition, the Australian Retailers Association can elect to classify irrevocably its equity investments as equity instruments designated at fair value through other comprehensive income when they meet the definition of equity under AASB 132 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, except when the Australian Retailers Association benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through other comprehensive income are not subject to impairment assessment.

The Australian Retailers Association elected to classify irrevocably its listed and non-listed equity investments under this category.

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

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or
- The Australian Retailers Association has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
  f) The Australian Retailers Association has transferred substantially all the risks and rewards of the asset, or
  g) The Australian Retailers Association has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Australian Retailers Association has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, The Australian Retailers Association continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Impairment

Expected credit losses

Receivables for goods and services, which have 30-day terms, are recognised at the nominal amounts due less any loss allowance due to expected credit losses at each reporting date. A provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment has been established.

(i) Trade receivables

For trade receivables that do not have a significant financing component, the Australian Retailers Association applies a simplified approach in calculating expected credit losses (**ECLs**) which requires lifetime expected credit losses to be recognised from initial recognition of the receivables.

Therefore, The Australian Retailers Association does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Australian Retailers Association has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Debt instruments other than trade receivables

For all debt instruments other than trade receivables and debt instruments not held at fair value through profit or loss, the Australian Retailers Association recognises an allowance for expected credit losses using the general approach. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Australian Retailers Association expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages:

- Where there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses from possible default events within the next 12-months (a 12-month ECL).
- Where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the debt, irrespective of the timing of the default (a lifetime ECL).

The Australian Retailers Association considers a financial asset in default when contractual payments are 90[1] days past due. However, in certain cases, the Australian Retailers Association may also consider a financial asset to be in default when internal or external information indicates that the Australian Retailers Association is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

1.14 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 Australian Retailers Association'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.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

1.15 Liabilities relating to contracts with customers

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Australian Retailers Association transfers the related goods or services. Contract liabilities include deferred income. Contract liabilities are recognised as revenue when The Australian Retailers Association performs under the contract (i.e., transfers control of the related goods or services to the customer).

Refund liabilities

A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from a customer. The Australian Retailers Association's refund liabilities arise from customers' right of return. The liability is measured at the amount the Australian Retailers Association's ultimately expects it will have to return to the customer. The Australian Retailers Association updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

1.16 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.

1.17 Land, buildings, plant and equipment

Asset recognition threshold

Purchases of land, buildings, plant and equipment are recognised initially at cost in the statement of financial position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight-line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2021	2020
Land & Buildings Plant and equipment	**1 to 20 years**	1 to 20 years

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.

1.18 Intangibles

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful life. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. The useful life of the Australian Retailers Association intangible assets are:

	2021	2020
Intangibles	**1 to 5 years**	1 to 3 years

Derecognition

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit and loss when the asset is derecognised.

1.19 Impairment of non-financial assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated, and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Australian Retailers Association were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

1.20 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.

1.21 Taxation

The Australian Retailers Association 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 statement of cash flows 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.

1.22 Fair value measurement

The Australian Retailers Association measures financial instruments, such as, financial assets as at fair value through the profit and loss, financial assets at fair value through OCI, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 16A.

Fair value is 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Australian Retailers Association. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Australian Retailers Association uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, The Australian Retailers Association determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, The Australian Retailers Association has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

1.23 Going concern

The Australian Retailers Association has not agreed to provide financial support to another reporting unit to ensure they can continue on a going concern basis.

The Australian Retailers Association does not receive financial support from another reporting unit to ensure it can continue on a going concern basis.

Note 2 Events after the reporting period

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Australian Retailers Association the results of those operations, or the state of affairs of the Australian Retailers Association in subsequent financial periods.

Note 3 Revenue and income

Disaggregation of revenue from contracts with customers

A disaggregation of the Australian Retailers Association's revenue by type of arrangements is provided on the face of the statement of comprehensive income. The table below also sets out a disaggregation of revenue by type of customer.

	2021	2020
	$	**$**
Type of customer		
Members	**3,026,784**	1,852,829
Other reporting units	**-**	-
Government	**3,392,841**	3,085,660
Other parties	**1,307,523**	1,366,013
Total revenue from contracts with customers	**7,727,148**	6,304,502

Disaggregation of income for furthering activities

A disaggregation of the Australian Retailers Association's income by type of arrangement is provided on the face of the Statement of comprehensive income. The table below also sets out a disaggregation of income by funding source:

	2021	2020
	$	$
Income funding sources		
Members	**-**	-
Other reporting units	**-**	-
Government	**343,950**	332,682
Other parties	**-**	-
Total income for furthering activities	**343,950**	332,682

Note 3A: Capitation fees and other revenue from another reporting unit

Capitation fees:	**-**	-
Subtotal capitation fees	**-**	-
Total capitation fees and other revenue from another reporting unit	**-**	-

Note 3B: Levies

Levies	**-**	-
Total levies	**-**	-

	2021 $	2020 $

Note: 3C: Fees for services

	2021 $	2020 $
Special Projects	**683,490**	805,760
Non-accredited Training	**-**	9,220
Consulting	**14,227**	71,133
Policy and advocacy	**-**	55,000
Total fees for services	**697,717**	941,113

Note 3D: Grants and/or donations

	2021 $	2020 $
Jobkeeper Payments	**229,500**	232,500
Payroll Tax Refund	**-**	50,182
Cash Flow Boost Payment	**50,000**	50,000
Grants	**-**	-
Donations	**-**	-
Total grants and donations	**279,500**	332,682

Note 3E: Revenue from recovery of wages activity

	2021 $	2020 $
Amounts recovered from employers in respect of wages	**-**	-
Interest received on recovered money	**-**	-
Total revenue from recovery of wages activity	**-**	**-**

Note 3F: Investment income

	2021 $	2020 $
Interest		
Deposits	**28,534**	8,951
Loans	**-**	-
Debt instruments at fair value through OCI	**-**	-
Dividends	**-**	-
Total investment income	**28,534**	8,951

	2021 $	2020 $
Note 3G: Net gains from sale of assets		
Land and buildings	**-**	-
Plant and equipment	**2,649**	-
Intangibles	**-**	-
Other		
Total net gain from sale of assets	**2,649**	-

Note 3H: Other income

Function Income	**-**	29,159
Commissions received	**60,959**	72,797
Merchandise	**159**	1,441
Equity distribution from HBIA liquidation	**64,450**	-
Total revenue from other income	**125,568**	103,397

Note 4 Expenses

Note 4A: Employee expenses

Holders of office:		
Wages and salaries	**-**	-
Superannuation	**-**	-
Leave and other entitlements	**-**	-
Separation and redundancies	**-**	-
Other employee expenses	**-**	-
Subtotal employee expenses holders of office	**-**	-
Employees other than office holders:		
Wages and salaries	**3,372,228**	2,542,563
Superannuation	**259,186**	234,429
Leave and other entitlements	**-**	70,182
Separation and redundancies	**-**	-
Other employee expenses	**232,045**	100,231
Subtotal employee expenses employees other than office holders	**3,863,460**	2,947,405
Total employee expenses	**3,863,460**	2,947,405

	2021	2020
	$	$

Note 4B: Cost of goods sold

	2021	2020
Retail Institute training expenses	**1,568,726**	1,676,570
Outsourced services cost	**761,000**	815,797
Project Management cost	**423,504**	507,746
Partnership & Advertising cost	**109,924**	-
Total cost of goods sold	**2,863,154**	3,000,113

Note 4C: Capitation fees and other expense to another reporting unit

	2021	2020
Capitation fees	**-**	-
Subtotal capitation fees	**-**	-
Total capitation fees and other expense to another reporting unit	**-**	-

Note 4D: Affiliation fees

	2021	2020
Newspapers	**1,347**	**955**
Subscriptions	**66,058**	**86,735**
Membership Expense	**703**	**44,210**
Total affiliation fees/subscriptions	**68,108**	**131,900**

Note 4E: Administration expenses

	2021	2020
Total paid to employers for payroll deductions of membership subscriptions	**-**	-
Fees/allowances - meeting and conferences	**-**	-
Conference and meeting expenses	**-**	-
Contractors/consultants	**-**	-
Property expenses	**64,783**	66,315
Office expenses	**99,651**	107,639
Information communications technology	**204,097**	133,922
Marketing and Promotion expenses	**45,637**	39,722
Travel expenses	**18,742**	132,766
Consultancy costs	**415,490**	209,599
Other	**24,114**	76,854
Subtotal administration expense	**881,856**	766,817
Operating lease rentals:		
Minimum lease payments	**39,435**	31,538
Total administration expenses	**921,291**	798,355

	2021 $	2020 $

Note 4F: Grants or donations

	2021 $	2020 $
Grants:		
Total expensed that were $1,000 or less	**-**	-
Total expensed that exceeded $1,000	**-**	-
Donations:		
Total expensed that were $1,000 or less	**-**	-
Total expensed that exceeded $1,000	**-**	-
Total grants or donations	**-**	-

Note 4G: Depreciation and amortisation

	2021 $	2020 $
Depreciation		
Land & buildings	**-**	-
Property, plant and equipment	**10,150**	17,431
Total depreciation	**10,150**	17,431
Amortisation		
Right-of-use lease asset	**181,598**	181,599
Intangibles	**-**	-
Total amortisation	**181,598**	181,599
Total depreciation and amortisation	**191,748**	199,029

Note 4H: Finance costs

	2021 $	2020 $
Interests costs on lease liability	**14,351**	24,522
Overdrafts/loans	**19,448**	15,586
Unwinding of discount	**-**	-
Total finance costs	**33,799**	40,108

Note 4I: Legal costs

	2021 $	2020 $
Litigation	**-**	-
Other legal costs	**1,520**	20,646
Total legal costs	**1,520**	20,646

	2021	2020
	$	$

Note 5 Current Assets

Note 5A: Cash and cash equivalents

Cash at bank	**3,837,336**	2,140,066
Cash on hand	**-**	-
Short term deposits	**-**	-
Other	**-**	-
Total cash and cash equivalents	**3,837,336**	2,140,066

Note 5B: Trade and other receivables

Receivables from other reporting unit	**-**	-
Receivable from other reporting unit (net)	**-**	-
Other receivables:		
GST receivable	**-**	-
Other	**206,129**	106,766
Allowance for expected credit losses	**(1,871)**	(6,469)
Total other receivables	**204,258**	100,297
Total trade and other receivables (net)	**204,258**	100,297

The movement in the allowance for expected credit losses of trade and other receivables is as follows:

At 1 July	**(6,469)**	(10,000)
Provision for expected credit losses	**(9,000)**	(7,273)
Write-off	**13,598**	10,804
At 30 June	**(1,871)**	(6,469)

The Australian Retailers Association has recognised the following assets and liabilities related to contracts with customers:

	2021 $	2020 $
Receivables	**204,258**	100,297
Receivables - current	**204,258**	100,297
Receivables – non-current	**-**	**-**
Contract assets	212,686	185,377
Contract assets - current	212,686	185,377
Contract assets – non-current	-	-
Other contract liabilities	3,340,087	1,779,017
Contract liabilities - current	3,340,087	1,779,017
Contract liabilities – non-current	-	-

The small changes between opening and closing balances of contract assets primarily relates to higher accrual of income being made at 30 June 2021.

The significant changes between opening and closing balances of contract liabilities primarily relates to higher cash collections made in relation to 20/21FY membership renewals.

Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period was $1,779,017.

Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods was Nil.

Unsatisfied performance obligations

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 30 June 2021 is $3,340,087. The Australian Retailers Association expects that 100% of the transaction price allocated to remaining performance obligations is expected to be recognised as revenue within one year. These performance obligations primarily relate to member subscription contracts. There is no revenue expected to be recognised in one year.

Note 5C: Other current assets

	2021	2020
	$	$
Stock	**14,594**	11,169
Prepayments	**69,783**	70,439
Deposit- Bank guarantee Sydney office	**9,326**	9,229
Undeposited Funds	**1,241**	-
Sundry Debtors and others	**6,535**	-
Total other current assets	**101,479**	90,837

Note 6 Non-current Assets

Note 6A: Property, Plant and Equipment

2021

	Land	Buildings	Plant and Equipment	PPE under operating lease	Total
	$	$	$	$	$
Property, Plant and Equipment:					
fair value	-	-	40,853	-	40,853
accumulated depreciation	-	-	13,335	-	13,335
Total Property, Plant and Equipment	**-**	**-**	**27,518**	**-**	**27,518**

Reconciliation of opening and closing balances of property, plant and equipment

	Land	Buildings	Plant and Equipment	PPE under operating lease	Total
Net book value 1 July 2020	-	-	22,919	-	22,919
Additions:					
By purchase	-	-	**23,737**	-	**23,737**
Revaluations	-	-	-	-	-
Impairments	-	-	-	-	-
Depreciation expense	-	-	(10,150)	-	(10,150)
Other movement [give details below]	-	-	-	-	-
Disposals:			(8,988)		(8,988)
Other	-	-	-	-	-
Net book value 30 June 2021	**-**	**-**	**27,518**	**-**	**27,518**
Net book value as of 30 June 2021 represented by:					
Gross book value	-	-	40,853	-	40,853
Accumulated depreciation and impairment	-	-	13,335	-	13,335
Net book value 30 June, 2021	**-**	**-**	**27,518**	**-**	**27,518**

Note 6A: Property, Plant and Equipment (Continued)

2020

	Land	Buildings	Plant and Equipment	PPE under operating lease	Total
	$	$	$	$	$
Property, Plant and Equipment:					
fair value	-	-	**977,374**	-	**977,374**
accumulated depreciation	-	-	**(954,455)**	-	**(954,455)**
Total Property, Plant and Equipment	**-**	**-**	**22,919**	**-**	**22,919**

Reconciliation of opening and closing balances of property, plant and equipment

	Land	Buildings	Plant and Equipment	PPE under operating lease	Total
Net book value 1 July 2019	-	-	**32,763**	-	**32,763**
Additions:					
By purchase	-	-	**7,586**	-	**7,586**
Revaluations	-	-	-	-	-
Impairments	-	-	-	-	-
Depreciation expense	-	-	**(17,430)**	-	**(17,430)**
Other movement [give details below]	-	-	-	-	-
Disposals:					
Other	-	-	-	-	-
Net book value 30 June 2020	**-**	**-**	**22,919**	**-**	**22,919**
Net book value as of 30 June 2020 represented by:					
Gross book value	-	-	**977,374**	-	**977,374**
Accumulated depreciation and impairment	-	-	**(954,455)**	-	**(954,455)**
Net book value 30 June	**-**	**-**	**22,919**	**-**	**22,919**

Note 6B: Intangibles

	2021	2020
	$	$
Computer software at cost:		
Internally developed	**-**	-
Purchased	**-**	143,568
accumulated amortisation	**-**	(143,568)
Total intangibles	**-**	-

Reconciliation of opening and closing balances of intangibles

As at 1 July		
Gross book value	**-**	143,167
Accumulated amortisation and impairment	**-**	(140,123)
Net book value 1 July	**-**	3,445
Additions:		
By purchase	**-**	**-**
Impairments	**-**	**-**
Amortisation	**-**	(3,445)
Other movements [give details below]	**-**	**-**
Disposals		
Net book value 30 June	**-**	-
Net book value as of 30 June represented by:		
Gross book value	**-**	143,568
Accumulated amortisation and impairment	**-**	(143,568)
Net book value 30 June	**-**	**-**

Note 6C: Leases

The Australian Retailers Association as a lessee

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Office Lease	**Total**
	$	$
As at 1 July 2019 (restated)	**-**	-
Additions	892,861	892,861
Amortisation expense	(181,599)	(181,599)
Impairment	-	-
Disposal	-	-
Other movement	-	-
As at 30 June 2020 (restated)	711,262	711,262
Additions	-	-
Amortisation expense	(181,598)	(181,598)
Impairment	-	-
Disposal	-	-
Other movement	-	-
As at 30 June 2021	529,664	529,664

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

As at 1 July 2020	711,362
Additions	-
Accretion of interest	14,351
Payments	(192,880)
As at 30 June 2021	**533,360**
Current	-
Non-current	-

The maturity analysis of lease liabilities is disclosed in Note 15E.

	2021	2020
	$	$

Note 6C: Leases (Continued)

The following are the amounts recognised in profit or loss:

	2021 $	2020 $
Depreciation expense of right-of-use assets	**181,598**	181,599
Interest expense on lease liabilities	**14,351**	24,522
Expense relating to short-term leases	**-**	-
Expense relating to leases of low-value assets (included in administrative expenses)	**-**	-
Variable lease payments	**-**	-
Total amount recognised in profit or loss	**195,949**	206,121

Note 6D: Other financial assets

	2021 $	2020 $
Financial assets designated at fair value through other comprehensive income		
Non-listed equity investments		
Deposit (Bank guarantee – Melbourne office)	**72,866**	72,866
Guarantee Deposit - Vic VET Contract 2021	**23,000**	-
Financial assets at fair value through profit or loss		
Quoted equity shares	**-**	-
Debt securities	**-**	-
Available for sale investments	**-**	-
Total other financial assets	**95,886**	72,866

Note 7 Current Liabilities

Note 7A: Trade payables

	2021 $	2020 $
Trade creditors and accruals	**513,223**	415,004
Operating lease rentals	**-**	-
Subtotal trade creditors	**513,223**	415,004
Payables to other reporting unit		
Nil	**-**	-
Subtotal payables to other reporting unit	**-**	-
Total trade payables	**513,223**	415,004

Settlement is usually made within 30 days.

Note 7B: Other payables

	2021 $	2020 $
Wages and salaries	**(107,106)**	-
Superannuation	**75,903**	68,664
Payable to employers for making payroll deductions of membership subscriptions	**-**	-
Legal costs		
Litigation	**-**	-
Other legal costs	**-**	-
Accrued Expenses	**483,342**	98,844
GST payable	**-**	112,408
PAYG withholding	**(41,185)**	112,311
Other	**14,371**	144,186
Total other payables	**425,323**	536,413

Total other payables are expected to be settled in:		
No more than 12 months	**425,323**	536,413
More than 12 months	**-**	-
Total other payables	**425,323**	536,413

	2021 $	2020 $

Note 8 Provisions

Note 8A: Employee provisions

	2021 $	2020 $
Office holders:		
Annual leave	**-**	-
Long service leave	**-**	-
Separations and redundancies	**-**	-
Other	**-**	-
Subtotal employee provisions—office holders	**-**	-
Employees other than office holders:		
Annual leave	**330,480**	238,690
Long service leave	**169,694**	185,839
Separations and redundancies	**-**	-
Other	**-**	-
Subtotal employee provisions—employees other than office holders	**534,623**	424,529
Total employee provisions	**534,623**	424,529
Current	**500,174**	364,788
Non-current	**34,449**	59,741
Total employee provisions	**534,623**	424,529

Note 9 Non-current Liabilities

Note 9A: Other non-current liabilities

	2021 $	2020 $
Employee provisions	**34,449**	59,741
Lease liabilities	**372,283**	553,921
Total other non-current liabilities	**406,732**	613,662

	2021	2020
	$	$

Note 10 Equity

Note 10A: General funds

Balance as at start of year	**-**	-
Transferred to reserve	**-**	-
Transferred out of reserve	**-**	-
Balance as at end of year	**-**	-
Balance as at start of year	**-**	-
Transferred to reserve	**-**	-
Transferred out of reserve	**-**	-
Balance as at end of year	**-**	-
Total reserves	**-**	-

Note 10B: Other specific disclosures - funds

Compulsory levy/voluntary contribution fund – if invested in assets

Other fund(s) required by rules

Balance as at start of year	**-**	-
Transferred to reserve	**-**	-
Transferred out of reserve	**-**	-
Balance as at end of year	**-**	-

Note 11 Cash Flow

Note 11A: Cash flow reconciliation

Reconciliation of cash and cash equivalents as per balance sheet to cash flow statement:

	2021 $	2020 $
Cash and cash equivalents as per:		
Cash flow statement	**3,837,336**	2,140,066
Balance sheet	**3,837,336**	2,140,066
Difference	**-**	-

	2021 $	2020 $
Reconciliation of profit/(deficit) to net cash from operating activities:		
Profit/(deficit) for the year	**200,320**	(400,924)
Adjustments for non-cash items		
Depreciation/amortisation	**191,748**	199,029
Net write-down of non-financial assets	**-**	-
Fair value movements in investment property	**-**	-
Gain on disposal of assets	**-**	-
Changes in assets/liabilities		
(Increase)/decrease in net receivables	**(103,961)**	245,952
(Increase)/decrease in other current assets	**(37,951)**	0
Increase/(decrease) in supplier payables	**98,220**	81,935
Increase/(decrease) in other payable/provisions	**1,552,711**	889,425
Net cash from (used by) operating activities	**1,901,087**	1,015,417

Note 12 Contingent Liabilities, Assets and Commitments

Note 12A: Commitments and contingencies

Operating lease commitments—as lessor
Nil

	2021 $	2020 $

Note 13 Related Party Disclosures

Note 13A: Related party transactions for the reporting period

The following table provides the total amount of transactions that have been entered into with related parties for the relevant year.

	2021 $	2020 $
Revenue received from related party includes the following:		
No transactions noted	**-**	-
Expenses paid to related party includes the following:		
No transactions noted	**-**	-
Amounts owed by related party include the following:		
No transactions noted	**-**	-
Amounts owed to related party include the following:		
No transactions noted	**-**	-
Loans from/to related party includes the following:		
No transactions noted	**-**	-
Assets transferred from/to [list related party] includes the following:		
No transactions noted	**-**	-

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 2021, the Australian Retailers Association has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2020: $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.

	2021	2020
	$	$

Note 13B: Key management personnel (C- Suite Executive) remuneration for the reporting period

	2021	2020
Short-term employee benefits		
Salary (including annual leave taken)	**639,831**	551,672
Annual leave accrued	**46,857**	21,436
Performance bonus (accrued)	**200,000**	-
Total short-term employee benefits	**886,688**	573,108
Post-employment benefits:		
Superannuation	**44,478**	47,339
Total post-employment benefits	**44,478**	47,339
Other long-term benefits:		
Long-service leave (accrued)	**14,591**	8,813
Total other long-term benefits	**14,591**	8,813
Termination benefits	**-**	-
Total	**945,758**	629,260

Note 13C: Transactions with key management personnel and their close family members

	2021	2020
Loans to/from key management personnel	**-**	-
Other transactions with key management personnel	**-**	-

Note 14 Remuneration of Auditors

	2021	2020
Value of the services provided		
Financial statement audit services	**20,000**	17,500
Other services	**-**	-
Total remuneration of auditors	**20,000**	17,500

Note 15 Financial Instruments

The Association's risk management is predominantly controlled by the board. The board monitors the group's financial risk management policies and exposures and approves substantial financial transactions. It also reviews the effectiveness of internal controls relating to its material risk exposures, being credit risk and liquidity risk.

	2021	2020
	$	$

Note 15A: Categories of Financial Instruments

	2021 $	2020 $
Financial assets		
Held-to-maturity investments:		
Deposits and cash	**3,837,336**	2,140,066
Total	**3,837,336**	2,140,066
Loans and receivables:		
Trade and other receivables	**206,129**	106,766
Total	**206,129**	106,766
Carrying amount of financial assets	**4,043,465**	2,246,832
Financial liabilities		
Other financial liabilities:		
Trade payables and accruals	**513,223**	415,004
GST payable	**-**	112,408
Other payables	**(92,736)**	144,186
Total	**420,487**	671,598
Carrying amount of financial liabilities	**420,487**	671,598

Note 15B: Net income and expense from financial assets

	2021 $	2020 $
Held-to-maturity		
Interest revenue	**28,534**	8,951
Exchange gains/(loss)	**-**	-
Impairment	**-**	-
Gain/loss on disposal	**-**	-
Net gain/(loss) held-to-maturity	**28,534**	8,951
Loans and receivables/amortised cost		
Total net income/(expense) from financial assets	**28,534**	8,951

Note 15C: Net income and expense from financial liabilities

At amortised cost		
Interest expense	**(33,799)**	(40,108)
Exchange gains/(loss)	**-**	-
Net gain/(loss) financial liabilities - at amortised cost	**(33,799)**	(40,108)

Note 15D: Credit risk

The balance of trade and other receivables consists predominantly of amounts owing from customers and grant funders of the Association’s training programs. Ongoing credit evaluation on the financial condition of accounts receivable is performed by senior management and reviewed at regular intervals by the board. The credit risk on liquid funds is minimal, as the counterparties are major domestic banking institutions.
The following table illustrates the entity's gross exposure to credit risk, excluding any collateral or credit enhancements.

Financial assets		
Cash	**3,837,336**	2,140,066
Trade and other receivables	**206,129**	106,766
Total	**4,043,465**	2,246,832
Financial liabilities		
Nil	**-**	-
Total	**-**	-

In relation to the entity's gross credit risk the following collateral is held: $nil

Set out below is the information about the credit risk exposure on financial assets using a provision matrix:

30 June 2021	**Trade and other receivables**					
	Days past due					
	Current	**<30 days**	**30-60 days**	**61-90 days**	**>91 days**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
Expected credit loss rate	-%	-%	-%	-%	5%	
Estimate total gross carrying amount at default	7291	133,064	472,200	2,635	14,067	204,258
Expected credit loss			-	-	(703)	(703)

30 June 2020	**Trade and other receivables**					
	Days past due					
	Current	**<30 days**	**30-60 days**	**61-90 days**	**>91 days**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
Expected credit loss rate	-%	-%	-%	-%	20%	
Estimate total gross carrying amount at default		54,703	19,233	320	32,510	106,766
Expected credit loss			-	-	(6,469)	(6,469)

The Australian Retailers Association's maximum exposure to credit risk for the components of the statement of financial position at 30 June 2021 and 2020 is the carrying amounts as illustrated in Note 15D.

Note 15E: Liquidity risk

Ultimate responsibility for the management of liquidity risk tests with the Committee of Management. The Committee of Management has developed appropriate criteria for the management of the Association's liquidity management requirements. Liquidity risk is managed by maintaining adequate working capital to meet ongoing requirements.

Contractual maturities for financial liabilities 2021

	On Demand	< 1 year	1– 2 years	2– 5 years	>5 years	Total
		$	$	$	$	$
Trade and other payables	-	**513,223**	-	-	-	**513,223**
GST payable	-	-	-	-	-	-
Other payables	-	**(92,736)**	-	-	-	**(92,736)**
Total	-	**420,487**	-	-	-	**420,487**

Contractual maturities for financial liabilities 2020

	On Demand	< 1 year	1– 2 years	2– 5 years	>5 years	Total
		$	$	$	$	$
Trade and other payables		415,004	-	-	-	415,004
GST payable		112,408	-	-	-	112,408
Other payables		144,186	-	-	-	144,186
Total	-	671,598	-	-	-	671,598

Lease liability maturities for 2021

	On Demand	< 1 year	1– 2 years	2– 5 years	>5 years	Total
		$	$	$	$	$
Office Lease	-	**181,640**	**372,283**	-	-	**553,923**
Total	-	**181,640**	**372,283**	-	-	**553,923**

Lease liability maturities for 2020

	On Demand	< 1 year	1– 2 years	2– 5 years	>5 years	Total
		$	$	$	$	$
Office Lease	-	**173,432**	**181,640**	**372,281**	-	**727,353**
Total	-	**173,432**	**181,640**	**372,281**	-	**727,353**

Note 15F: Market risk

Interest rate risk

As at 30 June 2021 or throughout the financial year the Association had no material exposure to changes to any market risk, including interest rate risk (2020: no material risk).

Note 15G: Changes in liabilities arising from financing activities

	1 July 2020	Cash flows	Reclassified as part of disposal group	Foreign exchange movement	Changes in fair values	New Leases	Other	30 June 2021
	$	$	$	$	$	$	$	$
Current interest-bearing loans and borrowings (excluding items listed below)		-	-	-	-	-	-	-
Current obligations under finance leases and hire purchase contracts	**711,262**	**(192,880)**	-	-	-	-	**14,351**	**529,664**
Total liabilities from financing activities	**711,262**	**(192,880)**	-	-	-	-	**14,351**	**529,664**

	1 July 2019	Cash flows	Reclassified as part of disposal group	Foreign exchange movement	Changes in fair values	New Leases	Other	30 June 2020
	$	$	$	$	$	$	$	$
Current interest-bearing loans and borrowings (excluding items listed below)	-	-	-	-	-	-	-	-
Current obligations under finance leases and hire purchase contracts	**892,861**	-	-	-	-	**(190,030)**	**24,522**	**727,353**
Total liabilities from financing activities	**892,861**	-	-	-	-	**(190,030)**	**24,522**	**727,353**

The 'Other' column includes the effect of reclassification of non-current portion of interest-bearing loans and borrowings, including obligations under finance leases and hire purchase contracts to current due to the passage of time, the accrual of special dividends that were not yet paid at the year-end, and the effect of accrued but not yet paid interest on interest-bearing loans and borrowings. The Australian Retailers Association classifies interest paid as cash flows from operating activities.

Note 16 Fair Value Measurement

As no financial instruments are measured on a fair value basis, and those fair value approximate their carrying values, the disclosures set out in AASB 7 para 25 – 29 and AASB 13 para 93(d) and 97 are not applicable or relevant for the Association.

Note 16A: Financial assets and liabilities

Management of the Australian Retailers Association assessed that cash, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of financial assets and liabilities is included at the amount which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values:

- Fair values of the Australian Retailers Association's interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The own performance risk as at 30 June 2021 was assessed to be insignificant.
- Fair value of available-for-sale financial assets is derived from quoted market prices in active markets.
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Australian Retailers Association based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 30 June 2021 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

The following table contains the carrying amounts and related fair values for the Australian Retailers Association's financial assets and liabilities:

	Carrying amount 2021 $	**Fair value 2021 $**	Carrying amount 2020 $	Fair value 2020 $
Financial assets				
Deposits and cash	**3,837,336**	**3,837,336**	2,140,066	2,140,066
Trade and other receivables	**206,129**	**206,129**	106,766	106,766
Total	**4,043,465**	**4,043,465**	2,246,832	2,246,832
Financial liabilities				
Trade payables and accruals	**513,223**	**513,223**	415,004	415,004
GST payable	**-**	**-**	112,408	112,408
Other payables	**(92,736)**	**(92,736)**	144,186	144,186
Total	**420,487**	**420,487**	671,598	671,598

Note 17 Administration of financial affairs by a third party

The Australian Retailers Association administers its own financial activities.

Note 18 Section 272 Fair Work (Registered Organisations) Act 2009

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

Information to be provided to members or Commissioner:

1) A member of the Australian Retailers Association, or the Commissioner, may apply to the Australian Retailers Association for specified prescribed information in relation to the Australian Retailers Association 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) The Australian Retailers Association must comply with an application made under subsection (1).

Officer declaration statement

I, Steven Plarre, being the ARA Secretary of the Australian Retailers Association declare that the following activities did not occur during the reporting period ending 30 June 2021.

The Australian Retailers Association did not:

- recognise income from volunteer services
- recognise income from transfers
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- have a balance within the general fund
- provide cash flows to another reporting unit and/or controlled entity
- receive cash flows from another reporting units and/or controlled entity
- make a payment to a former related party of the reporting unit

Signature of designated officer

Steven Plarre, ARA Secretary

Date: 21/10/2021

Appendix B - *Future Australian Accounting Standards Requirements*

AASB 17 Insurance Contracts

AASB 2020-3 Amendment to AASB 141 –Taxation in Fair Value Measurements

AASB 2020-3 Amendment to AASB 1 – Subsidiary as a First-time Adopter

AASB 2020-3 Amendments to AASB 137 – Onerous Contracts – Cost of Fulfilling a Contract

AASB 2020-3 Amendments to AASB 116 – Property, Plant and Equipment: Proceeds before Intended Use

AASB 2020-31 Amendment to AASB 9 – Fees in the '10 per cent' Test for Derecognition of Financial Liabilities

Appendix C – Amendments issued and effective at the reporting date

AASB 2018-6 Amendments to Australian Accounting Standards - Definition of a Business

The amendment to AASB 3 *Business Combinations* clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs.

These amendments had no impact on the financial statements of the Australian Retailers Association but may impact future periods should the Australian Retailers Association enter into any business combinations.

AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the accounting standard setter in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.

The amendments had no impact on the financial statements of the Australian Retailers Association.

AASB 2020-4 Amendments to AASs – Covid-19-Related Rent Concessions

These amendments provide relief to lessees from applying AASB 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under AASB 16 *Leases*, if the change were not a lease modification.

The amendments had no impact on the financial statements of the Australian Retailers Association.