Australian Government
Registered Organisations Commission

19 December 2022

Nicole Sheffield
President
The Australian Retailers Association
Sent via email: info@retail.org.au
CC: Corrine.siddles@williambuck.com

Dear Nicole Sheffield,

The Australian Retailers Association
Financial Report for the year ended 30 June 2022 – (FR2022/30)

I acknowledge receipt of the financial report for the year ended 30 June 2022 for the Australian Retailers Association. The documents were lodged with the Registered Organisations Commission (**the ROC**) on 16 December 2022.

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.

You are not required to take any further action in respect of the report lodged. Please note that the financial report for the year ending 30 June 2023 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 section 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 section 253 reporting guidelines and Australian Accounting Standards. Access to this information may be obtained via this link.

If you have any queries regarding this letter, please contact me on (03) 9603 0841 or by email at Mihiri.jayawardane@roc.gov.au.

Yours sincerely,

Mihiri Jayawardane
Registered Organisations Commission

Australian Retailers Association

s.268 *Fair Work (Registered Organisations) Act 2009*

Certificate by prescribed designated officer

Certificate for the year ended 30 June 2022

I *Nicole Sheffield* being the *President* 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 *15 November 2022*; and

- that the full report was presented to *a general meeting of* the reporting unit on *7 December 22* in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:

Name of prescribed designated officer: Nicole Sheffield

Title of prescribed designated officer: ARA President

Dated: 15 December 2022

Australian Retailers Association

Financial Statements

2021–22

The Australian Retailers Association

Financial Statements 2021–22

Contents

Australian Retailers Association
Independent auditor’s report to members

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 2022, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2022, 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 2022 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.

Level 20, 181 William Street, Melbourne VIC 3000 +61 3 9824 8555 vic.info@williambuck.com
williambuck.com.au

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.

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:
http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf

This description forms part of our independent auditor's report.

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

CSweeney

C. L. Sweeney
Director
Registration number (as registered by the Commissioner under the RO Act): AA2021/24
Melbourne, 10th November 2022

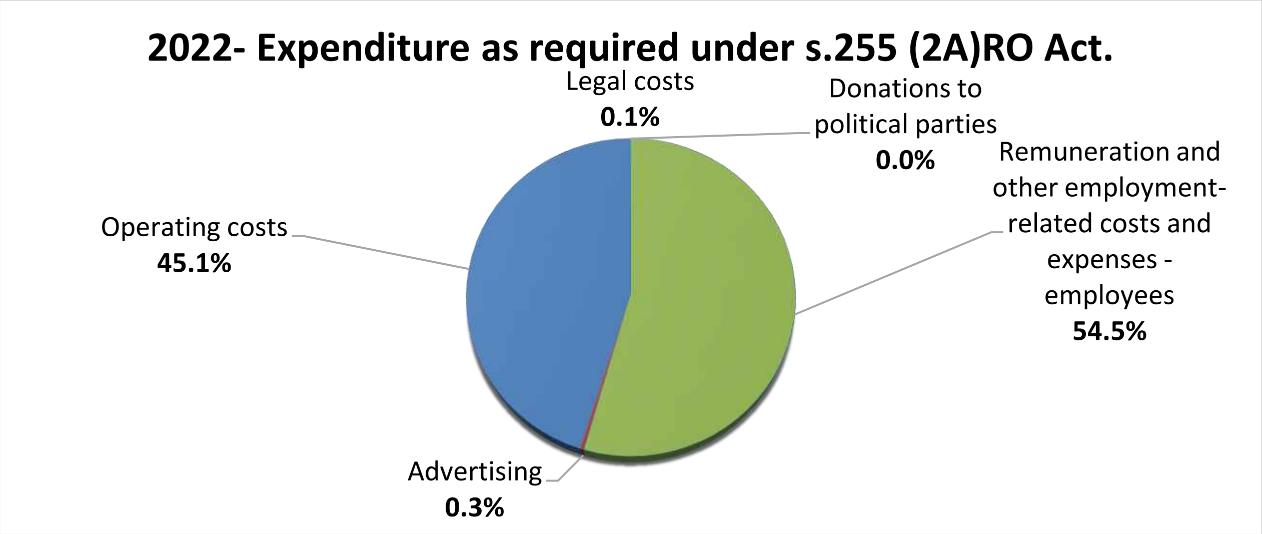
The Australian Retailers Association

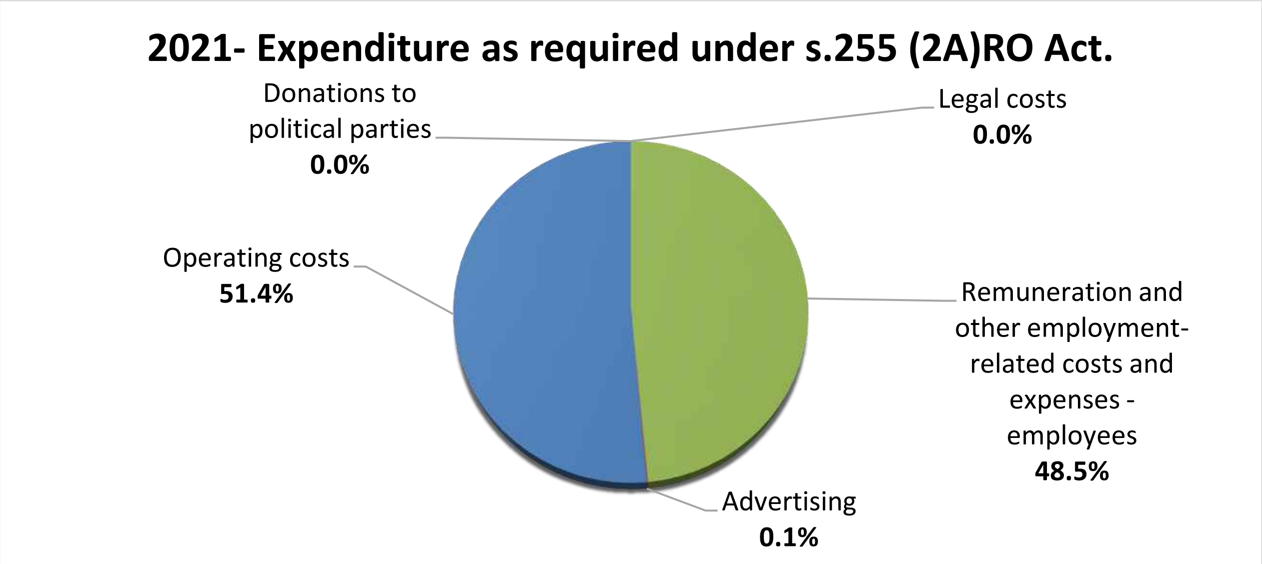
Report required under subsection 255(2A)

for the year ended 30 June 2022

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 2022.

Diagrammatic form





Signature of designated officer

Name and title of designated officer: Nicole Sheffield, ARA President

Dated: 9 November 2022

Operating report

for the year ended 30 June 2022

The committee of management presents its operating report on the Australian Retailers Association (ARA) for the year ended 30 June 2022.

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 largest and most diverse peak body, advocating for the retail industry that is the biggest private sector employer and representing over 120,000 shop fronts and online stores.

The principal activity of the ARA is to be the main authority and voice in the retail sector. We remain committed to creating the right environment, driving change and building the skills for the future to allow retail to thrive.

The ARA continues to support our members through advocacy efforts on relevant issues as well as providing industry research and insights. Our members have access to employment relations advice, legal, tenancy, insurance and bespoke services. Our member offer also extends industry education and networking opportunities through our member eventing program.

The ARA's Retail Institute (Registered Training Organisation) continues to serve the retail sector through providing education and addressing professional development needs for the industry. The Retail Institute specialises in education on a broad range of topics comprising of retail buying, financials, visual merchandising, marketing, operations, sales and service. In FY22 the ARA delivered retail education and training services to 1,652 students.

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 ARA at any time should they have any concerns regarding service 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 7,102 financial members as of 30 June 2022

Number of employees

The total number of staff employed by the Association as of 30 June 2022 was, made up of the following:

Full Time: 31 (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
Nicole Sheffield	Councillor/President	16-Jul-21	
Stephen Plarre	Councillor/Secretary	28-Apr-15	
Drew Meads	Councillor/Treasurer	9-May-19	
Stephen Younane	Councillor/Vice President	9-May-19	
Ralph Edwards	Councillor	28-Apr-15	
Rowan Hodge	Councillor	28-Apr-17	
Jack Gance	Councillor	9-May-19	
Erica Berchtold	Councillor	16-Jul-21	
Charles Davey	Councillor	9-May-19	4-Aug-21
Greg Leslie	Councillor	9-May-19	23-Oct-21
Sarah Hunter	Councillor	16-Jul-21	
Jane McNally	Councillor	16-Jul-21	
Sharon Beaumont	Councillor	16-Jul-21	
Josephine Barbaro	Councillor	23-Feb-22	
Krista Diez-Simson	Councillor	23-Feb-22	

Signature of designated officer:

Name and title of designated officer: Nicole Sheffield, ARA President

Dated: 9 November 2022

The Australian Retailers Association

Committee of management statement

for the year ended 30 June 2022

On 09 November 2022, 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 2022:

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 reporting unit for the financial year to which they relate;

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

e) during the financial year to which the GPFR relates and since the end of that year:

   i. meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and

   ii. the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and

   iii. the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and

   iv. where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and

   v. where information has been sought in any request by a member of the reporting unit or 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: NSheffield

Name and title of designated officer: Nicole Sheffield, ARA President

Dated: 9 November 2022

The Australian Retailers Association

Statement of comprehensive income

for the year ended 30 June 2022

	Notes	2022 $	2021 $
Revenue from contracts with customers	3		
Membership subscriptions		**4,041,480**	3,026,784
Capitation fees and other revenue from another reporting unit	3A	**-**	-
Levies	3B	**-**	-
Fees for services	3C	**268,270**	697,717
Advertising & sponsorship revenue		**1,536,712**	609,806
Retail Institute Training Income		**3,074,826**	3,392,841
Total revenue from contracts with customers		**8,921,289**	7,727,148
Income for furthering objectives	3		
Grants and/or donations	3D	**-**	279,500
Total income for furthering objectives		**-**	279,500
Other income			
Net gains from sale of assets	3E	**-**	2,649
Investment income	3F	**46,198**	28,534
Other income	3G	**59,575**	125,568
Total other income		**105,773**	156,751
Total income		**9,027,061**	8,163,399
Expenses			
Employee expenses	4A	**4,938,351**	3,863,460
Cost of goods sold	4B	**2,450,586**	2,863,154
Capitation fees and other expense to another reporting unit	4C	**-**	-
Affiliation fees	4D	**58,468**	68,108
Administration expenses	4E	**883,550**	921,291
Grants or donations	4F	**-**	-
Depreciation and amortisation	4G	**198,530**	191,748
Finance costs	4H	**25,666**	33,799
Legal costs	4I	**6,000**	1,520
Write-down and impairment of assets	4J	**-**	-
Audit fees	14	22,000	20,000
Total expenses		**8,583,150**	7,963,080
Surplus (deficit) for the year		**443,911**	200,319

The Australian Retailers Association

Statement of financial position

as at 30 June 2022

	Notes	**2022**	2021
		$	$
ASSETS			
Current assets			
Cash and cash equivalents	5A	**5,193,001**	3,837,336
Trade and other receivables	5B	**490,429**	204,258
Contract assets	5B	**138,510**	212,686
Other current assets	5C	**269,459**	101,479
Total current assets		**6,091,398**	4,355,759
Non-current assets			
Property, plant and equipment	6A	**26,721**	27,518
Right-of-use assets	6B	**348,065**	529,664
Other financial assets	6C	**72,886**	95,886
Other non-current assets	6D	**223,649**	-
Total non-current assets		**671,321**	653,068
Total assets		**6,762,719**	5,008,827
LIABILITIES			
Current liabilities			
Trade payables	7A	**835,103**	513,223
Other payables	7B	**634,980**	425,323
Employee provisions	8A	**296,563**	500,174
Contract liabilities	5B	**4,506,930**	3,340,087
Lease liabilities	6B	**190,142**	181,640
Total current liabilities		**6,463,718**	4,960,447
Non-current liabilities			
Employee provisions	8A	**31,303**	34,449
Contract liabilities	5B	**-**	-
Lease liabilities	6B	**182,140**	372,283
Total non-current liabilities		**213,443**	406,732
Total liabilities		**6,677,161**	5,367,179
Net assets		**85,559**	-358,352
EQUITY			
General fund/retained earnings		**85,559**	-358,352
Other funds	10A	**-**	-
Reserves		**-**	-
Total equity		**85,559**	-358,352

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

The Australian Retailers Association

Statement of changes in equity

for the year ended 30 June 2022

	Notes	General funds / retained earnings $	Other funds $	Reserves $	Total equity $
Balance as at 1 July 2020		**-558,672**	-	-	**-558,672**
Adjustment for errors		**-**	-	-	-
Adjustment for changes in accounting policies		-	-	-	-
Adjusted Balance as at 1 July 2020					
Surplus / (deficit)		200,320	-	-	**200,320**
Other comprehensive income		-	-	-	-
Transfer from retained earnings		-	-	-	-
Closing balance as at 30 June 2021		**-358,352**	-	-	**-358,352**
Surplus / (deficit)		443,911	-	-	**443,911**
Other comprehensive income		-	-	-	-
Transfer from retained earnings		-	-	-	-
Closing balance as at 30 June 2022		**85,559**	-	-	**85,559**

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

The Australian Retailers Association

Statement of cash flows

for the year ended 30 June 2022

	Notes	2022 $	2021 $
OPERATING ACTIVITIES			
Cash received			
Receipts from customers		**10,718,894**	9,916,400
Donations and Grants		**-**	303,000
Receipts from other reporting unit/controlled entity(s)	11B	**-**	-
Interest		**46,191**	28,410
Other		**65,600**	53,712
Cash used			
Employees		**-4,922,172**	-3,487,854
Suppliers		**-4,339,325**	-4,912,581
Payment to other reporting units/controlled entity(s)	11B	**-**	-
Net cash from (used by) operating activities	11A	**1,569,188**	1,901,087
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		**-17,749**	-23,737
Purchase of land and buildings		**-**	-
Other		**-**	-
Net cash from (used by) investing activities		**-17,749**	-10,936
FINANCING ACTIVITIES			
Cash received			
Contributed funds		**-**	-
Other		**-**	-
Cash used			
Repayment of lease liabilities	6B	**-195,774**	-192,880
Other		**-**	-
Net cash from (used by) financing activities		**-195,774**	-192,880
Net increase (decrease) in cash held		**1,355,665**	1,697,271
Cash & cash equivalents at the beginning of the reporting period		**3,837,337**	2,140,066
Cash & cash equivalents at the end of the reporting period	5A	**5,193,001**	3,837,337

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, except for cash flow information, have been prepared using the accrual basis of accounting. The financial statements have been prepared on a historical cost basis except for debt and equity financial assets (including derivative financial instruments) that have been measured at fair value either through other comprehensive income or profit or loss, certain classes of property, plant and equipment and investment properties, 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.

1.3 Comparative amounts

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

1.4 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.

1.5 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 amendments to accounting standards and other changes in accounting policy, which have been adopted for the first time this financial year:

- International Financial Reporting Standards Interpretations Committee (IFRS IC) agenda decision on configuration or customisation costs in cloud computing or Software-as-a-Service (SaaS) arrangements
- AASB 2021-3 Amendments to AASs – COVID-19-Related Rent Concessions beyond 30 June 2021

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

Impact on application of IFRS IC agenda decision on configuration or customisation costs in cloud computing or *SaaS arrangements*

In April 2021, the IFRS IC published an agenda decision relating to the accounting for configuration and customisation costs incurred related to a SaaS arrangement. As a result, the Australian Retailers Association has changed its accounting policy in relation to configuration and customisation costs incurred in implementing SaaS arrangements.

Impact of change in accounting policy

For the current year, $298,199 of costs that would previously have been capitalised (under the previous policy) have been accounted under prepayment to be expensed over the contract term. Cash outflows of $167,892 were included in payments to suppliers and employees in the Statement of Cash Flows that previously would have been included as payments to acquire intangible assets.
There was no need to apply the change in policy retrospectively as no SaaS implementation costs were capitalised in prior years.

Future Australian Accounting Standards

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:

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

This Standard amends AASB 101 *Presentation of Financial Statements* to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current.

The Australian Retailers Association does not expect the adoption of this amendment to have a material impact on its financial statements.

1.6 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, 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, the Australian Retailers Association 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 considerable 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 as specified in the contract.

For each performance obligation satisfied over time in accordance with the contract, the Australian Retailers 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 (i.e. the provision of the training services as specified in the contract).

If the consideration promised in a contract includes a variable amount, the Australian Retailers 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.

Advertising and Partnership

The share of revenue from Advertising and Partnership has been steadily growing over the last couple of years.

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.

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.

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 did not receive cash consideration from donations and voluntary contributions from members or government grants that would have been accounted as income upon receipt.

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 in the circumstances set up below.

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:

	2022	**2021**
Land & buildings	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

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. The Australian Retailers Association’s short-term leases are those that have a lease term of 12 months or less from commencement and its leases of low-value assets relates to leases of office equipment that are below $5,000.

1.10 Borrowing costs

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

1.11 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents include 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 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 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, 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 other comprehensive income, 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 market place (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 into 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 rate (**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.

The 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:
  a) The Australian Retailers Association has transferred substantially all the risks and rewards of the asset; or
  b) 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 (ECLs)

(i) Debt instruments other than trade receivables

The Australian Retailers Association recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the reporting unit expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages:

- For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL).

- For those credit exposures for which 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 exposure, 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 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.

(ii) Trade receivables

For trade receivables that do not have a significant financing component, the Australian Retailers Association applies a simplified approach in calculating ECLs. 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.

1.14 Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at amortised cost 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 fair value through profit or loss (including designated)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in AASB 9 *Financial Instruments* are satisfied.

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.

Land and buildings (if cost model applies)

Land and buildings are measured at cost less accumulated depreciation and impairment losses.

Land and buildings (if revaluation model applies)

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

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:

	2022	**2021**
Land & buildings	1 to 20 years	1 to 20 years
Plant and equipment	1 to 10 years	1 to 10 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 or loss.

1.18 Investment property

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

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

1.19 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. The useful life of *the Australian Retailers Association's* intangible assets are:

	2022	**2021**
Intangibles	1 to 5 years	1 to 5 years

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

SaaS arrangements

SaaS arrangements are software product offerings in which the Australian Retailers Association does not control the underlying software used in the arrangement. Where costs incurred to configure or customise a SaaS arrangement result in the creation of a resource which is identifiable, and where the Australian Retailers Association has the power to obtain the future economic benefits flowing from the underlying resource and to restrict the access of others to those benefits, such costs are recognised as a separate intangible software asset and amortised over the useful life of the software on a straight-line basis. The amortisation period is reviewed at least at the end of each reporting period and any changes are treated as changes in accounting estimates.

Where costs incurred to configure or customise do not result in the recognition of an intangible software asset, the Australian Retailers Association recognises those costs as an expense when the supplier provides the services. However, the Australian Retailers Association recognise those costs as a prepayment if, and to the extent that, the supplier performing the configuration and customisation activities is the vendor of the SaaS product (or an agent of the vendor) and those activities do not represent a distinct service in addition to the SaaS access. This is because, in that circumstance, the Australian Retailers Association cannot separately benefit from the configuration and customisation activities and instead those activities are set up activities performed by the SaaS vendor so that it can provide the SaaS access to the Australian Retailers Association.

In the process of applying the Australian Retailers Association's accounting policy on configuration and customisation of costs incurred in implementing SaaS arrangements, management has made the following judgements:

- Determining whether cloud computing arrangements contain a software licence intangible asset
    - The Australian Retailers Association evaluates cloud computing arrangements to determine if it provides a resource that the Australian Retailers Association can control. The Australian Retailers Association determines that a software licence intangible asset exists in a cloud computing arrangement when both of the following are met at the inception of the arrangement:
        - The Australian Retailers Association has the contractual right to take possession of the software during the hosting period without significant penalty.
        - It is feasible for the Australian Retailers Association to run the software on its own hardware or contract with another party unrelated to the supplier to host the software.
- Capitalisation of configuration and customisation costs in SaaS arrangements
    - Where the Australian Retailers Association incurs costs to configure or customise SaaS arrangements and such costs are considered to enhance on-premise software that belongs to the Australian Retailers Association or to provide code that can be used by the Australian Retailers Association in other arrangements, the Australian Retailers Association applies judgement to assess whether such costs result in the creation of an intangible asset that meets the definition and recognition criteria in AASB 138 *Intangible Assets* (AASB 138).

For the year ended 30 June 2022, no costs were incurred (2021, $0) in implementing SaaS arrangements and therefore no intangible assets were recognised.

Also, no SaaS-related costs had been previously capitalised and amortised over its useful life.

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 or loss when the asset is derecognised.

1.20 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 the 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 recoverable amount is its fair value.

In other cases, for the purposes of determining recoverable amount, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

1.21 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.

1.22 Taxation

The Australian Retailers Association is exempt from income tax under section 50.1 of the *Income Tax Assessment Act 1997* however still has an 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 (**ATO**); 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 ATO is classified within operating cash flows.

1.23 Fair value measurement

The Australian Retailers Association measures financial instruments, such as, financial assets as at fair value through profit or loss, financial assets at fair value through other comprehensive income, 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 *Financial assets and liabilities*.

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.

1.24 Inventory

Raw materials and stores, work in progress and finished goods

The Australian Retailers Association does not hold raw material, work in progress and finished goods inventories.

Inventories held for distribution

The Australian Retailers Association does not hold inventories for distribution in the future for no or nominal consideration.

Donated inventory

Where the Australian Retailers Association has acquired inventories for consideration that is significantly less than fair value principally to enable the Australian Retailers Association to further its objectives, the Australian Retailers Association initially measures the cost of those inventories at current replacement cost. The Australian Retailers Association has elected to recognise those inventories acquired based on an assessment of the materiality of the individual items.

The difference between the consideration paid by the Australian Retailers Association to acquire the inventories and its current replacement cost is recognised as income in accordance with the accounting policy for other income of a not-for-profit entity (see section 1.9)

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

	2022	2021
	$	$

Disaggregation of revenue from contracts with customers
A disaggregation of the Australian Retailers Association's revenue by type of arrangement 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:

	2022 $	2021 $
Type of customer		
Members	**4,041,480**	3,026,784
Retail Institute	**3,074,826**	3,392,841
Partners and Sponsors	**1,536,712**	609,806
Other parties	**374,043**	1,133,968
Total revenue from contracts with customers	**9,027,061**	8,163,399

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:

	2022 $	2021 $
Income funding sources		
Members	**4,041,480**	3,026,784
Government	**3,074,826**	3,967,408
Other parties	**1,910,755**	1,169,208
Total income for furthering activities	**9,027,061**	8,163,399

	2022	2021
	$	$

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

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

Note 3B: Levies

	-	-
Total levies	**-**	-

Note: 3C: Fees for services

Special Projects	**247,425**	683,490
Consulting	**13,345**	14,227
Total fees for services	**260,770**	697,717

Note 3D: Grants and/or donations

Jobkeeper Payments	**-**	229,500
Cash Flow Boost Payment	**-**	50,000
Grants	**-**	-
Donations	**-**	-
Total grants and donations	**-**	279,500

	2022 $	2021 $

Note 3E: Net gains from sale of assets

	2022 $	2021 $
Land and buildings	-	-
Plant and equipment	-	2,649
Intangibles	-	-
Other	-	-
Total net gain from sale of assets	-	2,649

Note 3F: Investment income

	2022 $	2021 $
Interest		
Deposits	**46,198**	28,534
Loans		
Debt instruments at fair value through other comprehensive income	-	-
Dividends	-	-
Total investment income	**46,198**	28,534

Note 3G: Other income

	2022 $	2021 $
Commissions received	**59,575**	60,959
Merchandise	-	159
Equity distribution from HBIA liquidation	-	64,450
Project income	-	-
Total revenue from other income	**59,575**	125,568

Note 3H: Revenue from recovery of wages activity*

	2022 $	2021 $
Amounts recovered from employers in respect of wages	-	-
Interest received on recovered money	-	-
Total revenue from recovery of wages activity	-	-

	2022	2021
	$	$

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	**4,247,953**	3,372,228
Superannuation	**363,302**	259,186
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	**327,096**	232,045
Subtotal employee expenses employees other than office holders	**4,938,351**	3,863,459
Total employee expenses	**4,938,351**	3,863,459

Note 4B: Cost of goods sold

Retail Institute training expenses	**1,316,984**	1,568,726
Outsourced services cost	**788,580**	761,000
Project Management cost	**223,581**	423,504
Partnership & Advertising cost of sales	**121,441**	109,924
Total cost of goods sold	**2,450,586**	2,863,154

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

Capitation fees		
	-	-
Subtotal capitation fees	-	-
Other expense to another reporting unit		
N/A	-	-
Subtotal other expense to another reporting unit	-	-
Total capitation fees and other expense to another reporting unit	-	-

	2022	2021
	$	$

Note 4D: Affiliation fees

	2022	2021
Newspapers	**2,031**	1,347
Subscriptions	**56,437**	66,058
Membership Expense	**-**	703
Total affiliation fees/subscriptions	**58,468**	68,108

Note 4E: Administration expenses

	2022	2021
Total paid to employers for payroll deductions of membership subscriptions	**-**	-
Property expenses	**63,148**	64,783
Office expenses	**87,391**	99,651
Information communications technology	**243,886**	204,097
Marketing and Promotion expenses	**73,464**	45,637
Travel expenses	**58,188**	18,742
Consultancy costs	**285,449**	415,490
Other	**40,587**	33,456
Subtotal administration expense	**852,115**	**881,856**
Operating lease rentals:		
Minimum lease payments	**31,435**	39,435
Total administration expenses	**883,549**	**921,291**

Note 4F: Grants or donations*

	2022	2021
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	**-**	-

	2022	2021
	$	$

Note 4G: Depreciation and amortisation

	2022 $	2021 $
Depreciation		
Land & buildings	-	-
Property, plant and equipment	16,932	10,150
Total depreciation	**16,932**	10,150
Amortisation		
Right-of-use lease asset	181,598	181,598
Intangibles	-	-
Total amortisation	**181,598**	181,598
Total depreciation and amortisation	**198,530**	191,748

Note 4H: Finance costs

	2022 $	2021 $
Imputed Interests costs on lease liability	14,134	14,351
Merchant and bank fees	11,532	19,448
Unwinding of discount	-	-
Total finance costs	**25,666**	33,799

Note 4I: Legal costs

	2022 $	2021 $
Litigation	-	-
Other legal costs	6,000	1,520
Total legal costs	**6,000**	1,520

Note 4J: Write-down and impairment of assets

	2022 $	2021 $
Asset write-downs and impairments of:		
Land and buildings	-	-
Plant and equipment	-	-
Intangible assets	-	-
Other	-	-
Total write-down and impairment of assets	-	-

	2022	2021
	$	$

Note 5 Current Assets

Note 5A: Cash and cash equivalents

Cash at bank	**5,193,001**	3,837,336
Cash on hand	**-**	-
Short term deposits	**-**	-
Other	**-**	-
Total cash and cash equivalents	**5,193,001**	3,837,336

Note 5B: Trade and other receivables

Receivables from other reporting unit(s)*		
N/A	**-**	-
Total receivables from other reporting unit(s)	**-**	-
Less allowance for expected credit losses*		
N/A	**-**	-
Total allowance for expected credit losses	**-**	-
Receivable from other reporting unit(s) (net)	**-**	-
Other receivables:		
GST receivable	**-**	-
Other	**494,349**	206,129
Allowance for expected credit losses	**-3,920**	-1,871
Total other receivables	**490,429**	204,258
Total trade and other receivables (net)	**490,429**	204,258

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

At 1 July	**-1,871**	-6,469
Provision for expected credit losses	**-8,500**	-9,000
Write-off	**6,451**	13,598
At 30 June	**-3,920**	-1,871

	2022	2021
	$	$

Note 5B: Trade and other receivables (continued)

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

Receivables	**490,429**	**204,258**
Receivables – current	490,429	204,258
Receivables – non-current	-	-
Contract assets	**138,510**	**212,686**
Contract assets (accrued income)– current	138,510	212,686
Contract assets (accrued income)– non-current	-	-
Other contract liabilities	**4,506,930**	**3,340,087**
Contract liabilities (income in advance)– current	4,506,930	3,340,087
Contract liabilities (income in advance)– non-current	-	-

The significant changes between opening and closing balances of contract assets primarily relates to lower accrual of income compared to last year.

The significant changes between opening and closing balances of contract liabilities primarily relates to higher cash collections from membership received in FY22 compared to last year.

Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period was 3,340,087.

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 2022 is $4,506,930. 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 membership fees received in advance and advance payments made by partners for sponsorship and advertising as per the service agreements. There is no revenue expected to be recognised beyond one year.

	2022	2021
	$	$

Note 5C: Other current assets

	2022	2021
Stock	**9,275**	14,594
Prepayments	**255,573**	69,783
Deposit- Bank guarantee Sydney office	**-**	9,326
Undeposited Funds	**6,595**	1,241
Sundry Debtors and others	**-1,984**	6,535
Total other current assets	**269,459**	101,479

Note 6 Non-current Assets

Note 6A: Property, Plant and Equipment

2022

	Land	Buildings	Plant and Equipment	Total
	$	$	$	$
Property, Plant and Equipment:				
carrying amount	-	-	56,988	56,988
accumulated depreciation	-	-	30,267	30,267
Total Property, Plant and Equipment	**-**	**-**	**26,721**	**26,721**

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

Net book value 1 July 2021	-	-	27,518	27,518
Additions:				
By purchase	-	-	**16,134**	**16,134**
Revaluations	-	-	-	-
Impairments	-	-	-	-
Depreciation expense	-	-	-16,932	-16,932
Other movement [*give details below*]	-	-	-	-
Disposals:				
[*list method*]	-	-	-	-
Other	-	-	-	-
Net book value 30 June 2022	**-**	**-**	**26,721**	**26,721**
Net book value as of 30 June 2022 represented by:				
Gross book value	-	-	56,988	56,988
Accumulated depreciation and impairment	-	-	30,267	30,267
Net book value 30 June 2022	**-**	**-**	**26,721**	**26,721**

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

2021

	Land	Buildings	Plant and Equipment	Total
	$	**$**	**$**	**$**
Property, Plant and Equipment:				
carrying 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

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:				
Sale of Motor Vehicle	-	-	-8,988	-8,988
Other	-	-	-	-
Net book value 30 June 2021	**-**	**-**	**27,518**	**27,518**
Net book value as of 30 June 2020 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**

	2022	2021
	$	$

Note 6B: 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 2020	**711,262**	**711,262**
Additions	-	-
Depreciation expense	-181,598	-181,598
Impairment	-	-
Disposal	-	-
Other movement	-	-
As at 1 July 2021	529,664	529,664
Additions	-	-
Depreciation expense	-181,598	-181,598
Impairment	-	-
Disposal	-	-
Other movement	-	-
As at 30 June 2022	**348,065**	**348,065**

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	**553,922**	727,354
Additions	**-**	**-**
Accretion of interest	**14,134**	19,449
Payments	**-181,640**	-192,880
As at 30 June	**372,282**	553,923

The following are the amounts recognised in profit or loss:

Depreciation expense of right-of-use assets	181,598	181,598
Interest expense on lease liabilities	14,134	14,351
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	**195,732**	195,949

Note 6B: Leases (continued)

The following provides information on the Australian Retailers Association's variable lease payments, including the magnitude in relation to fixed payments:

	Fixed payments	Variable payments	Total
	$	$	$
2022			
Fixed rent	195,774	-	**195,774**
Variable rent with minimum payment	-	-	**-**
Variable rent only	-	-	**-**
	195,774	**-**	**195,774**
2021			
Fixed rent	192,880	-	**192,880**
Variable rent with minimum payment	-	-	**-**
Variable rent only	-	-	**-**
	192,880	**-**	**192,880**

The Australian Retailers Association has not variable lease payments.

The ARA current lease agreement does not provide option for further extension of the lease. Furthermore, the ARA does not intend to extend the current lease beyond the expiry date.

	Within five years	More than five years	Total
	$	$	$
2022			
Extension options expected not to be exercised	-	-	-
Termination options expected to be exercised	-	-	-
	-	**-**	**-**
2021			
Extension options expected not to be exercised	-	-	-
Termination options expected to be exercised	-	-	-
	-	**-**	**-**

Note 6B: Leases (continued)

The Australian Retailers Association as a lessor

The Australian Retailers Association does not provide any leasing services

	2022	2021
	$	$
Note 6C Other financial assets		
Financial assets designated at fair value through other comprehensive income		
Non-listed equity investments		
Deposit (Bank guarantee – Melbourne office)	**72,886**	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	**72,886**	95,886

Note 6D: Other non-current assets

Loan to a related party	**-**	-
Prepayments	**223,649**	-
Other	**-**	-
Total other non-current assets	**223,649**	-

The movement in the allowance for expected credit losses of the loan to a related party is as follows:

At 1 July	**-**	-
Provision for expected credit losses	**-**	-
Write-off	**-**	-
At 30 June	**-**	-

Note 7 Current Liabilities

	2022	2021
	$	$

Note 7A: Trade payables

	2022	2021
Trade creditors	**835,103**	513,223
	-	-
Subtotal trade creditors	**835,103**	513,223
Payables to other reporting unit(s)		
[	**-**	-
Subtotal payables to other reporting unit(s)	**-**	-
Total trade payables	**835,103**	513,223

Settlement is usually made within 30 days.

Note 7B: Other payables

	2022	2021
Wages and salaries	**-103,982**	-107,106
Superannuation	**76,070**	75,903
Payable to employers for making payroll deductions of membership subscriptions	**-**	-
Legal costs		
Litigation	**-**	-
Other legal costs	**-**	-
Accrued Expenses	**699,301**	483,342
GST payable	**-**	-
PAYG withholding	**-42,332**	-41,185
Other	**5,923**	14,371
Total other payables	**634,980**	425,325
Total other payables are expected to be settled in:		
No more than 12 months	**634,980**	425,323
More than 12 months	**-**	-
Total other payables	**634,980**	425,323

	2022	2021
	$	$

Note 8 Provisions

Note 8A: Employee provisions

Office holders:		
Annual leave	**-**	-
Long service leave	**-**	-
Separations and redundancies	**-**	-
Other	**-**	-
Subtotal employee provisions—office holders	**-**	-
Employees other than office holders:		
Annual leave	**194,991**	330,480
Long service leave - Current	**101,572**	169,694
Long service leave - Non-Current	**31,303**	34,449
Separations and redundancies	**-**	-
Other	**-**	-
Subtotal employee provisions—employees other than office holders	**327,866**	534,623
Total employee provisions	**327,866**	**534,623**
Current	**296,563**	500,174
Non-current	**31,303**	34,449
Total employee provisions	**327,866**	534,623

Note 9 Non-current Liabilities

Note 9A: Other non-current liabilities

Employee provisions	**31,303**	34,449
Lease liabilities	**182,140**	372,283
Total other non-current liabilities	**213,443**	406,732

	2022	2021
	$	$

Note 10 Other funds

Note 10A: Other funds

Compulsory levy/voluntary contribution fund

	2022	2021
Balance as at start of year	-	-
Transferred to fund, account or controlled entity	-	-
Transferred out of fund, account or controlled entity	-	-
Balance as at end of year	-	-
Total compulsory levy/voluntary contribution fund	-	-

Other fund(s) required by rules

	2022	2021
Balance as at start of year	-	-
Transferred to reserve	-	-
Transferred out of reserve	-	-
Balance as at end of year	-	-

Investment in asset(s)

N/A

	2022	2021
Value of asset(s)	-	-

	2022 $	2021 $

Note 11 Cash Flow Note 11A: Cash flow reconciliation

Reconciliation of cash and cash equivalents as per statement of financial position to statement of cash flow:

	2022 $	2021 $
Cash and cash equivalents as per:		
Statement of cash flow	**5,193,001**	3,837,336
Statement of financial position	**5,193,001**	3,837,336
Difference	**-**	-

	2022 $	2021 $
Reconciliation of Surplus/(deficit) to net cash from operating activities:		
Surplus/(deficit) for the year	**443,911**	200,320
Adjustments for non-cash items		
Depreciation/amortisation	**198,530**	191,748
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	**-286,171**	-103,961
(Increase)/decrease in other current assets	**-103,080**	-37,951
Increase/(decrease) in supplier payables	**153,938**	98,220
Increase/(decrease) in other payables	**1,368,017**	1,552,711
Increase/(decrease) in employee provisions	**-205,958**	-103,961
Increase/(decrease) in other provisions	**-**	-
Net cash from (used by) operating activities	**1,569,188**	1,901,087

Note 11B: Cash flow information

	2022 $	2021 $
Cash inflows	11,055,384	10,314,323
Total cash inflows	**11,055,384**	10,314,323
Cash outflows	9,699,719	8,617,053
Total cash outflows	**9,699,719**	8,617,053

	2022 $	2021 $

Note 12 Contingent Liabilities, Assets and Commitments

Note 12A: Commitments and contingencies

The Australian Retailers Association did not have any contingent assets and or liabilities as of 30 June, 2022.

Note 13 Related Party Disclosures

Note 13A: Related party transactions for the reporting period

The Australian Retailers Association did not have related party transactions during FY22.

Note 13B: Key management personnel remuneration for the reporting period

	2022 $	2021 $
Short-term employee benefits		
Salary (including annual leave taken)	**984,852**	639,831
Annual leave accrued	**68,520**	46,857
Performance bonus	**187,500**	200,000
[*other major categories*]	**-**	-
Total short-term employee benefits	**1,240,872**	886,688
Post-employment benefits:		
Superannuation	**67,492**	44,478
Total post-employment benefits	**67,492**	44,478
Other long-term benefits:		
Long-service leave	**39,425**	14,591
Total other long-term benefits	**39,425**	14,591
Termination benefits	**-**	-
Total	**1,323,296**	**945,758**

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

	2022 $	2021 $
Loans to/from key management personnel	**-**	-
Other transactions with key management personnel	**-**	-

	2022 $	2021 $

Note 14 Remuneration of Auditors

Value of the services provided		
Financial statement audit services	**22,000**	20,000
Other services	**-**	-
Total remuneration of auditors	**22,000**	20,000

Note 15 Financial Instruments

Note 15A: Categories of Financial Instruments

Financial assets

Fair value through profit or loss:		
Deposits and cash	**5,193,001**	3,837,336
Trade and other receivables	**494,349**	206,129
Total	**5,687,350**	4,043,465
At amortised cost:		
	-	-
Total	**-**	-
Fair value through other comprehensive income		
	-	-
Total	**-**	-
Carrying amount of financial assets	**5,687,350**	4,043,465

Financial liabilities

Fair value through profit or loss:		
Trade payables and accruals	**835,103**	513,223
Other payables	**-**	-92,736
Total	**835,103**	420,487
Other financial liabilities:		
	-	-
Total	**-**	-
Carrying amount of financial liabilities	**-**	-

Note 15B: Net income and expense from financial assets

	2022	2021
	$	$
Financial assets at fair value through profit or loss		
Held for trading:		
Change in fair value	**-**	-
Interest revenue	**46,198**	28,534
Dividend revenue	**-**	-
Exchange gains/(loss)	**-**	-
Total held for trading	**46,198**	28,534
Change in fair value		
Interest revenue		
Dividend revenue	**-**	-
Exchange gains/(loss)	**-**	-
Total designated as fair value through profit or loss	**-**	-
Net gain/(loss) on financial assets at fair value through profit or loss	**46,198**	**28,534**
Financial assets at fair value through other comprehensive income		
Interest revenue	**-**	-
Exchange gains/(loss)	**-**	-
Impairment	**-**	-
Gain/(loss) on disposal	**-**	-
Total financial assets at fair value through other comprehensive income	**-**	-
Net income/(expense) from financial assets	**-**	-

Note 15C: Net income and expense from financial liabilities

At amortised cost		
Interest expense	**-25,666**	-33,799
Exchange gains/(loss)	**-**	-
Gain/loss on disposal	**-**	-
Net gain/(loss) financial liabilities - at amortised cost	**-25,666**	-33,799
Fair value through profit or loss		
Held for trading:		
Change in fair value	**-**	-
Interest expense	**-**	-
Exchange gains/(loss)	**-**	-
Total held for trading	**-**	-
Designated as fair value through profit or loss:		
Change in fair value	**-**	-
Interest expense	**-**	-
Total designated as fair value through profit or loss	**-**	-
Net gain/(loss) at fair value through profit or loss	**-**	-
Net gain/(loss) from financial liabilities	**-25,666**	-33,799

Note 15D: Credit risk

The following table illustrates the entity's gross exposure to credit risk, excluding any collateral or credit enhancements.

	2022	2021
	$	$
Financial assets		
Cash	**5,193,001**	3,837,336
Trade and other receivables	**494,349**	206,129
Total	**5,687,350**	4,043,465
Financial liabilities		
Other	**-**	-
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 2022	**Trade and other receivables**					
	Days past due					
	Current	**<30 days**	**30-60 days**	**61-90 days**	**>91 days**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
Expected credit loss rate	-%	-%	-%	-%	-%	
Estimate total gross carrying amount at default	-	-	-	-	490,429	490,429
Expected credit loss			-	-	-	-

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	-%	-%	-%	-%	-%	
Estimate total gross carrying amount at default	7,291	133,064	472,200	2,635	14,067	204,258
Expected credit loss			-	-	-703	-703

The Australian Retailers Association's maximum exposure to credit risk for the components of the statement of financial position at 30 June 2022 and 2021 is the carrying amounts as illustrated above.

NB. Ninety percent of the outstanding balance showing as of 30 June 2022 was collected during the period July to September following the end of the financial year.

Note 15E: Liquidity risk

Contractual maturities for financial liabilities 2022

	On Demand	< 1 year $	1– 2 years $	2– 5 years $	>5 years $	Total $
Trade and other payables		**835,103**				**835,103**
Other payables	-	-	-	-	-	-
Total	-	**835,103**	-	-	-	**835,103**

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
Other payables	-	- 92,736	-	-	-	- 92,736
Total	-	420,487	-	-	-	420,487

Lease liability maturities for 2022

	On Demand	< 1 year $	1– 2 years $	2– 5 years $	>5 years $	Total $
Office Lease	-	**190,142**	**182,140**	-	-	**372,282**
Total	-	**190,142**	**182,140**	-	-	**372,282**

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

Note 15F: Market risk

As at 30 June 2022 or throughout the financial year the Association had no material exposure to changes to any market risk, including interest rate risk (2021: no material risk).

Interest rate risk

The Australian Retailer Association doesn’t carry any loans and therefore is not exposed to interest rate risk.

	2022	2021
	$	$

Note 15G: Asset pledged/or held as collateral

	2022	2021
Assets pledged as collateral		
Financial assets pledged as collateral:		
	-	-
Total assets pledged as collateral	**-**	-
[terms and conditions related to pledge]		
Assets held as collateral		
Fair value of assets held as collateral:		
Financial assets	**-**	-
Non-financial assets	**-**	-
Total assets held as collateral	**-**	-

Note 15H: Changes in liabilities arising from financing activities

	1 July 2021	**Cash flows**	**Reclassified as part of disposal group**	**Foreign exchange movement**	**Changes in fair values**	**New Leases**	**Other**	**30 June 2022**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Current interest-bearing loans and borrowings	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Non-current interest-bearing loans and borrowings – Office Lease	**553,922**	**-195,774**	**-**	**-**	**-**	**-**	**14,134**	**372,282**
Dividends Payable	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total liabilities from financing activities	**553,922**	**-195,774**	**-**	**-**	**-**	**-**	**14,134**	**372,282**

	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	-	-	-	-	-	-	-	-
Non-current interest-bearing loans and borrowings – Office Lease	**727,353**	**- 192,880**	-	-	-	-	**19,448**	**553,921**
Dividends Payable	-	-	-	-	-	-	-	-
Total liabilities from financing activities	**727,353**	**- 192,880**	-	-	-	-	**19,448**	**553,921**

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, 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

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 2022 was assessed to be insignificant.
- Fair value of equity securities 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 2022, 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 2022 $	**Fair value 2022 $**	Carrying amount 2021 $	Fair value 2021 $
Financial assets				
Cash	**5,193,001**	**5,193,001**	3,837,336	3,837,336
Trade and other receivables	**494,349**	**494,349**	206,129	206,129
Total	**5,687,350**	**5,687,350**	4,043,465	4,043,465
Financial liabilities				
Trade payables and accruals	**835,103**	**835,103**	513,233	513,233
Other payables	**-**	**-**	-92,736	-92,736
Total	**835,103**	**835,103**	420,487	420,487

Note 16B: Financial and non-financial assets and liabilities fair value hierarchy

The Australian Retailers Association did not have any financial and non-financial assets and liabilities measured by fair value hierarchy as of 20 June 2022.

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) A reporting unit must comply with an application made under subsection

Officer declaration statement

I, Nicole Sheffield being the President of the Australian Retailers Association, declare that the following activities did not occur during the reporting period ending 30 June 2022.

The Australian Retailers Association did not:

- agree to receive financial support from another reporting unit to continue as a going concern
- agree to provide financial support to another reporting unit to ensure they continue as a going concern
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive capitation fees or any other revenue amount from another reporting unit
- receive revenue via compulsory levies
- receive donations or grants
- pay capitation fees or any other expense to another reporting unit
- pay affiliation fees to other entity
- pay compulsory levies
- pay a grant that was $1,000 or less
- pay a grant that exceeded $1,000
- pay a donation that was $1,000 or less
- pay a donation that exceeded $1,000
- pay legal costs relating to other legal matters
- pay a penalty imposed under the RO Act or the *Fair Work Act 2009*
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- have a balance within the general fund
- provide cash flows to another reporting unit and/or controlled entity
- receive cash flows from another reporting unit and/or controlled entity

Signature of designated officer: NSheffield

Name and title of designated officer: Nicole Sheffield, ARA President

Dated: 9 November 2022

Appendix B - Future Australian Accounting Standards Requirements

- *AASB 2020-3 Amendments to AASs – Annual Improvements 2018–2020 and Other Amendments*
    - *Amendments to AASB 3 – Reference to the Conceptual Framework*
    - *Amendment to AASB 9 – Fees in the '10 per cent' Test for Derecognition of Financial Liabilities*
    - *Amendments to AASB 116 – Property, Plant and Equipment: Proceeds before Intended Use*
    - *Amendments to AASB 137 – Onerous Contracts – Cost of Fulfilling a Contract*
    - *Amendment to AASB 141 – Taxation in Fair Value Measurements*
- *AASB 17 Insurance Contracts*
- *AASB 2020-1 Amendments to AASs – Classification of Liabilities as Current or Non-current*
- *AASB 2021-2 Amendments to AASs – Disclosure of Accounting Policies and Definition of Accounting Estimates*
    - *Amendments to AASB 7, AASB 101, AASB 134 and AASB Practice Statement 2*
    - *Amendments to AASB 108*

Appendix C – Amendments issued and effective at the reporting date

AASB 2021-3 *Amendments to AASs – COVID-19-Related Rent Concessions beyond 30 June 2021*

This amendment provides 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, if the change were not a lease modification

The amendment was intended to apply until 30 June 2021, but as the impact of the Covid-19 pandemic is continuing, on 31 March 2021, the period of application of the practical expedient was extended to 30 June 2022.The amendment applies to annual reporting periods beginning on or after 1 April 2021.

The amendments are not expected to have a material impact on the Australian Retailers Association.