



Fair Work  
Commission

16 January 2024

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

Dear Nicole Sheffield

**The Australian Retailers Association  
Financial Report for the year ended 30 June 2023 – (FR2023/27)**

I acknowledge receipt of the financial report for the year ended 30 June 2023 for the Australian Retailers Association. The documents were lodged with the Fair Work Commission (the Commission) on 15 December 2023.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

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

Please note that the financial report for the year ending 30 June 2024 may be subject to an advanced compliance review.

**Reporting Requirements**

The Commission's 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 Commission 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 is available via [this link](#).

If you have any queries regarding this letter, please call 1300 341 665 or email [regorgs@fwc.gov.au](mailto:regorgs@fwc.gov.au).

Yours sincerely

**Fair Work Commission**

**Australian Retailers Association**

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

**Certificate by prescribed designated officer.**

Certificate for the year ended 30 June 2023

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 **13/11/2023**; and
- that the full report was presented to a general meeting of the Australian Retailers Association on **07/12/2023** 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: **14/12/2023**

**Australian Retailers Association**

**Financial Statements**

**2022 -2023**

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## Financial Statements 2022–23

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## **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 2023, 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 2023, 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 2023 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.

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](http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf)

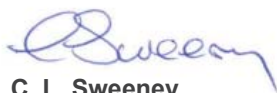
This description forms part of our independent auditor's report.

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



**William Buck Audit (Vic) Pty Ltd**

ABN 59 116 151 136



**C. L. Sweeney**

Director

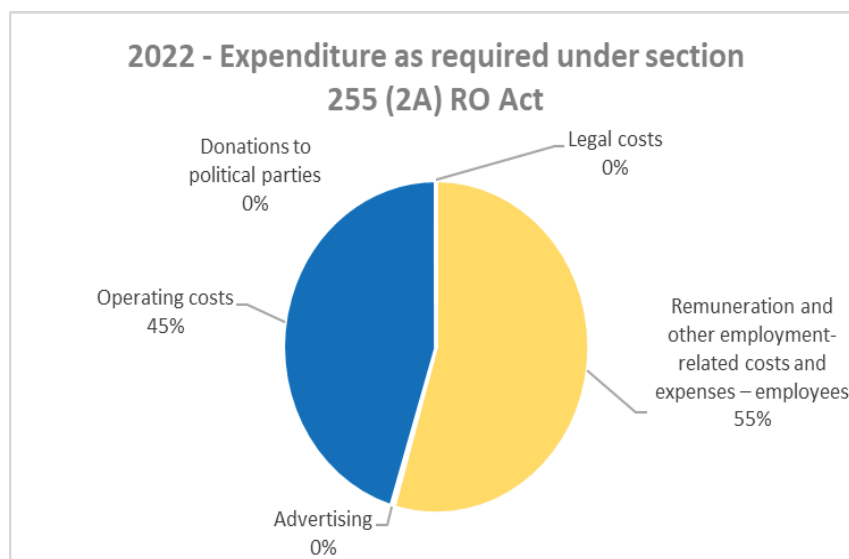
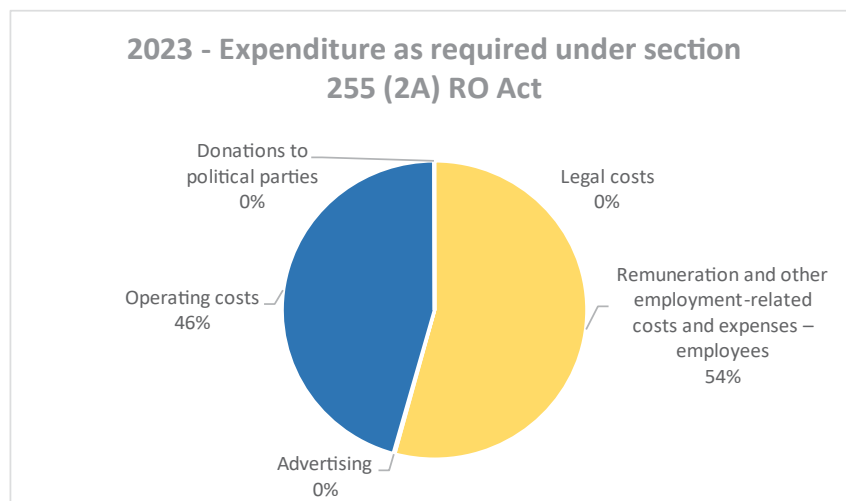
Registration number (as registered by the Commissioner under the RO Act): AA2021/24

Melbourne, 10 November 2023

## Report required under subsection 255(2A)

for the year ended 30 June 2023

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 2023.



Signature of designated officer:

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

Dated: 9 November 2023

## Operating report

*for the year ended 30 June 2023*

The committee of management presents its operating report on the Australian Retailers Association for the year ended 30 June 2023.

### **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 FY23 the ARA delivered retail education and training services to 1,055 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 8,069 financial members as of 30 June 2023

#### **Number of employees**

The total number of staff employed by the Association as of 30 June 2023 was, made up of the following:

Full Time: 33 (FTE)

Casual: 0

Part Time: 2

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

<b>Name</b>	<b>Position</b>	<b>Date Appointed</b>	<b>Date Resigned</b>
Nicole Sheffield	Councillor/President	16-Jul-21	
Stephen Plarre	Councillor/Secretary	28-Apr-15	3-May-23
Drew Meads	Councillor/Treasurer	9-May-19	
Stephen Younane	Councillor/Vice President	9-May-19	
Ralph Edwards	Councillor	28-Apr-15	3-May-23
Rowan Hodge	Councillor	28-Apr-17	3-May-23
Jack Gance	Councillor	9-May-19	
Erica Berchtold	Councillor	16-Jul-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	
Sally Glover	Councillor/Secretary	3-May-23	

Name	Position	Date Appointed	Date Resigned
Maria McCarthy	Councillor	3-May-23	
Tanya Tindall	Councillor	3-May-23	
Gavin Carter	Councillor	3-May-23	

Signature of designated officer:



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

Dated: 9 November 2023

## Committee of management statement


*for the year ended 30 June 2023*

On 8 November 2023, 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 2023.

The Australian Retailers Association Committee declares that in its opinion:

- a. the financial statements and notes comply with the Australian Accounting Standards;
- b. the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);
- c. the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Australian Retailers Association for the financial year to which they relate;
- d. there are reasonable grounds to believe that the Australian Retailers Association will be able to pay its debts as and when they become due and payable; and
- e. during the financial year to which the GPFR relates and since the end of that year:
  - i. meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
  - ii. the financial affairs of the Australian Retailers Association have been managed in accordance with the rules of the organisation including the rules of a branch concerned;
  - iii. the financial records of the Australian Retailers Association have been kept and maintained in accordance with the RO Act; and
  - iv. where the organisation consists of two or more reporting units, the financial records of the reporting units have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
  - v. where information has been sought in any request by a member of the Australian Retailers Association or the General Manager duly made under section 272 of the RO Act, that information has been provided to the member or the General Manager; 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: 

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

Dated: 9 November 2023

## Statement of comprehensive income

for the year ended 30 June 2023

	Notes	2023 \$	2022 \$
<b>Revenue from contracts with customers</b>	3		
Membership subscriptions		4,376,305	4,041,480
Capitation fees and other revenue from another reporting unit	3A	-	-
Levies	3B	-	-
Fees for services		434,719	268,270
Advertising & sponsorship revenue		2,757,195	1,536,712
RTO Training Income		1,862,016	3,074,826
Revenue from recovery of wages activity	3E	-	-
<b>Total revenue from contracts with customers</b>		<b>9,430,235</b>	<b>8,921,289</b>
<b>Income for furthering objectives</b>			
Grants and/or donations	3C	-	-
Income recognised from transfers	3D	-	-
<b>Total income for furthering objectives</b>		<b>-</b>	<b>-</b>
<b>Other income</b>			
Investment income	3F	101,822	46,198
Other income	3G	115,060	59,603
Share of net profit from associate		-	-
<b>Total other income</b>		<b>216,882</b>	<b>105,773</b>
<b>Total income</b>		<b>9,647,117</b>	<b>9,027,061</b>
<b>Expenses</b>			
Employee expenses	4A	4,977,554	4,938,351
Cost of goods sold		3,002,002	2,450,586
Capitation fees and other expense to another reporting unit	4B	-	-
Affiliation fees	4C	88,377	58,468
Administration expenses	4D	857,268	883,550
Grants or donations	4E	-	-
Depreciation and amortisation	4F	199,201	198,530
Finance costs	4G	26,293	25,666
Legal costs	4H	3,335	6,000
Audit fees	14	27,000	22,000
Share of net loss from associate		-	-
<b>Total expenses</b>		<b>9,181,031</b>	<b>8,583,150</b>
<b>Surplus (deficit) for the year</b>		<b>466,086</b>	<b>443,939</b>

## Statement of comprehensive income (continued)

Other comprehensive income

*for the year ended 30 June 2023*

	2023	2022
	\$	\$
<b>Other comprehensive income</b>		
Items that will not be subsequently reclassified to profit or loss		
Gain/(loss) on revaluation of land & buildings	-	-
<b>Total comprehensive income for the year</b>	<b>466,086</b>	<b>443,939</b>

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

## Statement of financial position

as at 30 June 2023

	Notes	2023 \$	2022 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	5A	5,913,473	5,193,001
Trade and other receivables	5B	1,035,815	490,457
Contract assets	5B	31,802	138,510
Other current assets	5C	196,376	269,459
<b>Total current assets</b>		<b>7,177,466</b>	<b>6,091,427</b>
<b>Non-current assets</b>			
Property, plant and equipment	6A	27,513	26,721
Right-of-use assets	6B	166,467	348,065
Other financial assets		72,886	72,886
Other non-current assets	6C	99,399	223,649
<b>Total non-current assets</b>		<b>366,265</b>	<b>671,321</b>
<b>Total assets</b>		<b>7,543,731</b>	<b>6,762,748</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade payables	7A	364,482	835,103
Other payables	7B	1,181,967	634,980
Employee provisions	8A	213,016	296,563
Contract liabilities	5B	4,986,957	4,506,930
Lease liabilities	6B	182,140	190,142
<b>Total current liabilities</b>		<b>6,928,562</b>	<b>6,463,718</b>
<b>Non-current liabilities</b>			
Employee provisions	8A	63,496	31,303
Contract liabilities	5B	-	-
Lease liabilities	6B	-	182,140
Other non-current liabilities		-	-
<b>Total non-current liabilities</b>	9A	<b>63,496</b>	<b>213,443</b>
<b>Total liabilities</b>		<b>6,992,057</b>	<b>6,677,161</b>
<b>Net assets</b>		<b>551,673</b>	<b>85,587</b>

## Statement of financial position (continued)

as at 30 June 2023

	Notes	2023 \$	2022 \$
<b>EQUITY</b>			
General fund/retained earnings		551,673	85,587
Other funds	10A	-	-
Reserves		-	-
<b>Total equity</b>		<b>551,673</b>	<b>85,587</b>

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

## Statement of changes in equity

for the year ended 30 June 2023

	Notes	General funds / retained earnings	Other funds	Reserves	Total equity
		\$	\$	\$	\$
<b>Balance as at 1 July 2021</b>		-358,352	-	-	-358,352
Adjustment for errors		-	-	-	-
Adjustment for changes in accounting policies		-	-	-	-
<b>Adjusted Balance as at 1 July 2021</b>		-358,352	-	-	-358,352
Surplus / (deficit)		443,939	-	-	443,939
Other comprehensive income		-	-	-	-
Transfer to/from other funds	10A	-	-	-	-
Transfer from retained earnings		-	-	-	-
<b>Closing balance as at 30 June 2022</b>		<b>85,587</b>	-	-	<b>85,587</b>
					-
Surplus / (deficit)		466,086	-	-	466,086
Other comprehensive income		-	-	-	-
Transfer to/from other funds	10A	-	-	-	-
Transfer from retained earnings		-	-	-	-
<b>Closing balance as at 30 June 2023</b>		<b>551,673</b>	-	-	<b>551,673</b>

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

\*The surplus amount for FY22 has been revised up by \$28.



# Statement of cash flows

for the year ended 30 June 2023

	Notes	2023 \$	2022 \$
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Receipts from customers		10,473,372	10,718,894
Donations and Grants			-
Receipts from other reporting unit/controlled entity(s)			-
Interest		86,231	46,191
Other		96,709	65,600
<b>Cash used</b>			
Employees		-5,050,472	-4,922,172
Suppliers		-4,666,423	-4,339,325
Short term lease payments	6B	-	-
Lease payments for leases of low-value assets	6B	-	-
Variable lease payments not included in the measurement of the lease liabilities	6B	-	-
Interest payments and other finance costs	6B	-	-
Payment to other reporting units/controlled entity(s)		-	-
<b>Net cash from (used by) operating activities</b>	11A	<b>939,417</b>	<b>1,569,188</b>
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from sale of plant and equipment		-	-
Proceeds from sale of land and buildings		-	-
Other		-	-
<b>Cash used</b>			
Purchase of plant and equipment		-20,235	-17,749
Purchase of land and buildings		-	-
Other		-	-
<b>Net cash from (used by) investing activities</b>		<b>-20,234</b>	<b>-17,749</b>
<b>FINANCING ACTIVITIES</b>			
<b>Cash received</b>			
Contributed funds		-	-
Other		-	-
<b>Cash used</b>			
Repayment of lease liabilities	6B	-198,710	-195,774
Other		-	-
<b>Net cash from (used by) financing activities</b>		<b>-198,710</b>	<b>-195,774</b>
<b>Net increase (decrease) in cash held</b>		<b>720,472</b>	<b>1,355,665</b>
Cash & cash equivalents at the beginning of the reporting period		5,193,001	3,837,337
<b>Cash &amp; cash equivalents at the end of the reporting period</b>	5A	<b>5,913,473</b>	<b>5,193,001</b>

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

## Index to the notes of the financial statements

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## **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 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. The financial statements are presented in Australian dollars.

### **1.2 Comparative amounts**

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

### **1.3 Significant accounting judgements and estimates**

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

### **1.4 New Australian Accounting Standards**

#### **Adoption of New Australian Accounting Standards and amendments**

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

#### **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 are listed on page Appendix A.

### **1.5 Current versus non-current classification**

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

An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

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

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

## **1.6 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 Australian Retailers Association's 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 price 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 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 (for example, books or clothing) 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 Australian Retailers Association at their standalone selling price, Australian Retailers Association accounts for those sales as a separate contract with a customer.

## **Retail Institute Training Income**

The training department 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, grant projects management etc) to members and non-members for which it charges fees or enters into a funding agreement. 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.

## **1.7 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.

## **1.8 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:

	2023	2022
Land & buildings	1-20 years	1-20 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.

## **1.9 Borrowing costs**

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

## **1.10 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.

## **1.11 Financial instruments**

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

## **1.12 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).

### **Initial recognition and measurement**

The Australian Retailers Association's financial assets include trade receivables and bank deposits.

The Australian Retailers Association's financial assets are classified as financial assets subsequently measured at amortised cost because 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.

The classification of financial assets is performed at an instrument level at initial recognition of the financial asset.

The Australian Retailers Association initially measures a financial asset at its fair value plus transaction costs. However, contract assets and trade receivables that do not contain a significant financing component are measured at the transaction price as determined in accordance with the revenue policy in Note 1.9.

### **Subsequent measurement**

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.

### **Derecognition**

Financial assets are derecognised when the rights to receive cash flows from the asset have expired. For receivables and contract assets, *Australian Retailers Association* directly reduces the gross carrying amount of a receivable or contract asset when it has no reasonable expectations of recovering the receivable or contract asset in its entirety or a portion thereof.

### **Offsetting**

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if the Australian Retailers Association currently has a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or 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 contract assets, receivables and any other financial assets measured at amortisation cost. 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.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

## **ii. Trade receivables and contract assets**

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.

## **1.13 Financial Liabilities**

### **Initial recognition and measurement**

The Australian Retailers Association's financial liabilities include trade and other payables, interest-bearing loans and borrowings.

The Australian Retailers Association's financial liabilities are classified as financial liabilities subsequently measured at amortised cost.

These financial liabilities are recognised initially at fair value and net of directly attributable transaction costs.

### **Subsequent measurement**

#### **Financial liabilities at amortised cost**

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

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

#### **Derecognition**

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

## **1.14 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 *Australian Retailers Association* transfers the related goods or services. Contract liabilities include deferred income. Contract liabilities are recognised as revenue when *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.

## **1.15 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.

## **1.16 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<sup>1</sup> 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:

	<b>2023</b>	<b>2022</b>
Land & buildings	<b>1 to 20 years</b>	1-20 years
Plant and equipment	<b>1 to 10 years</b>	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.

#### 1.17 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.

## 1.18 Intangibles

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

	2023	2022
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.

### Software-as-a-Service (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 *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

- *Australian Retailers Association* evaluates cloud computing arrangements to determine if it provides a resource that *Australian Retailers Association* can control. *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 *Australian Retailers Association* incurs costs to configure or customise SaaS arrangements and such costs are considered to enhance on-premise software that belongs to *Australian Retailers Association* or to provide code that can be used by *Australian Retailers Association* in other arrangements, *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*.

For the year ended 30 June 2023, \$0 (2022: \$0 of costs incurred in implementing SaaS arrangements were recognised as intangible assets.

### ***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.

### **1.19 Impairment of non-financial assets**

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

### **1.20 Non-current assets held for sale**

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

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

### **1.21 Taxation**

The Australian Retailers Association is exempt from income tax under section 50.1 of the *Income Tax Assessment Act 1997* however still has 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.

### **1.22 Fair value measurement**

The Australian Retailers Association measures non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date.

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.

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 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.

### **1.23 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.

2023	2022
\$	\$

## Note 3 Revenue and income

### 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:

#### *Type of customer*

Members	4,376,305	4,041,480
Retail Institute	1,862,016	3,074,826
Partners and Sponsors	2,757,195	1,536,712
Other parties	434,719	374,043
<b>Total revenue from contracts with customers</b>	<b>9,430,235</b>	<b>9,027,061</b>

### 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:

#### *Income funding sources*

Members	4,376,305	4,041,480
Partners and Sponsors	1,877,351	1,536,712
Government	1,930,279	3,074,826
Other parties	1,463,182	374,043
<b>Total income for furthering activities</b>	<b>9,647,117</b>	<b>9,027,061</b>

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

### Capitation fees:

N/A	-	-
<b>Subtotal capitation fees</b>	<b>-</b>	<b>-</b>

### Other revenue from another reporting unit:

N/A	-	-
<b>Subtotal other revenue from another reporting unit</b>	<b>-</b>	<b>-</b>
<b>Total capitation fees and other revenue from another reporting unit</b>	<b>-</b>	<b>-</b>

	2023	2022
	\$	\$
<b>Note 3B: Levies</b>		
N/A	-	-
<b>Total levies</b>	-	-

**Note 3C: Grants and/or donations**

Grants	-	-
Donations	-	-
<b>Total grants and donations</b>	-	-

**Note 3D: Income recognised from transfers to enable *Australian Retailers Association* to acquire or construct a recognisable non-financial asset to be controlled by *Australian Retailers Association***

Amount recognised from financial asset transfers	-	-
<b>Total income recognised from transfers</b>	-	-

**Note 3E: Revenue from recovery of wages activity**

Amounts recovered from employers in respect of wages	-	-
Interest received on recovered money	-	-
<b>Total revenue from recovery of wages activity</b>	-	-

**Note 3F: Investment income**

Interest		
Deposits	101,822	46,198
Loans		
Dividends	-	-
<b>Total investment income</b>	101,822	46,198

**Note 3G: Other income**

Commissions received	105,199	59,575
Adjustment		28
Sundry Income	9,861	-
<b>Total other income</b>	115,060	59,603

	2023	2022
	\$	\$
<b>Note 4 Expenses</b>		
<b>Note 4A: Employee expenses</b>		
<b>Holders of office:</b>		
Wages and salaries	-	-
Superannuation	-	-
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	-	-
<b>Subtotal employee expenses holders of office</b>	<b>-</b>	<b>-</b>
<b>Employees other than office holders:</b>		
Wages and salaries	4,351,797	4,247,953
Superannuation	397,116	363,302
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	228,641	327,096
<b>Subtotal employee expenses employees other than office holders</b>	<b>4,977,554</b>	<b>4,938,351</b>
<b>Total employee expenses</b>	<b>4,977,554</b>	<b>4,938,351</b>
<b>Note 4B: Capitation fees and other expense to another reporting unit</b>		
<b>Capitation fees</b>		
N/A	-	-
<b>Subtotal capitation fees</b>	<b>-</b>	<b>-</b>
<b>Other expense to another reporting unit</b>		
N/A	-	-
<b>Subtotal other expense to another reporting unit</b>	<b>-</b>	<b>-</b>
<b>Total capitation fees and other expense to another reporting unit</b>	<b>-</b>	<b>-</b>
<b>Note 4C: Affiliation fees</b>		
Newspapers	2,063	2,031
Subscriptions	86,314	56,437
<b>Total affiliation fees/subscriptions</b>	<b>88,377</b>	<b>58,468</b>

\* As required by the reporting guidelines. Item to remain even if 'nil' unless the reporting unit opts to disclose it in the officer declaration statement or is disclosed as 'nil' in the Statement of comprehensive income

	2023	2022
	\$	\$
<b>Note 4D: Administration expenses</b>		
Total paid to employers for payroll deductions of membership subscriptions	-	-
Compulsory levies	-	-
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	-	-
Contractors/consultants	187,760	285,449
Property expenses	73,940	63,148
Office expenses	43,505	87,391
Information communications technology	339,189	243,886
Marketing and Promotion expenses	61,668	73,464
Travel expenses	65,348	58,188
Other	43,230	40,587
<b>Subtotal administration expense</b>	<b>814,640</b>	<b>852,115</b>
Lease rentals:		
Short term, low value and variable lease payments	42,628	31,435
<b>Total administration expenses</b>	<b>857,268</b>	<b>883,550</b>
<b>Note 4E: Grants or donations</b>		
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	-	-
<b>Total grants or donations</b>	<b>-</b>	<b>-</b>
<b>Note 4F: Depreciation and amortisation</b>		
Depreciation		
Buildings	-	-
Property, plant and equipment	17,603	16,932
<b>Total depreciation</b>	<b>17,603</b>	<b>16,932</b>
Amortisation		
Right-of-use lease asset	181,598	181,598
Intangibles	-	-
<b>Total amortisation</b>	<b>181,598</b>	<b>181,598</b>
<b>Total depreciation and amortisation</b>	<b>199,201</b>	<b>198,530</b>

2023	2022
\$	\$

**Note 4G: Finance costs**

Imputed Interests costs on lease liability	8,568	14,134
Merchant and bank fees	17,725	11,532
Unwinding of discount	-	-
<b>Total finance costs</b>	<b>26,293</b>	<b>25,666</b>

**Note 4H: Legal costs**

Litigation	-	-
Other legal costs	3,335	6,000
<b>Total legal costs</b>	<b>3,335</b>	<b>6,000</b>

	2023	2022
	\$	\$
<b>Note 5 Current Assets</b>		
<b>Note 5A: Cash and cash equivalents</b>		
Cash at bank	2,868,128	5,193,001
Cash on hand	-	-
Short term deposits	3,045,345	-
<b>Total cash and cash equivalents</b>	<b>5,913,473</b>	<b>5,193,001</b>

**Note 5B: Trade and other receivables**

**Receivables from other reporting unit(s)**

N/A	-	-
-----	---	---

<b>Total receivables from other reporting unit(s)</b>	<b>-</b>	<b>-</b>
---	----------	----------

**Less allowance for expected credit losses**

N/A	-	-
-----	---	---

<b>Total allowance for expected credit losses</b>	<b>-</b>	<b>-</b>
---	----------	----------

<b>Receivable from other reporting unit(s) (net)</b>	<b>-</b>	<b>-</b>
--	----------	----------

**Other receivables:**

GST receivable	-	-
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Trade receivables	1,047,823	494,376
-------------------	-----------	---------

Allowance for expected credit losses	-12,008	-3,920
--------------------------------------	---------	--------

<b>Total other receivables</b>	<b>1,035,815</b>	<b>490,456</b>
--------------------------------	------------------	----------------

<b>Total trade and other receivables (net)</b>	<b>1,035,815</b>	<b>490,456</b>
--	------------------	----------------

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

At 1 July	-3,920	-1,871
Provision for expected credit losses	-9,750	-8,500
Write-off	1,662	6,451
<b>At 30 June</b>	<b>-12,008</b>	<b>-3,920</b>



**2023**                      **2022**  
\$                              \$

**Note 5B: Trade and other receivables (continued)**

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

<b>Receivables</b>	<b>1,035,815</b>	<b>490,456</b>
Receivables – current	1,035,815	490,456
Receivables – non-current	-	-
<b>Contract assets</b>	<b>31,802</b>	<b>138,510</b>
Contract assets – current	31,802	138,510
Contract assets – non-current	-	-
<b>Other contract liabilities</b>	<b>4,986,957</b>	<b>4,506,930</b>
Contract liabilities – current	4,986,957	4,506,930
Contract liabilities – non-current	-	-

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

The significant changes between opening and closing balances of contract liabilities primarily relates to increasing membership and partnership base.

Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period was \$4,506,930

Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods (e.g. changes in transaction price) was \$0.

**Unsatisfied performance obligations**

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 30 June 2023 is \$4,986,957. 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.

**Note 5C: Other current assets**

Training Resources	<b>3,901</b>	9,275
Prepayments	<b>194,417</b>	255,573
Deposit- Bank guarantee Sydney office	-	-
Undeposited Funds	-	6,595
Sundry Debtors and others	<b>-1,942</b>	-1,984
<b>Total other current assets</b>	<b>196,376</b>	269,459

## Note 6 Non-current Assets

### Note 6A: Property, Plant and Equipment

#### 2023

	Plant and Equipment	Total
	\$	\$
Property, Plant and Equipment:		
carrying amount	75,383	75,383
accumulated depreciation	-47,870	-47,870
<b>Total Property, Plant and Equipment</b>	<b>27,513</b>	<b>27,513</b>

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

Net book value 1 July 2022	26,721	26,721
<b>Additions:</b>		
By purchase	18,395	18,395
Revaluations	-	-
Impairments	-	-
Depreciation expense	17,603	17,603
Other movement [ <i>give details below</i> ]	-	-
<b>Disposals:</b>		
N/A	-	-
Other	-	-
<b>Net book value 30 June 2023</b>	<b>27,513</b>	<b>27,513</b>
<b>Net book value as of 30 June 2023 represented by:</b>		
Gross book value	75,383	75,383
Accumulated depreciation and impairment	-47,870	-47,870
<b>Net book value 30 June 2023</b>	<b>27,513</b>	<b>27,513</b>

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

### 2022

	Plant and Equipment \$	Total \$
Property, Plant and Equipment:		
carrying value	56,988	56,988
accumulated depreciation	-30,267	-30,267
<b>Total Property, Plant and Equipment</b>	<b>26,721</b>	<b>26,721</b>

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

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

## Note 6B: Leases

### 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
	\$	\$
<b>As at 1 July 2021</b>	<b>529,664</b>	<b>529,664</b>
Additions	-	-
Depreciation expense	-181,598	-181,598
Impairment	-	-
Disposal	-	-
Other movement	-	-
<b>As at 1 July 2022</b>	<b>348,066</b>	<b>348,066</b>
Additions	-	-
Depreciation expense	-181,598	-181,598
Impairment	-	-
Disposal	-	-
Other movement	-	-
<b>As at 30 June 2023</b>	<b>166,467</b>	<b>166,467</b>

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

	2023	2022
	\$	\$
<b>As at 1 July</b>	<b>372,282</b>	553,922
Additions	-	-
Accretion of interest	<b>8,569</b>	14,134
Payments	<b>-190,142</b>	-181,640
<b>As at 30 June</b>	<b>182,140</b>	372,282
Current	182,140	-
Non-current	-	-

The following are the amounts recognised in profit or loss:

Depreciation expense of right-of-use assets	<b>181,598</b>	181,598
Interest expense on lease liabilities	<b>8,569</b>	14,134
Expense relating to short-term leases	-	-
Expense relating to leases of low-value assets (included in administrative expenses)	-	-
Variable lease payments	-	-
<b>Total amount recognised in profit or loss</b>	<b>190,167</b>	195,732

**Note 6B: Leases (continued)**

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

	<b>Fixed payments</b>	<b>Variable payments</b>	<b>Total</b>
	\$	\$	\$
<b>2023</b>			
Fixed rent	198,710	-	198,710
Variable rent with minimum payment	-	-	-
Variable rent only	-	-	-
	<b>198,710</b>	<b>-</b>	<b>198,710</b>
<b>2022</b>			
Fixed rent	195,774	-	195,774
Variable rent with minimum payment	-	-	-
Variable rent only	-	-	-
	<b>195,774</b>	<b>-</b>	<b>195,774</b>

The Australian Retailers Association does not have 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.

**Note 6B: Leases (continued)**

The Australian Retailers Association does not provide any leasing services

**Note 6C Other non-current assets**

Loan to a related party	-	-
Prepayments	<b>99,399</b>	223,649
Other	-	-
<b>Total other non-current assets</b>	<b>99,399</b>	223,649

	<b>2023</b>	2022
	\$	\$
<b>Note 7 Current Liabilities</b>		
<b>Note 7A: Trade payables</b>		
Trade creditors	<b>364,482</b>	835,103
	-	-
<b>Subtotal trade creditors</b>	<b>364,482</b>	835,103
<b>Payables to other reporting unit(s)*</b>		
N/A	-	-
<b>Subtotal payables to other reporting unit(s)</b>	-	-
<b>Total trade payables</b>	<b>364,482</b>	835,103

Settlement is usually made within 30 days.

**Note 7B: Other payables**

Wages and salaries	-	-103,982
Superannuation	<b>103,498</b>	76,070
Payable to employers for making payroll deductions of membership subscriptions	-	-
Legal costs	-	-
Litigation	-	-
Other legal costs	-	-
Accrued Expenses	<b>689,369</b>	699,301
GST payable	<b>274,921</b>	-
PAYG withholding	<b>105,332</b>	-42,332
Other	<b>8,847</b>	5,923
<b>Total other payables</b>	<b>1,181,967</b>	634,980

Total other payables are expected to be settled in:

No more than 12 months	<b>1,181,967</b>	634,980
More than 12 months	-	-
<b>Total other payables</b>	<b>1,181,967</b>	634,980

	2023	2022
	\$	\$
<b>Note 8 Provisions</b>		
<b>Note 8A: Employee provisions</b>		
<b>Office holders:</b>		
Annual leave	-	-
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
<b><i>Subtotal employee provisions—office holders</i></b>	<b>-</b>	<b>-</b>
<b>Employees other than office holders:</b>		
Annual leave	<b>132,634</b>	194,991
Long service leave	<b>80,382</b>	101,572
Separations and redundancies		
Other	-	-
<b><i>Subtotal employee provisions—employees other than office holders</i></b>	<b>213,016</b>	296,563
<b>Total employee provisions</b>	<b>213,016</b>	296,563
Current	<b>213,016</b>	296,563
Non-current	<b>63,496</b>	31,303
<b><i>Total employee provisions</i></b>	<b>276,512</b>	327,866

**Note 9 Non-current Liabilities**

**Note 9A: Total non-current liabilities**

Employee provisions	<b>63,496</b>	31,303
Lease liabilities	-	182,140
<b>Total other non-current liabilities</b>	<b>63,496</b>	213,443

	2023	2022
	\$	\$
<b>Note 10</b>		
<b>Other funds</b>		
<b>Note 10A: Other funds</b>		
<b>Compulsory levy/voluntary contribution fund</b>		
N/A		
<b>Balance as at start of year</b>	-	-
Transferred to fund, account or controlled entity	-	-
Transferred out of fund, account or controlled entity	-	-
<b>Balance as at end of year</b>	-	-
<b>Total compulsory levy/voluntary contribution fund</b>	-	-
<b>Other fund(s) required by rules</b>		
N/A		
<b>Balance as at start of year</b>	-	-
Transferred to reserve	-	-
Transferred out of reserve	-	-
<b>Balance as at end of year</b>	-	-
<b>Investment in asset(s)</b>		
N/A		



	2023	2022
	\$	\$
<b>Note 11</b>		
<b>Cash Flow</b>		
<b>Note 11A: Cash flow reconciliation</b>		
<b>Reconciliation of cash and cash equivalents as per statement of financial position to statement of cash flow:</b>		
<b>Cash and cash equivalents as per:</b>		
Statement of cash flow	5,913,473	5,193,001
Statement of financial position	5,913,473	5,193,001
<b>Difference</b>	<u>-</u>	<u>-</u>
<b>Reconciliation of Surplus/(deficit) to net cash from operating activities:</b>		
Surplus/(deficit) for the year	466,086	443,911
<b>Adjustments for non-cash items</b>		
Depreciation/amortisation	199,201	198,530
Net write-down of non-financial assets	-	-
Fair value movements in investment property	-	-
Gain on disposal of assets	-	-
<b>Changes in assets/liabilities</b>		
(Increase)/decrease in net receivables	-545,358	-286,171
(Increase)/decrease in prepayments	304,041	-103,080
Increase/(decrease) in supplier payables	-470,620	153,938
Increase/(decrease) in other payables	758,347	1,368,017
Increase/(decrease) in employee provisions	227,720	-205,958
Increase/(decrease) in other provisions	-	-
<b>Net cash from (used by) operating activities</b>	<u>939,417</u>	<u>1,569,188</u>
<b>Note 11B: Cash flow information</b>		
<b>Cash inflows</b>		
The Australian Retailers Association	10,656,311	11,055,384
<b>Total cash inflows</b>	<u>10,656,311</u>	<u>11,055,384</u>
<b>Cash outflows</b>		
The Australian Retailers Association	9,935,839	9,699,719
<b>Total cash outflows</b>	<u>9,935,839</u>	<u>9,699,719</u>

2023	2022
\$	\$

**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, 2023.

**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 FY23.

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

**Short-term employee benefits\***

Salary (including annual leave taken)	1,699,649	984,852
Annual leave accrued	76,565	68,520
Performance bonus	176,966	187,500
<b>Total short-term employee benefits</b>	<b>1,953,180</b>	<b>1,240,872</b>
<b>Post-employment benefits:</b>		
Superannuation	146,354	67,492
<b>Total post-employment benefits</b>	<b>146,354</b>	<b>67,492</b>
<b>Other long-term benefits:</b>		
Long-service leave	41,359	39,425
<b>Total other long-term benefits</b>	<b>41,359</b>	<b>39,425</b>
<b>Termination benefits</b>	-	-
<b>Total</b>	<b>2,140,893</b>	<b>1,347,789</b>

\* FY23 KMP has been expanded to include (5) Directors.

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

**Loans to/from key management personnel**

Nil - -

**Other transactions with key management personnel**

Nil - -

2023	2022
\$	\$

**Note 14 Remuneration of Auditors**

**Value of the services provided**

Financial statement audit services	23,500	22,000
Other services	3,500	-
<b>Total remuneration of auditors</b>	<b>27,000</b>	<b>22,000</b>

**Note 15 Financial Instruments**

The Australian Retailers Association does not have financial instruments that are cash or cash equivalents, trade receivables, trade and other payables and interest-bearing loans that are carried at amortised cost.

**Note 15A: Categories of Financial Instruments**

**Financial assets**

At amortised cost:

N/A	-	-
-----	---	---

<b>Total</b>	<b>-</b>	<b>-</b>
--------------	----------	----------

<b>Carrying amount of financial assets</b>	<b>-</b>	<b>-</b>
--	----------	----------

**Financial liabilities**

At amortised cost:

N/A	-	-
-----	---	---

<b>Total</b>	<b>-</b>	<b>-</b>
--------------	----------	----------

<b>Carrying amount of financial liabilities</b>	<b>-</b>	<b>-</b>
---	----------	----------

**2023**                      **2022**  
\$                                      \$

**Note 15B: Net income and expense from financial assets**

**Financial assets at amortised cost**

Interest revenue	<b>101,822</b>	46,198
Impairment	-	-
<b>Net income/(expense) from financial assets</b>	<b>101,822</b>	46,198

**Note 15C: Net income and expense from financial liabilities**

**Financial liabilities at amortised cost**

Interest expense	-	-
Gain/loss on disposal	-	-
<b>Net gain/(loss) from financial liabilities</b>	-	-

**Note 15D: Credit risk**

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. *Australian Retailers Association* is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits held with banks. Set out below is the information about the credit risk exposure on trade receivables and contract assets using a provision matrix:

	Trade receivables and contract assets					Total
	Days past due					
	Current	<30 days	30-60 days	61-90 days	>91 days	
	\$	\$	\$	\$	\$	\$
<b>30 June 2023</b>						
Expected credit loss rate	0%	0%	0%	0%	3%	1%
Estimate total gross carrying amount at default	-	-	-	487,944	547,871	1,035,815
Expected credit loss	-	-	-	-	14,676	14,676
<hr/>						
<b>30 June 2022</b>						
Expected credit loss rate	-%	-%	-%	-%	-%	
Estimate total gross carrying amount at default	-	-	-	-	490,429	490,429
Expected credit loss	-	-	-	-	-	-

The Australian Retailers Association’s maximum exposure to credit risk for the components of the statement of financial position at 30 June 2023 and 2022 is the carrying amounts as illustrated above.

All the outstanding balance showing as of 30 June 2023 was collected during the period July to September following the end of the financial year.

#### Note 15E: Liquidity risk

Contractual maturities for financial liabilities and lease liabilities are as follows:

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
<b>Financial liabilities 30 June 2023</b>						
Payables	-	364,482	-	-	-	364,482
Borrowings	-	-	-	-	-	-
Lease liabilities	-	182,140	-	-	-	182,140
<b>Total</b>	-	<b>546,622</b>	-	-	-	<b>546,622</b>
<b>Financial liabilities 30 June 2022</b>						
Payables	-	835,103	-	-	-	835,103
Borrowings	-	-	-	-	-	-
Lease liabilities	-	190,142	182,140	-	-	372,282
<b>Total</b>	-	<b>1,025,245</b>	<b>182,140</b>	-	-	<b>1,207,385</b>

#### Note 15F: Market risk

As at 30 June 2023 or throughout the financial year the Association had no material exposure to changes to any market risk, including interest rate risk (2022: no material risk).

#### Interest rate risk

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

**2023**                      **2022**  
**\$**                                      **\$**

**Note 15G: Asset pledged/or held as collateral**

**Assets pledged as collateral**

**Financial assets pledged as collateral:**

N/A

**Total assets pledged as collateral**

[terms and conditions related to pledge]

	-	-
	-	-
	-	-

**Note 15H: Changes in liabilities arising from financing activities**

	2023			2022		
	Current interest-bearing loans and borrowings	Non-current interest-bearing loans and borrowings	Total	Current interest-bearing loans and borrowings	Non-current interest-bearing loans and borrowings	Total
	\$	\$	\$	\$	\$	\$
Beginning balance	372,282		372,282	-	553,922	553,922
Cash flows	198,710		198,710	-	195,774	195,774
New leases	-		-	-	-	-
Other	8,568		8,568	-	14,134	14,134
Ending balance	182,140		182,140	-	372,282	372,282
	182,140		182,140	-	372,282	372,282

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 measurements

### Note 16A: Financial assets and liabilities

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.

For other financial instruments, 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 2023 was assessed to be insignificant.

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

	<b>Carrying amount 2023 \$</b>	<b>Fair value 2023 \$</b>	<b>Carrying amount 2022 \$</b>	<b>Fair value 2022 \$</b>
<b>Financial assets</b>				
Cash	5,913,473	5,913,473	5,193,001	5,193,001
Trade and other receivables	1,035,814	1,035,814	494,349	494,349
<b>Total</b>	<b>6,949,287</b>	<b>6,949,287</b>	<b>5,687,350</b>	<b>5,687,350</b>
<b>Financial liabilities</b>				
Trade payables	364,482	364,482	835,103	835,103
<b>Total</b>	<b>364,482</b>	<b>364,482</b>	<b>835,103</b>	<b>835,103</b>

### 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 2023.

2023	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 the General Manager:

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



## 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 2023.

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
- 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 periodic or membership subscriptions
- receive capitation fees or any other revenue amount from another reporting unit
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- 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 wages and salaries to employees (other than holders of office)
- pay superannuation to employees (other than holders of office)
- pay leave and other entitlements to employees (other than holders of office)
- pay separation and redundancy to employees (other than holders of office)
- pay other employee expenses to employees (other than holders of office)
- pay legal costs relating to litigation
- pay legal costs relating to other legal matters
- pay a penalty imposed under the RO Act or the *Fair Work Act 2009*
- have a receivable with other reporting unit(s)
- have a payable with other reporting unit(s)
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- have a payable in respect of legal costs relating to litigation
- have a payable in respect of legal costs relating to other legal matters
- have a annual leave provision in respect of employees (other than holders of office)
- have a long service leave provision in respect of employees (other than holders of office)
- have a separation and redundancy provision in respect of employees (other than holders of office)

- have other employee provisions in respect of employees (other than holders of office)
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- 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

Signed by the officer: 

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

Dated: 9 November 2023

## Appendix A – 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 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
  - Amendments to AASB 108