



Fair Work
Commission

13 December 2024

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

Dear Nicole Sheffield

**The Australian Retailers Association
Financial Report for the year ended 30 June 2024 – (FR2024/27)**

I acknowledge receipt of the financial report for the year ended 30 June 2024 for the Australian Retailers Association. The documents were lodged with the Fair Work Commission (the Commission) on 6 December 2024.

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 next year's financial report 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.

Yours sincerely

Fair Work Commission

Australian Retailers Association

Section 268 *Fair Work (Registered Organisations) Act 2009*

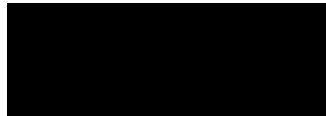
Certificate by prescribed designated officer.

Certificate for the year ended 30 June 2024

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 **12 November 2024** and
- that the full report was presented to a general meeting of members of the Australian Retailers Association on **5 December 2024** in accordance with section 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: **6/12/2024**

Australian Retailers Association

Financial Statements

2023-2024

ARA Financial Statement FY24

ARA | 2023-2024

Financial Statements 2023–24

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Independent auditor's report to the members of Australian Retailers Association

Report on the audit of the financial report



Our opinion on the financial report

In our opinion, the accompanying financial report of Australian Retailers Association (the reporting unit), presents fairly, in all material respects:

- the financial position of the reporting unit as at 30 June 2024, and
- its financial performance and its cash flows for the year then ended

in accordance with Australian Accounting Standards and 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).

What was audited?

We have audited the financial report of the reporting unit, which comprises:

- the statement of financial position as at 30 June 2024,
- the statement of profit or loss and other comprehensive income for the year then ended,
- the statement of changes in equity for the year then ended,
- the statement of cash flows for the year then ended,
- notes to the financial statements, including material accounting policy information,
- the committee of management statement,
- the subsection 225(2A) report and other officer declaration statement; and
- the officer declaration statement.

Basis for opinion

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

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

Other information

Those charged with governance are responsible for the other information. The other information comprises the information included in the reporting unit's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of management and those charged with governance for the financial report

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the RO Act, and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, 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 management either intends to liquidate the reporting unit or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the reporting unit's financial reporting process.

Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of our auditor's report.

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

William Buck

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



C. L. Sweeney

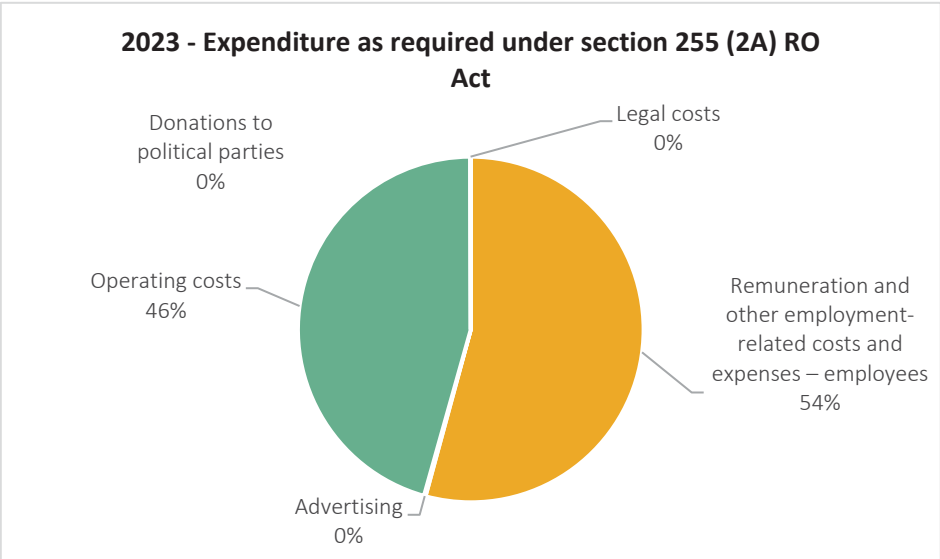
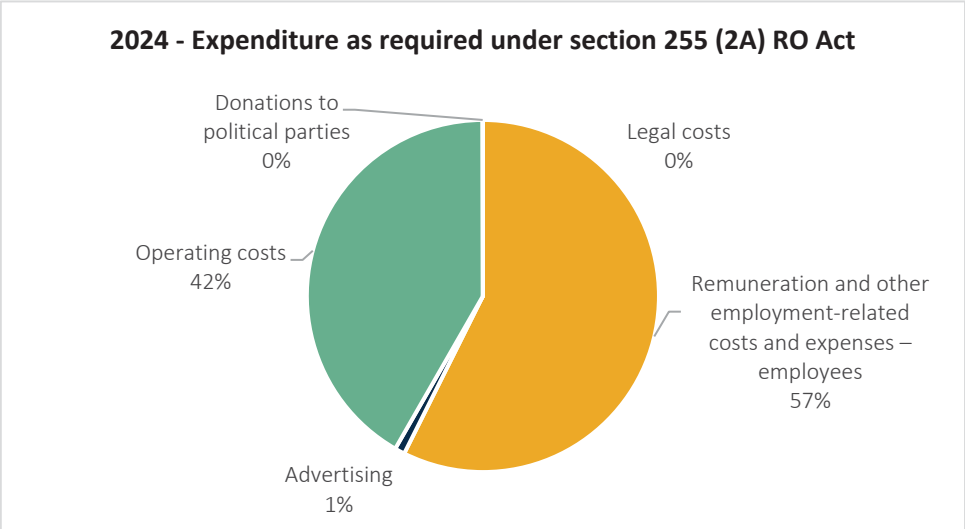
Director


Registration number (as registered by the Commissioner under the RO Act): AA2021/24
Melbourne, 18 September 2024

Report required under subsection 255(2A)

for the year ended 30 June 2024

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 2024.



Signature of designated officer: 

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

Dated: **11/09/24**

Operating report

for the year ended 30 June 2024

The committee of management presents its operating report on the Australian Retailers Association for the year ended 30 June 2024.

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 (ARA) is the oldest, largest and most diverse national retail body. The ARA represents a \$420 billion sector that employs more than 1.4 million Australians and is the largest private sector employer in the country. As Australia's peak retail body, representing more than 120,000 retail shop fronts and online stores, the ARA informs, advocates, educates, protects and unifies our independent, national and international retail community.

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

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 (ARA) in accordance with Section 13 of ARA Rules. A member 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.

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 8,024 financial members as of 30 June 2024

Number of employees

The total number of staff employed by the Association as of 30 June 2024 was, made up of the following:

Full Time: 27

Casual: 0

Part Time: 3

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

Name	Position	Date Appointed	Date Resigned
Nicole Sheffield	Councillor/President	16/07/21	
Sally Glover	Councillor/Secretary	3/5/2023	26/04/24
Stephen Younane	Councillor/Vice President	9/05/19	31/03/24
Drew Meads	Councillor/Treasurer	9/05/19	
Jack Gance	Councillor	9/05/19	
Erica Berchtold	Councillor	16/07/21	31/08/23
Sarah Hunter	Councillor	16/07/21	
Jane McNally	Councillor	16/07/21	
Sharon Beaumont	Councillor	16/07/21	
Josephine Barbaro	Councillor	23/02/22	30/12/23
Krista Diez-Simson	Councillor	23/02/22	
Maria McCarthy	Councillor	3/5/2023	
Tanya Tindall	Councillor	3/5/2023	
Gavin Carter	Councillor	3/5/2023	

Signature of designated officer:



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

Dated: **11/09/24**

Committee of management statement

for the year ended 30 June 2024

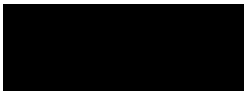
On 21 August 2024, the Australian Retailers Association Committee of Management passed the following resolution in relation to the general-purpose financial report (GPFR) for the year ended 30 June 2024:

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; and
 - iii. the financial records of the Australian Retailers Association have been kept and maintained in accordance with the RO Act; and
 - iv. where the organisation consists of two or more reporting units, the financial records of the Australian Retailers Association have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - v. where information has been sought in any request by a member of the Australian Retailers Association or the 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: **11/09/24**

Statement of comprehensive income

for the year ended 30 June 2024

	Note	2024 \$	2023 \$
Revenue from contracts with customers	3		
Membership subscriptions		4,398,474	4,376,305
Fees for services		1,212,787	434,719
Advertising & sponsorship revenue		2,523,619	2,757,195
RTO Training Income		2,696,781	1,862,016
Total revenue from contracts with customers		10,831,661	9,430,235
Other income			
Investment income	3A	246,166	101,822
Other income	3B	74,678	115,060
Total other income		320,844	216,882
Total income		11,152,505	9,647,117
Expenses			
Employee expenses	4A	5,510,737	4,977,554
Cost of goods sold		2,789,539	3,002,003
Affiliation fees	4B	73,132	88,377
Administration expenses	4C	984,640	857,268
Depreciation and amortisation	4D	186,240	199,201
Finance costs	4E	26,520	26,293
Legal costs	4F	2,008	3,335
Net losses from sale of assets	4G	1,449	-
Audit fees	13	30,000	27,000
Total expenses		9,604,265	9,181,031
Surplus for the year		1,548,240	466,086

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

Statement of financial position

as at 30 June 2024

	Notes	2024 \$	2023 \$
ASSETS			
Current assets			
Cash and cash equivalents	5A	7,625,166	5,913,473
Trade and other receivables	5B	431,319	1,035,815
Contract assets	5B	64,402	31,802
Other current assets	5C	272,424	196,376
Total current assets		8,393,311	7,177,466
Non-current assets			
Property, plant and equipment	6A	33,688	27,513
Right-of-use assets	6B	-	166,467
Other financial assets		-	72,886
Other non-current assets	6C	-	99,399
Total non-current assets		33,688	366,265
Total assets		8,426,999	7,543,731
LIABILITIES			
Current liabilities			
Trade payables	7A	372,125	364,482
Other payables	7B	953,248	1,181,967
Employee provisions	8A	121,850	213,016
Contract liabilities	5B	4,774,443	4,986,957
Lease liabilities	6B	-	182,140
Total current liabilities		6,221,666	6,928,562
Non-current liabilities			
Employee provisions	9A	105,420	63,496
Contract liabilities	5B	-	-
Lease liabilities	6B	-	-
Total non-current liabilities		105,420	63,496
Total liabilities		6,327,086	6,992,058
Net assets		2,099,913	551,673
EQUITY			
General fund/retained earnings		2,099,913	551,673
Total equity		2,099,913	551,673

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

Statement of changes in equity

for the year ended 30 June 2024

	General funds / retained earnings	Total equity
	\$	\$
Balance as at 1 July 2022	85,587	85,587
Adjustment for errors	-	-
Adjustment for changes in accounting policies	-	-
Adjusted Balance as at 1 July 2022		-
Surplus / (deficit)	466,086	466,086
Other comprehensive income	-	-
Transfer from retained earnings	-	-
Closing balance as at 30 June 2023	551,673	551,673
		-
Surplus / (deficit)	1,548,240	1,548,240
Other comprehensive income	-	-
Transfer from retained earnings	-	-
Closing balance as at 30 June 2024	2,099,913	2,099,913

Statement of cash flows

for the year ended 30 June 2024

	Notes	2024 \$	2023 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from customers		12,051,895	10,473,372
Interest		235,112	86,231
Other		72,893	96,709
Cash used			
Employees		-5,112,415	-5,050,472
Suppliers		-5,320,772	-4,666,423
Net cash from (used by) operating activities	10A	1,926,713	939,417
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant and equipment		1,600	-
Cash used			
Purchase of plant and equipment		-31,737	-20,234
Purchase of land and buildings		-	-
Net cash from (used by) investing activities		-30,137	-20,234
FINANCING ACTIVITIES			
Cash used			
Repayment of lease liabilities	6B	-184,883	-198,710
Other		-	-
Net cash from (used by) financing activities		-184,883	-198,710
Net increase (decrease) in cash held		1,711,693	720,472
Cash & cash equivalents at the beginning of the reporting period		5,913,473	5,193,001
Cash & cash equivalents at the end of the reporting period	5A	7,625,166	5,913,473

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

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Note 2	Events after the reporting period
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Note 4	Expenses
Note 5	Current assets
Note 6	Non-current assets
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Note 8	Provisions
Note 9	Non-current liabilities
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Note 1 Summary of material 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

The accounting policies adopted are consistent with those of the previous financial year except for the following amendments to accounting standards and other changes in accounting policy, which have been adopted for the first time this financial year.

- *AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates.*

Based on the assessment performed, the adoption of AASB 20232-2 will not have a material impact on the Australian Retailers Association.

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, 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:

	2024	2023
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 the 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.

1.16 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.

1.17 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.

1.18 Land, buildings, plant and equipment

Asset recognition threshold

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

Depreciation

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

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

	2024	2023
Plant and equipment	1 to 10 years	1 to 10 years

Derecognition

An item of land, buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the

difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit or loss.

1.19 Intangibles

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

	2024	2023
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 recognises 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 2024, \$0 (2023: \$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.

1.20 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.

Note 2 Events after the reporting period

In May 2024, the Australian Retailers Association and the National Retail Association signed a heads-of-agreement to create a single unified body by merging the two entities. The proposed amalgamation, which is subject to their respective members ratification and FWC approval, will result in a new entity that will create one voice for the retail industry.

The amalgamation process is expected to take 12-18 months to complete. In the meantime, it will be business as usual whereby each organisation will continue to operate and run their financial affairs independently of each other.

2024	2023
\$	\$

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	4,398,474	4,376,305
Retail Institute	2,696,781	1,862,016
Partners and Sponsors	2,523,619	2,757,195
Other parties	1,212,787	434,719
Total revenue from contracts with customers	10,831,661	9,430,235

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	4,398,474	4,376,305
Partners and Sponsors	2,523,619	1,877,351
Government	3,079,338	1,930,279
Other parties	1,151,074	1,463,182
Total income for furthering activities	11,152,505	9,647,117

2024	2023
\$	\$

Note 3A: Investment income

Interest		
Deposits	246,166	101,822
Loans	-	-
Dividends	-	-
Total investment income	246,166	101,822

Note 3B: Other income

Commission Received	74,678	105,199
Sundry Income	-	9,861
Total other income	74,678	115,060

	2024	2023
	\$	\$

Note 4 Expenses

Note 4A: Employee expenses

Holders of office:

Wages and salaries	-	-
Superannuation	-	-
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	-	-
Subtotal employee expenses holders of office	-	-

Employees other than office holders:

Wages and salaries	4,716,794	4,351,797
Superannuation	441,559	397,116
Leave and other entitlements	-	-
Separation and redundancies	21,435	-
Other employee expenses	330,949	228,641
Subtotal employee expenses employees other than office holders	5,510,737	4,977,554
Total employee expenses	5,510,737	4,977,554

Note 4B: Affiliation fees

Newspapers	1,869	2,063
Subscriptions	71,263	86,314
Total affiliation fees/subscriptions	73,132	88,377

	2024	2023
	\$	\$
Note 4C: Administration expenses		
Total paid to employers for payroll deductions of membership subscriptions	-	-
Compulsory levies	-	-
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	-	-
Contractors/consultants	222,920	187,760
Property expenses	24,588	73,940
Office expenses	43,818	43,505
Information communications technology	439,864	339,189
Marketing and Promotion expenses	88,339	61,668
Travel expenses	35,920	65,348
Other	72,910	43,230
Subtotal administration expense	928,359	814,640
Lease rentals:		
Short term, low value and variable lease payments	56,281	42,628
Total administration expenses	984,640	857,268

Note 4D: Depreciation and amortisation

Depreciation		
Property, plant and equipment	19,622	17,603
Total depreciation	19,622	17,603
Amortisation		
Right-of-use lease asset	166,618	181,598
Total amortisation	166,618	181,598
Total depreciation and amortisation	186,240	199,201

2024	2023
\$	\$

Note 4E: Finance costs

Overdrafts/loans	2,743	8,568
Merchant and bank fees	23,777	17,725
Total finance costs	26,520	26,293

Note 4F: Legal costs

Litigation	-	-
Other legal costs	2,008	3,335
Total legal costs	2,008	3,335

Note 4G: Net losses from sale of assets

Plant and equipment	1,449	-
Total net losses from asset sales	1,449	-

2024	2023
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\$ \$

Note 5B: Trade and other receivables (continued)

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

Receivables	431,319	1,035,815
Receivables – current	431,319	1,035,815
Receivables – non-current	-	-
Contract assets	64,402	31,802
Contract assets – current	64,402	31,802
Contract assets – non-current	-	-
Other contract liabilities	4,774,444	4,986,957
Contract liabilities – current	4,774,444	4,986,957
Contract liabilities – non-current	-	-

Unsatisfied performance obligations

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 30 June 2024 is \$4,774,444. 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	-	3,901
Prepayments	262,284	194,417
Rental Deposit	10,140	-
Undeposited Funds	-	-
Sundry Debtors and others	-	-1,942
Total other current assets	272,424	196,376

Note 6 Non-current Assets

Note 6A: Property, Plant and Equipment

2024

	Plant and Equipment \$	Total \$
Property, Plant and Equipment:		
carrying amount	98,306	98,306
accumulated depreciation	-64,618	-64,618
Total Property, Plant and Equipment	33,688	33,688

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

Net book value 1 July 2023	27,513	27,513
Additions:		
By purchase	28,852	28,852
Revaluations	-	-
Impairments	-	-
Depreciation expense	-19,622	-19,622
Other movement [<i>give details below</i>]	-	-
Disposals:		
Printer	-2,904	-2,904
Other	-151	-151
Net book value 30 June 2024	33,688	33,688
Net book value as of 30 June 2024 represented by:		
Gross book value	98,306	98,306
Accumulated depreciation and impairment	-64,618	-64,618
Net book value 30 June 2024	33,688	33,688

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

2023

	Plant and Equipment \$	Total \$
Property, Plant and Equipment:		
carrying value	75,383	75,383
accumulated depreciation	-47,870	-47,870
Total Property, Plant and Equipment	27,513	27,513

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

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

2024	2023
\$	\$

Note 6B: Leases

ARA as a lessee

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

	Office Lease	Total
	\$	\$
As at 1 July 2022	348,066	348,066
Additions	-	-
Depreciation expense	-181,598	-181,598
Impairment	-	-
Disposal	-	-
As at 1 July 2023	166,467	166,467
Additions	-	-
Depreciation expense	-166,467	-166,467
Impairment	-	-
Disposal	-	-
As at 30 June 2024		

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

	2024	2023
	\$	\$
As at 1 July	182,140	372,282
Additions	-	-
Accretion of interest	2,744	8,568
Payments	-184,884	-198,710
As at 30 June	-	182,140
Current	-	-
Non-current	-	-

	2024	2023
	\$	\$
The following are the amounts recognised in profit or loss:		
Depreciation expense of right-of-use assets	166,618	181,598
Interest expense on lease liabilities	2,744	8,568
Expense relating to short-term leases	-	-
Expense relating to leases of low-value assets (included in administrative expenses)	-	-
Variable lease payments	-	-
Total amount recognised in profit or loss	169,362	190,167

Note 6B: Leases (continued)

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.

	Fixed payments	Variable payments	Total
	\$	\$	\$
2024			
Fixed rent	184,884	-	184,884
Variable rent with minimum payment	-	-	-
Variable rent only	-	-	-
	184,884	-	184,884
2023			
Fixed rent	198,710	-	198,710
Variable rent with minimum payment	-	-	-
Variable rent only	-	-	-
	198,710	-	198,710

Note 6B: Leases (continued)

The Australian Retailers Association does not provide any leasing services

2024	2023
\$	\$

Note 6C Other non-current assets

Loan to a related party	-	-
Prepayments	-	99,399
Other	-	-
Total other non-current assets	-	99,399

2024	2023
\$	\$

Note 7 Current Liabilities

Note 7A: Trade payables

Trade creditors	372,125	364,482
		-
Subtotal trade creditors	372,125	364,482
Payables to other reporting unit(s)		
N/A	-	-
Subtotal payables to other reporting unit(s)	-	-
Total trade payables	372,125	364,482

Settlement is usually made within 30 days.

	2024	2023
	\$	\$

Note 7B: Other payables

Wages and salaries	-	-
Superannuation	42,411	103,498
Payable to employers for making payroll deductions of membership subscriptions	-	-
Legal costs	-	-
Litigation	-	-
Other legal costs	-	-
Accrued Expenses	696,339	689,369
GST payable	193,233	274,921
PAYG withholding	6,103	105,332
Other	15,162	8,847
Total other payables	953,248	1,181,967

Total other payables are expected to be settled in:

No more than 12 months	953,248	1,181,967
More than 12 months	-	-
Total other payables	953,248	1,181,967

2024	2023
\$	\$

Note 8 Provisions

Note 8A: Employee provisions

Office holders:

Annual leave	-	-
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-

Subtotal employee provisions—office holders

-	-
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Employees other than office holders:

Annual leave	100,232	132,634
Long service leave	21,618	80,382
Separations and redundancies	-	-
Other	-	-

Subtotal employee provisions—employees other than office holders

121,850	213,016
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Total employee provisions

121,850	213,016
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Current	121,850	213,016
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Non-current	105,420	63,496
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Total employee provisions

227,270	276,512
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Note 9 Non-current Liabilities

Note 9A: Other non-current liabilities

Employee provisions	105,420	63,496
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Lease liabilities	-	-
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Total other non-current liabilities

105,420	63,496
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	2024	2023
	\$	\$
Note 10		
Cash Flow		
Note 10A: Cash flow reconciliation		
Reconciliation of cash and cash equivalents as per statement of financial position to statement of cash flow:		
Cash and cash equivalents as per:		
Statement of cash flow	7,625,166	5,913,473
Statement of financial position	7,625,166	5,913,473
Difference	<u>-</u>	<u>-</u>
Reconciliation of Surplus/(deficit) to net cash from operating activities:		
Surplus/(deficit) for the year	1,548,240	466,086
Adjustments for non-cash items		
Depreciation/amortisation	317,196	199,201
Net write-down of non-financial assets		-
Fair value movements in investment property		-
Gain on disposal of assets	1,449	-
Changes in assets/liabilities		
(Increase)/decrease in net receivables	634,683	-545,358
(Increase)/decrease in prepayments	89,126	304,041
Increase/(decrease) in supplier payables	11,875	-470,620
Increase/(decrease) in other payables	285,148	758,347
Increase/(decrease) in employee provisions	209,558	227,720
Increase/(decrease) in other provisions		-
Net cash from (used by) operating activities	<u>1,926,713</u>	<u>939,417</u>
Note 10B: Cash flow information		
Cash inflows		
The Australian Retailers Association	12,395,058	10,656,311
Total cash inflows	<u>12,395,058</u>	<u>10,656,311</u>
Cash outflows		
The Australian Retailers Association	10,683,365	9,935,839
Total cash outflows	<u>10,683,365</u>	<u>9,935,839</u>

Note 11 Contingent Liabilities, Assets and Commitments

Note 11A: Commitments and contingencies

The Australian Retailers Association did not have any contingent assets and or liabilities as of 30 June 2024.

Note 12 Related Party Disclosures

Note 12A: Related party transactions for the reporting period

The Australian Retailers Association did not have related party transactions during FY24

	2024	2023
	\$	\$
Note 12B: Key management personnel remuneration for the reporting period		
Short-term employee benefits		
Salary (including annual leave taken)	1,668,382	1,699,649
Annual leave accrued	59,836	76,565
Performance bonus	299,614	176,966
Total short-term employee benefits	2,027,832	1,953,180
Post-employment benefits:		
Superannuation	163,485	146,354
Total post-employment benefits	163,485	146,354
Other long-term benefits:		
Long-service leave	81,729	41,359
Total other long-term benefits	81,729	41,359
Termination benefits	-	-
Total	2,273,046	2,140,893

2024	2023
\$	\$

Note 12C: Transactions with key management personnel and their close family members

Loans to/from key management personnel

Nil	-	-
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Other transactions with key management personnel

Nil	-	-
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Note 13 Remuneration of Auditors

Value of the services provided

Financial statement audit services	30,000	27,000
Other services	-	-
Total remuneration of auditors	30,000	27,000

Note 14 Financial Instruments

The Australian Retailers Association has 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 14A: Categories of Financial Instruments

Financial assets

At amortised cost:

Cash and cash equivalent	7,625,166	5,913,473
Trade and other receivables	455,563	1,035,815
Total	8,080,729	6,949,288
Carrying amount of financial assets	8,080,729	6,949,288

Financial liabilities

At amortised cost:

Trade or other payables	372,125	364,482
Leases		
Total	372,125	364,482
Carrying amount of financial liabilities	372,125	364,482

2024	2023
\$	\$

Note 14B: Net income and expense from financial assets

Financial assets at amortised cost

Interest revenue	246,166	101,822
Impairment	-	-
Net income/(expense) from financial assets	246,166	101,822

Note 14C: 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. The 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	
	\$	\$	\$	\$	\$	\$
30 June 2024						
Expected credit loss rate	0%	0%	0%	0%	30%	
Estimate total gross carrying amount at default	337,150	69,114	44,534	640	4,125	455,563
Expected credit loss		-	-	-	1,238	1,238
30 June 2023						
Expected credit loss rate	-%	-%	-%	-%	3%	
Estimate total gross carrying amount at default	-	-	-	487,944	547,871	1,035,815
Expected credit loss	-	-	-	-	14,676	14,676

The Australian Retailers Association's maximum exposure to credit risk for the components of the statement of financial position at 30 June 2024 and 2023 is the carrying amounts as illustrated above. All the outstanding balance showing as of 30 June 2024 was collected during the period July to September following the end of the financial year.

Note 14D: Liquidity 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:

Financial liabilities	On Demand	< 1 year	1– 2 years	2– 5 years	>5 years	Total
		\$	\$	\$	\$	\$
30 June 2024						
Payables	-	372,125	-	-	-	372,125
Borrowings	-	-	-	-	-	-
Lease liabilities	-	-	-	-	-	-
Total	-	372,125	-	-	-	372,125
Financial liabilities						
30 June 2023						
Payables	-	364,482	-	-	-	364,482
Borrowings	-	-	-	-	-	-
Lease liabilities	-	182,140	-	-	-	182,140
Total	-	546,622	-	-	-	546,622

Note 14E: Market risk

As at 30 June 2024 or throughout the financial year the Association had no material exposure to changes to any market risk, including interest rate risk (2023: no material risk).

Interest rate risk

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

Note 14F: Changes in liabilities arising from financing activities

	2024			2023		
	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	182,140	-	182,140	372,282	-	372,282
Cash flows	-	-	-	-	-	-
New leases	184,883	-	184,883	198,710	-	198,710
Other	-	-	-	-	-	-
	2,743	-	2,743	8,568	-	8,568
Ending balance	-	-	-	182,140	-	182,140

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 activity

Note 15 Fair value measurements

Note 15A: 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 2024 was assessed to be insignificant.

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

	Carrying amount 2024 \$	Fair value 2024 \$	Carrying amount 2023 \$	Fair value 2023 \$
Financial assets				
Cash	7,625,166	7,625,166	5,913,473	5,913,473
Trade and other receivables	455,563	455,563	1,035,814	1,035,814
Total	8,080,729	8,080,729	6,949,287	6,949,287
Financial liabilities				
Trade payables and accruals	372,125	372,125	364,482	364,482
Total	372,125	372,125	364,482	364,482

Note 16 Administration of financial affairs by a third party

The Australian Retailers Association administers its own financial activities.

Note 17 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 2024.

The Australian Retailers Association did not:

(Note: delete items that appear elsewhere in the audited report)

- agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive capitation fees or any other revenue amount from another reporting unit
- receive revenue via compulsory levies
- receive donations or grants
- receive revenue from undertaking recovery of wages activity
- 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 holders of office
- pay superannuation to holders of office
- pay leave and other entitlements to holders of office
- pay separation and redundancy to holders of office
- pay other employee expenses to holders of office
- pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit
- incur expenses due to holding a meeting as required under the rules of the organisation
- pay legal costs relating to litigation

- 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 an annual leave provision in respect of holders of office
- have a long service leave provision in respect of holders of office
- have a separation and redundancy provision in respect of holders of office
- have other employee provisions in respect of holders of office
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- have a balance within the general fund
- provide cash flows to another reporting unit and/or controlled entity
- receive cash flows from another reporting unit and/or controlled entity
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit

Signature of designated officer:



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

Dated: **11/09/24**