



FAIR WORK
COMMISSION

24 April 2014

Mr Roger Gillespie
President
The Australian Retailers Association
Level 10, 136 Exhibition Street
MELBOURNE VIC 3000

Dear Mr Gillespie

Re: Lodgement of Financial Accounts and Statements - The Australian Retailers Association - for year ended 30 June 2013 [FR2013/212]

I acknowledge receipt of the financial report of The Australian Retailers Association (the organisation) which was lodged with the Fair Work Commission (FWC) on 2 December 2013.

The financial report has been filed.

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

Please note that the financial report for the year ending 30 June 2014 may be subject to an advanced compliance review.

I make the following comments to assist you when you next prepare a financial report. You are not required to take any further action in respect of the report lodged. The Fair Work Commission will confirm these concerns have been addressed prior to filing next year's report.

Auditor's report: declaration regarding going concern

Paragraph 45 of the reporting guidelines requires an auditor to include in the auditor's statement a declaration that as part of the audit of the financial statement they have concluded that management's use of the going concern basis of accounting in the preparation of the reporting unit's financial statements is appropriate. This declaration was not included in the auditor's statements.

Key Management Personnel

General Purpose Financial Reports are required to disclose within the statements or the notes compensation paid to key management personnel.

This normally includes a listing of the key management personnel for the organisation, the total amount of compensation paid to all key management personnel, and then totals for each of the following categories:

- Short term employee benefits
- Post employment benefits
- Other long term employee benefits
- Termination benefits
- Any share based payments.

The definition for these categories can be found within accounting standard AASB 119: *Employee Benefits*.

Accordingly, Note 5 has listed the key management personnel, the total amount of compensation paid to key management personnel, and the totals for short-term benefits and post-employment benefits. Note 5 also states "The councillors received no remuneration for services". This might be taken to imply that the councillors are not employees but it does not specifically state this. If the councillors to whom the compensation is paid are not employees, the Notes should make this clear.

Disclosure of employee benefits to office holders and other employees

The Reporting Guidelines require that all employee and office holder benefits expenses (refer to items 17(f), 17(g)), and provisions (refer to items 21(c) and 21(d)) be detailed separately.

Employees

In respect of benefits expenses for employees (refer to items 17(f), 17(g) of the Reporting Guidelines), the statement of comprehensive income provides one total figure for employee benefits expenses. Note 1(i) refers to current and non-current benefits. However, neither the statements nor the notes have disclosed the separate activities referred to in items 17(f) and 17(g) of the Reporting Guidelines, or the amounts for each of those activities.

Item 18 of the Reporting Guidelines states that if any of the activities identified in item 17 have not occurred in the reporting period, a statement to this effect (or a nil balance¹) must be included in the notes to the GPFR.

In respect of benefits provisions for employees (refer to items 21(c) and 21(d) of the Reporting Guidelines) the statement of financial position provides a total amount for "provisions". Note 1(j) refers to the measurement of "provisions" in general, but does not specify employee provisions or provide details or amounts of activities. Item 22 of the Reporting Guidelines states that if any of the activities identified in item 21 have not occurred in the reporting period, a statement to this effect (or a nil balance) must be included in the notes to the GPFR.

Office Holders / Councillors

In respect of benefits expenses for holders of office, there were no disclosures made in relation to the separate activities listed in items 17(f), 17(g) of the Reporting Guidelines. Note 5 provides total amounts for short-term and post employment benefits and states "The councillors received no remuneration for services". If there were no employee benefits expenses for councillors, item 18 of the Reporting Guidelines would apply here also. To reiterate, item 18 of the Reporting Guidelines states that if any of the activities identified in item 17 have not occurred in the reporting period, a statement to this effect (or a nil balance²) must be included in the notes to the GPFR.

¹ See model financial statements at

https://www.fwc.gov.au/documents/documents/organisations/reporting_guidelines/Model-financial-statements.pdf

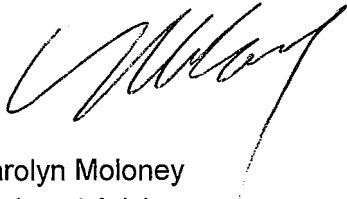
² See model financial statements at

https://www.fwc.gov.au/documents/documents/organisations/reporting_guidelines/Model-financial-statements.pdf

In respect of benefits provisions for holders of office, there were no disclosures made in relation to the separate activities listed in items 21(c) and 21(d) of the Reporting Guidelines. To reiterate, item 22 of the Reporting Guidelines states that if any of the activities identified in item 21 have not occurred in the reporting period, a statement to this effect (or a nil balance) must be included in the notes to the GPFR. These disclosures are required in addition to the Key Management Personnel disclosures.

If you have any queries regarding this letter, please contact me on (02) 8374 6510 or via email at orgs@fwc.gov.au.

Yours sincerely

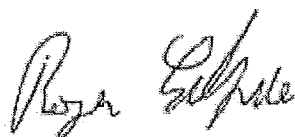
A handwritten signature in black ink, appearing to read 'Carolyn Moloney', written in a cursive style.

Carolyn Moloney
Assistant Adviser
Regulatory Compliance Branch
Fair Work Commission

Designated officers Certification required under the Workplace Relations Act 1996 and the Fair Work (Registered Organisations) Act 2009 lodged with the Industrial Registry in accordance with Section 268 of Division 5 of Part 3 of Chapter 8 of the Workplace Relations Act 1996.

I, Roger Gillespie, the President of the Australian Retailers Association certify:

- That the documents lodged herewith is a true copy of the full financial report, referred to in S265 of Division 5 of Part 3 of Chapter 8 of the Workplace Relations Act 1996;
- That as authorized by Section 265 of Division 5 of Part 3 of Chapter 8 of the Workplace Relations Act 1996, a concise report was provided to members with the annual general meeting papers on 4 November 2013 and in accordance with the said section 265, the members were offered the opportunity to receive, at no cost the full financial report; and
- The full report was presented at the annual general meeting of members of the reporting unit on the adjourned date for that meeting on 29 December 2013 in accordance with Section 266 of Division 5 of Part 3 of Chapter 8 of the Workplace Relations Act.



Roger Gillespie
President
Australian Retailers Association

Date 29/11/2013

Australian Retailers Association and Controlled Entities

Financial Report

For the year ended 30 June 2013

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OPERATING REPORT

The Operating Report covers the activities of the Australian Retailers Association ('Association') for the financial year ended 30 June 2013, the results of those activities and any significant changes in the nature of those activities during the year.

The Committee of Management presents its operating report of the Australian Retailers Association for the financial year ended 30 June 2013.

Principal Activities

The principal activity of the Association during the financial year was to service the needs of its members.

Results and Review of Operations

The surplus of the Association (including former State and National Councils) for the year amounted to \$13,667 (2012: loss of \$427,896).

Significant Changes

The National Council of the Association has continually taken action to reduce the operating losses of previous years and have produced a small surplus for 2013.

During 2013 the following occurred:

- The council continued cost cutting when contracts expired and aim to reduce costs further.
- The council continued to focus on the support for the current membership to retain as members' and also to attract new members to the Association.

During the reporting period the Council has continued to provide the membership and the broader retailers' salient, relevant and updated policy and advocacy services together with the employment relation services and retail training and education.

The council has implemented a strong budget for the year ending 30 June 2014 and expects a modest operating surplus to be achieved.

Future Developments

Likely developments in the operations of the Association and the expected results of those operations have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Association.

OPERATING REPORT (continued)

Events Subsequent to Balance Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Association, the results of those operations, or the state of affairs of the Association in the future years.

Members and Staff

All members have a right to resign from the Australian retailers Association in accordance with Section 174 of Chapter 6 of the Fair Work (Registered Organisations) Act 2009. In accordance with Section 174 (1) of the Fair Work (Registered Organisations) Act 2009 a member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a branch of the organisation.

Members are encouraged to contact the Association's staff at any time should they have any concerns regarding service or policy or even simply wish to provide input. Members may resign from the Association by written notice addressed to The Membership Department, Australian Retailers Association, Level 10, 136 Exhibition Street, Melbourne, VIC, 3000.

There were 3,262 financial members of the Association as at 30 June 2013 (2012 – 2,928), which represents an 11.4% increase.

The total number of staff employed by the Association as at 30 June 2013 was 25, made up of the following;

Full Time	19
Part Time	2
Casual	4

In 2012 there was 24 full time equivalent staff employed.

Australian Retailers Association and Controlled Entities

OPERATING REPORT (continued)

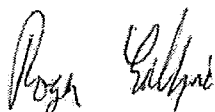
Committee of Management

The name of each person who has been a member of the ARA Council at any time during the year or since the end of the year and continuing in the office at the date of this report unless otherwise stated, are as follows:

Name	Date Appointed	Date Resigned (if applicable)
• Roger Gillespie – President	24 Nov 2008	
• Ivor North – Vice President	11 April 2011	
• Colin Scott – Vice President	11 April 2011	
• Graeme Holman – Treasurer	11 Dec 2009	
• Andrew Nock	11 April 2011	
• Amanda Dutt-Sharma	11 April 2011	31 Oct 2012
• Robert Parker	24 Nov 2009	31 Oct 2012
• Ray Halliwell	03 April 2013	
• John Haywood	03 April 2013	
• Tania Moss	03 April 2013	
• Edward Harry	03 April 2013	
• Andrew Grant	03 April 2013	
• Alla Buinowicz*	11 April 2011	

*Alla Buinowicz was appointed to the Council on 11 April 2011. Subsequent to this date, she has not attended any Council meetings.

Signed in accordance with a resolution of the Committee of Management.



ROGER GILLESPIE
PRESIDENT OF COUNCIL



GRAEME HOLMAN
TREASURER OF COUNCIL

Melbourne

Dated this 11th day of October, 2013

Australian Retailers Association and Controlled Entities

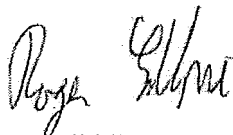
COMMITTEE OF MANAGEMENT'S STATEMENT

On 11 October 2013 the Australian Retailers Association Committee of Management passed the following resolution in relation to the general purpose financial report (GPFR) of the Association for the year ended 30 June 2013.

The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial report and notes comply with the Australian Accounting Standards;
- (b) the financial report and notes comply with the reporting guidelines of the General Manager;
- (c) the financial report and notes give a true and fair view of the financial performance, financial position and cash flows of the Association for the financial year ended 30 June 2013.
- (d) There are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable;
- (e) During the financial year ended 30 June 2013 and since the end of the financial year:
 - (i) Meetings of the Committee of Management were held in accordance with the rules of the organisation and the rules of the Association; and
 - (ii) the financial affairs of the Association have been managed in accordance with the rules of the organisation and the rules of the Association; and
 - (iii) the financial record of the Association have been kept and maintained in accordance with Division 3 to the Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009; and
 - (iv) no information has been sought in any request of a member of the Association (Registered Organisations) Act 2009; and
 - (v) no orders have been made by the Commission under section 273 of Division 7 to the Fair Work (Registered Organisations) Act 2009.

For the Committee of Management



ROGER GILLESPIE
PRESIDENT OF COUNCIL

Melbourne

Dated this 11th day of October, 2013

Australian Retailers Association and Controlled Entities

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013**

	Note	2013 \$	2012 \$
Revenues	3	6,811,124	5,995,085
Employee benefits expense		(1,724,436)	(1,565,386)
Depreciation & amortisation expense		(94,050)	(110,912)
Other expenses	4	(4,978,972)	(4,746,681)
Surplus/(Loss) before income tax		13,666	(427,895)
Income tax expense	1c	-	-
Surplus/(Loss) for the year attributable to members of the entity		13,666	(427,895)
Other comprehensive income		-	-
Total comprehensive income attributable to members of the entity		13,666	(427,895)

The accompanying notes form part of these financial statements

Australian Retailers Association and Controlled Entities

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013

	Note	2013 \$	2012 \$
CURRENT ASSETS			
Cash and cash equivalents	7	1,105,848	1,181,446
Trade receivables and other assets	8	770,500	791,670
Inventories		69,862	44,564
TOTAL CURRENT ASSETS		1,946,210	2,017,680
NON-CURRENT ASSETS			
Property, plant and equipment	9	299,550	303,951
Rental deposit		152,503	157,905
TOTAL NON-CURRENT ASSETS		452,053	461,856
TOTAL ASSETS		2,398,263	2,479,536
CURRENT LIABILITIES			
Trade & other payables		568,222	752,649
Income accrued in-advance		902,921	793,384
Provisions		113,400	133,450
TOTAL CURRENT LIABILITIES		1,584,544	1,679,483
TOTAL LIABILITIES		1,584,544	1,679,483
NET ASSETS		813,719	800,053
EQUITY			
Accumulated funds		813,719	800,053
TOTAL EQUITY		813,719	800,053

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2013

	Accumulated Funds	Reserves	Total
	\$	\$	\$
Balance at 1 July 2011	1,227,948	-	1,227,948
Total comprehensive income	(427,895)	-	(427,895)
Balance at 30 June 2012	<u>800,053</u>	<u>-</u>	<u>800,053</u>
Total comprehensive income	13,667	-	13,667
Balance at 30 June 2013	<u><u>813,719</u></u>	<u><u>-</u></u>	<u><u>813,719</u></u>

The accompanying notes form part of these financial statements

Australian Retailers Association and Controlled Entities

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013**

	Note	2013 \$	2012 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from members and non-members		7,628,345	6,294,119
Payments to suppliers and employees		(7,643,933)	(6,537,914)
Interest Received		<u>29,638</u>	<u>59,237</u>
Net cash provided by (used in) operating activities	12	<u>14,050</u>	<u>(184,558)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(89,648)	(12,982)
Net cash provided by (used in) operating activities		<u>(89,648)</u>	<u>(12,982)</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS HELD		<u>(75,598)</u>	<u>(197,540)</u>
Cash and cash equivalents at the beginning of the financial year		1,181,446	1,378,986
Cash and cash equivalents at end of the financial year	7	<u><u>1,105,848</u></u>	<u><u>1,181,446</u></u>

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report covers the financial statements and notes of the Australian Retailers Association and controlled entities ('the Association'). The financial report is in accordance with the Fair Work (Registered Organisations) Act 2009. The Australian Retailers Association is an organisation registered under the Fair Work (Registered Organisations) Act 2009 and, in accordance with this Act, the Association is a body corporate and has perpetual succession. By virtue of this method of incorporation, the Association is not subject to the Corporations Act 2001.

Basis of preparation

The financial report is a general purpose financial report that has been prepared and presented in accordance with Australian equivalents to International Financial reporting Standards (AIFRS), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Fair Work (Registered Organisations) Act 2009.

Australian Accounting Standards set out accounting policies that result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

a. Principles of Consolidation

A controlled entity is any entity controlled by the Australian Retailers Association. Control exists where the Association has power over an investee, both through its rights and exposures to variable returns from its involvement with the investee, but also from its ability to affect those variable returns in the investee. A list of controlled entities is contained in note 16 to the financial statements.

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended.

All inter-company balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

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

b. Revenue

(i) Membership Fees

Membership income is accrued as income upon the delivery of the services to which a member is entitled under agreement.

(ii) Project Services

Project services revenue is only recognised to the extent that project expenses are recognised in the statement of comprehensive income.

(iii) Interest

Revenue recognised as interest accrues using the effective interest rate method. The effective interest rate method uses the effective interest rate which is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset.

c. Income Tax

No provision for income tax is necessary, as the Association is exempt from Income Tax under Section 50-15 of the Income Tax Assessment Act 1997.

d. Inventories

Inventories are measured at the lower of cost and net realisable value.

e. Plant and Equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the Association includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Association and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

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

Depreciation

The depreciation amount of all fixed assets is depreciated on a straight line basis over the asset's useful life to the Association commencing from the time the asset is held ready to use.

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets for this financial year are:

<u>Class of Fixed Asset</u>	<u>Depreciation Rate</u>
Furniture and fittings	13-50%
Software	nil%
Leasehold Improvements	10-20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

All decreases are charged as expenses to the statement of comprehensive income

g. Financial Instruments

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transaction costs, except for those carried out at fair value through profit and loss, which are measured initially at fair value. Subsequent measurement of financial assets is at amortised cost.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Impairment

At each reporting date, the Association assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

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

h. Impairment of Assets

At each reporting date, the Association reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

i. Employee Benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. These cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

j. Provisions

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligation as a whole. Provisions are discounted to their present values, where the time value of money is material.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised.

k. Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

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

l. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

m. Comparative Figures

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

n. Critical Accounting Estimates and Judgements

The Committee of Management evaluates estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Association as noted in the Basis of preparation Note on page 11.

o. New Accounting Standards and Interpretations

During the current year the Company adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory or available for adoption. There was no significant recognition, measurement or disclosure impact from adopting those standards in these financial statements.

Australian Retailers Association and Controlled Entities

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 2: INFORMATION TO BE PROVIDED TO MEMBERS OF THE AUSTRALIAN RETAILERS ASSOCIATION OR GENERAL MANAGER

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of Sub-sections (1), (2) and (3) of Section 272 of Division 7 which read as follows:

- (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 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 fourteen days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1)

NOTE 3: REVENUE

	2013	2012
	\$	\$
Interest received	29,638	59,237
Memberships	1,589,985	1,619,304
Special projects	303,045	188,584
Training & consulting	4,464,941	3,782,267
Other income	423,515	345,693
	<u>6,811,124</u>	<u>5,995,085</u>

Australian Retailers Association and Controlled Entities

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	2013 \$	2012 \$
NOTE 4: OTHER EXPENSES		
Office & accommodation	330,806	320,565
Professional fees	1,163,673	1,131,491
Special project expenses	110,090	111,234
Training expenses	2,394,245	2,381,452
Other expenses	980,158	801,939
	<u>4,978,972</u>	<u>4,746,681</u>

NOTE 5: KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel for the year encompassed:

- Members of the Committee of Management, as disclosed in the Operating Report
- The following Executives:

Shaun Bajada, Mersine Dandas, Kirsten Goodman, Heath Michael and Russell Zimmerman.

The aggregate compensation made to key management personnel of the Association is set out below:

Short-term employee benefits	497,924	608,983
Post-employment benefits	43,677	52,904
Total	<u>541,604</u>	<u>661,887</u>

The councillors received no remuneration for services.

NOTE 6: AUDITOR'S REMUNERATION

Remuneration of the auditor of the association for:

Auditing or reviewing the financial report	8,500	10,500
Total	<u>8,500</u>	<u>10,500</u>

Australian Retailers Association and Controlled Entities

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	2013	2012
	\$	\$
NOTE 7: CASH AND CASH EQUIVALENTS		
Cash on hand	514	600
Cash at bank & short-term bank deposits	1,105,334	1,180,846
Total	1,105,848	1,181,446

NOTE 8: TRADE AND OTHER RECEIVABLES

CURRENT		
Trade receivables	732,222	734,205
Provision for doubtful debts	(10,000)	(10,000)
Subtotal	722,222	724,205
Prepayments	39,053	39,046
Other	9,225	28,419
Total	770,500	791,670

Provision for Impairment of Receivables

Current trade receivables are generally on 30 day terms, with follow up every 7 days thereafter. It has not been found to be necessary to charge interest on trade receivables. By managing trade receivables, those which are in excess of their terms rarely become irrecoverable. Where any trade debtor does become irrecoverable, the amount is written off to the Statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	2013 \$	2012 \$
NOTE 9: PROPERTY PLANT AND EQUIPMENT		
Furniture, fittings & equipment at cost	307,226	291,352
Accumulated depreciation	(280,909)	(245,893)
Total furniture, fittings & equipment	<u>26,317</u>	<u>45,459</u>
Software at cost	73,774	-
Accumulated depreciation	-	-
Total software	<u>73,774</u>	<u>-</u>
Leasehold improvements at cost	571,155	571,156
Accumulated depreciation	(371,696)	(312,664)
Total leasehold improvements	<u>199,459</u>	<u>258,492</u>
Total Property, Plant and Equipment	<u>299,550</u>	<u>303,951</u>
a. Movement in non-current assets		
<i>Furniture, fittings & equipment</i>		
Balance at the beginning of the year	45,459	61,689
Additions	15,874	12,982
Depreciation expense	(35,016)	(29,212)
Balance at the end of the year	<u>26,317</u>	<u>45,459</u>
<i>Software</i>		
Balance at the beginning of the year	-	-
Additions	73,774	-
Depreciation expense	-	-
Balance at the end of the year	<u>73,774</u>	<u>-</u>
<i>Leasehold improvements</i>		
Balance at the beginning of the year	258,492	335,269
Additions	-	-
Depreciation expense	(59,033)	(76,777)
Balance at the end of the year	<u>199,459</u>	<u>258,492</u>
Total balance at the end of the year	<u>299,550</u>	<u>303,951</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 10: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no known contingent liabilities or assets as at record date.

NOTE 11: SEGMENT REPORTING

The Association operates as a retail industry association to service its members throughout Australia.

	2013 \$	2012 \$
NOTE 12: CASH FLOW INFORMATION		
Reconciliation of Cash Flow from Operations with net surplus/(deficit) for year		
(Loss)/surplus after income tax	13,667	(427,895)
Non cash flows in profit or loss:		
Depreciation and amortisation	94,049	110,913
Changes in working capital:		
Decrease/(increase) in trade and other receivables	21,170	(183,397)
Decrease/(increase) in other assets	5,402	173,398
Decrease/(increase) in inventories	(25,298)	(11,315)
Increase/(decrease) in payables	(184,427)	153,473
Increase/(decrease) in income in advance	109,537	-
Increase/(decrease) in provisions	(20,049)	265
	<u>14,050</u>	<u>(184,558)</u>

NOTE 13: RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Aside from the key management personnel compensation disclosed in Note 5, there were no related party transactions with the Association for the year ending 30 June 2013.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

NOTE 14: FINANCIAL INSTRUMENTS

The entity's financial instruments consist mainly of cash and accounts receivable and payable.

a. Net fair values of financial assets & liabilities

The carrying amounts of all financial assets and liabilities at balance date are measured at amortised cost and approximate fair value.

b. Financial risk management objectives

Risk management objectives are reviewed by the Committee of Management. Day-to-day monitoring of financial risks is performed by the finance staff, overseen by senior management, and reviewed in regular meetings of the Council. The Council considers the Association to have the following financial risk exposures: liquidity risk and credit risk.

c. Credit risk management

The balance of trade and other receivables consists predominantly of a large number of members of the parent entity. Ongoing credit evaluation on the financial condition of accounts receivable is performed by senior management and reviewed at regular intervals by the Council. The credit risk on liquid funds is minimal, as the counterparties are major domestic banking institutions.

Aged Debtors Analysis	Current	30	60	90+	Total
	\$	\$	\$	\$	\$
Trade receivables	275,024	218,816	53,428	184,954	732,222
Provision for Doubtful Debts	-	-	-	(10,000)	(10,000)
Total	275,024	218,816	53,428	174,954	722,222

d. Liquidity risk management

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

Australian Retailers Association and Controlled Entities

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	2013	2012
	\$	\$
NOTE 15: OPERATING LEASE COMMITMENTS		
Non-cancellable operating leases contracted for but not capitalised in the financial statements - Rental Lease for 10/136 Exhibition St Melbourne		
Minimum lease payments - less than 1 year	311,901	299,905
- 1-5 years	324,377	623,378
	<u>636,278</u>	<u>923,283</u>

NOTE 16: CONTROLLED ENTITIES

	Country of Incorporation
Controlled Entities Consolidated	
Parent Entity	
Australian Retailers Association Incorporated	Australia
Related Entities	
Victorian Retail Trust	Australia

NOTE 17: ASSOCIATION DETAILS

The registered office and principal place of business of the Association is:

Level 10, 136 Exhibition Street
Melbourne Victoria 3000

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUSTRALIAN RETAILERS ASSOCIATION AND CONTROLLED ENTITIES

Report on the Financial Report

We have audited the accompanying financial report of Australian Retailers Association (the Association) and its controlled entities (the consolidated entity), which comprises the statement of financial position as at 30 June 2013, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Committee of Management's statement.

The Committee of Management's Responsibility for the Financial Report

The Committee of Management are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Fair Work (Registered Organisations) Act 2009 in Australia and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Sydney
Melbourne
Brisbane
Perth
Adelaide
Auckland

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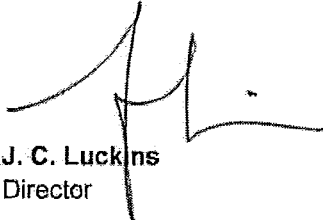
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUSTRALIAN
RETAILERS ASSOCIATION AND CONTROLLED ENTITIES (CONT)***Auditor's Opinion*

In our opinion the financial report gives a true and fair view of the financial position of the consolidated entity as at 30 June 2013, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and Fair Work (Registered Organisations) Act 2009 in Australia. The financial report also complies with the mandatory reporting requirements as required under the Fair Work (Registered Organisations) Act 2009 in Australia.



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



J. C. Luckins
Director

Dated this 11th day of October, 2013



12 July 2013

Mr Russell Zimmerman
Executive Director
The Australian Retailers Association

Sent by email: russell.zimmerman@retail.org.au

Dear Mr Zimmerman,

Re: Lodgement of Financial Report - [FR2013/212]

Fair Work (Registered Organisations) Act 2009 (the RO Act)

The financial year of The Australian Retailers Association (the reporting unit) ended on 30 June 2013.

This is a courtesy letter to remind you of the obligation to prepare and lodge the financial report for the reporting unit by the due date, namely 15 January 2014 (that is the period within 6 months and 14 days of the end of the financial year) under s.268 of the RO Act.

The RO Act sets out a particular chronological order in which financial documents and statements must be prepared, audited, provided to members and presented to a meeting. For your assistance, the attached *Timeline/Planner* summarises these requirements.

Fact sheets regarding financial reporting under the RO Act are provided on the Fair Work Commission website at: [Financial Reporting Fact Sheets](#).

The documents can be emailed to orgs@fwc.gov.au. If it is envisaged that the financial report cannot be lodged by the due date you are requested to contact this office prior to the due date to discuss the issue.

It should be noted that s.268 is a civil penalty provision. Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$33,000 for a body corporate and \$6,600 for an individual per contravention) being imposed upon an officer whose conduct led to the contravention and/or your organisation.

Should you seek any clarification in relation to the above, please contact me on (03) 8661 7936 or via email at robert.pfeiffer@fwc.gov.au.

Yours sincerely,

Robert Pfeiffer
Senior Adviser
Regulatory Compliance Branch

TIMELINE/ PLANNER

Financial reporting period ending:	/ /	
Prepare financial statements and Operating Report.		
<p>(a) A Committee of Management Meeting must consider the financial statements, and if satisfied, pass a resolution declaring the various matters required to be included in the Committee of Management Statement.</p> <p>(b) A #designated officer must sign the Statement which must then be forwarded to the auditor for consideration as part of the General Purpose Financial Report (GPFR).</p>	/ /	As soon as practicable after end of financial year
Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /	<p>Within a reasonable time of having received the GPFR</p> <p>(NB: Auditor's report must be dated on or after date of Committee of Management Statement</p>
<p>Provide full report free of charge to members – s265</p> <p>The full report includes:</p> <ul style="list-style-type: none"> the General Purpose Financial Report (which includes the Committee of Management Statement); the Auditor's Report; and the Operating Report. 	/ /	<p>(a) if the report is to be presented to a General Meeting (which must be held within 6 months after the end of the financial year), the report must be provided to members 21 days before the General Meeting,</p> <p>or</p> <p>(b) in any other case including where the report is presented to a Committee of Management meeting*, the report must be provided to members within 5 months of end of financial year.</p>
Present full report to:		
(a) General Meeting of Members - s266 (1),(2); OR	/ /	Within 6 months of end of financial year
(b) where the rules of organisation or branch allow* - a Committee of Management meeting - s266 (3)	/ /	Within 6 months of end of financial year
Lodge full report with the Fair Work Commission, together with the #Designated Officer's certificate++ - s268	/ /	Within 14 days of meeting

* the full report may only be presented to a committee of management meeting if the rules of the reporting unit provide that a percentage of members (not exceeding 5%) are able to call a general meeting to consider the full report.

The Committee of Management Statement and the Designated Officer's certificate must be signed by the Secretary or another officer who is an elected official and who is authorised under the rules (or by resolution of the organisation) to sign the statement or certificate – s243.

++ The Designated Officer's certificate must state that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with s266 – dates of such events must be included in the certificate. The certificate cannot be signed by a non-elected official.