FAIR WORK COMMISSION

4 June 2015

Mr Russell Zimmerman
Executive Director
Australian Retailers' Association

sent to: russell.zimmerman@retail.org.au

Dear Mr Zimmerman,

Re: Lodgement of Financial Statements and Accounts - Australian Retailers' Association - for year ended 30 June 2014 (FR2014/150)

I acknowledge receipt of the amended financial report of the Australian Retailers' Association. The documents comprising the amended report were lodged with the Fair Work Commission on 2 June 2015. The financial report has now been filed. You do not have 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 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, although the amended report addressed various additional matters raised in my correspondence of 8 January 2015.

Please note that the financial report for the year ending 30 June 2015 may be subject to an advanced compliance review.

Reporting Requirements

On the FWC website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The FWC recommends reporting units use this model as it will assist in ensuring compliance with the *Fair Work (Registered Organisations) Act 2009*, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via this link.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (02) [redacted] or [redacted] or by email at stephen.kellett@fwc.gov.au

Yours sincerely

Stephen Kellett

Stephen Kellett
Senior Adviser, Regulatory Compliance Branch

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East Sydney NSW 2011
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Australian Retailers Association and Controlled Entities

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

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

Certificate for the year ended 30 June 2014

I, Roger Gillespie 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 30 June 2014 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 26 May 2015; and

- that the full report was presented to committee of management of the reporting unit on 26 May 2015 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:

Name of prescribed designated officer: Roger Gillespie

Title of prescribed designated officer: President

Dated: 26th day of May 2015

Australian Retailers Association and Controlled Entities

OPERATING REPORT

for the year ended 30 June 2014

The committee presents its report on the reporting unit for the financial year ended *30 June* 2014.

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

The Australian Retailers Association is the national leader in providing complimentary employment relations services to its members through telephone advice and online Employment Relations Management System (ERMS). The principal activity of the Association was to provide these services within the 2013-14 financial year.

The Association also provided education, consulting and professional development needs to the membership. The ARA Retail Institute specialises in consulting and education on a broad range of topics, including: Retail Buying, Financials, Visual Merchandising, Marketing, Operations and Sales and Service Strategy.

The loss of the Association (including former State and National Councils) for the year amounted to $83,482 (2013: profit of $13,666).

Significant changes in financial affairs

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.

Right of members to resign

All members have a right to resign from the Australian Retailers Association in accordance with Section 174 of Chapter 6 of the Fair Work (Registered Organisations) Act 2009. In accordance with Section 174 (1) of the Fair Work (Registered Organisations) Act 2009 a member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a branch of the organisation.
Members are encouraged to contact the Association's staff at any time should they have any concerns regarding service or policy or even simply wish to provide input. Members may resign from the Association by written notice addressed to The Membership Department, Australian Retailers Association, Level 10, 136 Exhibition Street, Melbourne, VIC, 3000.

Number of members

There were 3,280 financial members as at 30 June 2014, (2013: 3,262).

Number of employees

The total number of staff employed by the Association as at 30 June 2014 was 25, made up of the following;

Full Time: 22(FTE)
Casual: 3

Names of Committee of Management members and period positions held during the financial year

Name	Date Appointed
• 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
• Edward Harry - Secretary	03 April 2013
• Andrew Nock	11 April 2011
• Ray Halliwell	03 April 2013
• John Haywood	03 April 2013
• Andrew Grant	03 April 2013
• Tania Moss	03 April 2013

Signature of designated officer:

Name and title of designated officer: Roger Gillespie, PRESIDENT OF COUNCIL

Dated: 26th day of May 2015

COMMITTEE OF MANAGEMENT STATEMENT

for the year ended 30 June 2014

On the 26th May 2015 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 2014:

The Committee of Management 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 the reporting guidelines of the General Manager;

(c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;

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

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

- (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
- (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
- (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
- (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
- (v) where information has been sought in any request by a member of the reporting unit or General Manager duly made under section 272 of the RO Act has been provided to the member or 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.

(f) where the reporting unit has not derived revenue from undertaking recovery of wages activity, include the statement 'no revenue has been derived from undertaking recovery of wages activity during the reporting period' or

(g) where the reporting unit has derived revenue from undertaking recovery of wages activity:

- (i) the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of the General Manager; and
- (ii) the committee of management instructed the auditor to include in the scope of the audit required under subsection 257(1) of the RO Act all recovery of wages activity by the reporting unit from which revenues had been derived for the financial year in respect of such activity; and

(iii) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from monies recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and

(iv) that prior to engaging in any recovery of wages activity, the organisation has disclosed to members by way of a written policy all fees to be charged or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and

(v) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from monies recovered from employers on behalf of workers until distributions of recovered money were made to the workers.

This declaration is made in accordance with a resolution of the Committee of Management.

Signature of designated officer:

Name and title of designated officer: Roger Gillespie, PRESIDENT OF COUNCIL

Dated: 26TH day of May 2015

Australian Retailers Association and Controlled Entities

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2014

		Consolidated		Parent	
		2014	2013	**2014**	2013
	Notes	**$**	$	**$**	$
Revenue					
Membership subscription		**1,591,313**	1,589,985	**1,591,313**	1,589,985
Capitation fees	3A	**-**	-	**-**	-
Levies	3B	**-**	-	**-**	-
Interest	3C	**36,623**	29,638	**36,623**	29,638
Rental revenue	3D	**41,005**	59,375	**41,005**	59,375
Other revenue	3E	**2,626,294**	2,669,106	**2,626,294**	2,669,106
Total revenue		**4,295,235**	4,348,104	**4,295,235**	4,348,104
Other Income					
Grants and/or donations	3F	**2,271,697**	2,463,020	**2,271,697**	2,463,020
Share of net profit from associate		**-**	-	**-**	-
Total other income		**2,271,697**	2,463,020	**2,271,697**	2,463,020
Total income		**6,566,932**	6,811,124	**6,566,932**	6,811,124
Expenses					
Employee expenses	4A	**2,409,566**	2,267,282	**2,409,566**	2,267,282
Capitation fees	4B	**-**	-	**-**	-
Affiliation fees	4C	**28,260**	28,513	**28,260**	28,513
Administration expenses	4D	**3,995,184**	4,396,418	**3,995,184**	4,396,418
Grants or donations	4E	**-**	-	**-**	-
Depreciation and amortisation	4F	**144,168**	94,050	**144,168**	94,050
Finance costs	4G	**9,257**	2,625	**9,257**	2,625
Legal costs	4H	**6,402**	70	**6,402**	70
Audit fees	13	**19,700**	8,500	**19,700**	8,500
Share of net loss from associate		**-**	-	**-**	-
Write-down and impairment of assets	4I	**37,877**	-	**37,877**	-
Other expenses	4J	**-**	-	**-**	-
Total expenses		**6,650,414**	6,797,458	**6,650,414**	6,797,458
(Loss)/Profit for the year		**(83,482)**	13,666	**(83,482)**	13,666
Other comprehensive income					
Items that will not be subsequently reclassified to profit or loss		**-**	-	**-**	-
Total comprehensive income for the year		**(83,482)**	13,666	**(83,482)**	13,666

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

Australian Retailers Association and Controlled Entities

STATEMENT OF FINANCIAL POSITION

as at 30 June 2014

		Consolidated		Parent	
		2014	2013	**2014**	2013
	Notes	**$**	$	**$**	$
ASSETS					
Current Assets					
Cash and cash equivalents	5A	**1,229,805**	1,105,848	**1,229,805**	1,105,848
Trade and other receivables	5B	**1,292,280**	731,447	**1,292,280**	731,447
Other current assets	5C	**131,536**	108,915	**131,536**	108,915
Total current assets		**2,653,621**	1,946,210	**2,653,621**	1,946,210
Non-Current Assets					
Land and buildings		**-**	-	**-**	-
Plant and equipment	6A	**101,777**	225,776	**101,777**	225,776
Intangibles	6B	**26,467**	73,774	**26,467**	73,774
Other investments	6C	**160,503**	152,503	**160,503**	152,503
Total non-financial assets		**288,747**	452,053	**288,747**	452,053
Total assets		**2,942,368**	2,398,263	**2,942,368**	2,398,263
LIABILITIES					
Current Liabilities					
Trade payables	7A	**361,399**	291,933	**361,399**	291,933
Other payables	7B	**1,741,526**	1,230,997	**1,741,526**	1,230,997
Employee provisions	8A	**109,206**	61,614	**109,206**	61,614
Total current liabilities		**2,212,131**	1,584,544	**2,212,131**	1,584,544
Non-Current Liabilities					
Employee provisions	8A	**-**	-	**-**	-
Other non-current liabilities	9A	**-**	-	**4,222,150**	4,222,150
Total non-current liabilities		**-**	-	**4,222,150**	4,222,150
Total liabilities		**2,212,131**	1,584,544	**6,434,281**	5,745,080
Net assets		**730,237**	813,719	**(3,491,913)**	(3,408,431)
EQUITY					
Retained earnings (accumulated deficit)		**730,237**	813,719	**(3,491,913)**	(3,408,431)
Total equity		**730,237**	813,719	**(3,491,913)**	(3,408,431)

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

Australian Retailers Association and Controlled Entities

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2014

Consolidated	Notes	**Retained earnings** $	**Total equity** $
Balance as at 1 July 2012		800,053	800,053
Adjustment for errors		-	-
Adjustment for changes in accounting policies		-	-
Profit for the year		13,666	13,666
Other comprehensive income for the year		-	-
Transfer from retained earnings		-	-
Closing balance as at 30 June 2013		**813,719**	**813,719**
Adjustment for errors		**-**	**-**
Adjustment for changes in accounting policies		**-**	**-**
Loss for the year		**(83,482)**	**(83,482)**
Other comprehensive income for the year		**-**	**-**
Transfer from retained earnings		**-**	**-**
Closing balance as at 30 June 2014		**730,237**	**730,237**

Parent	Notes	**Retained earnings** $	**Total equity** $
Balance as at 1 July 2012		(3,422,097)	-
Adjustment for errors		-	-
Adjustment for changes in accounting policies		-	-
Profit for the year		13,666	-
Other comprehensive income for the year		-	-
Transfer from retained earnings		-	-
Closing balance as at 30 June 2013		**(3,408,431)**	**-**
Adjustment for errors		**-**	**-**
Adjustment for changes in accounting policies		**-**	**-**
Loss for the year		**(83,482)**	**-**
Other comprehensive income for the year		**-**	**-**
Transfer from retained earnings		**-**	**-**
Closing balance as at 30 June 2014		**(3,491,913)**	**-**

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

CASH FLOW STATEMENT
for the year ended 30 June 2014

		Consolidated		Parent	
		2014	2013	**2014**	2013
	Notes	**$**	$	**$**	$
OPERATING ACTIVITIES					
Cash received					
Receipts from members and non-members	10B	**8,886,126**	7,628,345	**8,886,126**	7,628,345
Interest		**36,623**	29,638	**36,623**	29,638
Other		**-**	-	**-**	-
Cash used					
Employees	10B	**(1,312,172)**	(1,245,407)	**(1,312,172)**	(1,245,407)
Suppliers	10B	**(7,475,881)**	(6,398,526)	**(7,475,881)**	(6,398,526)
Other		**-**	-	**-**	-
Net cash from operating activities	10A	**134,696**	14,050	**134,696**	14,050
INVESTING ACTIVITIES					
Cash received					
Proceeds from sale of plant and equipment		**-**	-	**-**	-
Proceeds from sale of land and buildings		**-**	-	**-**	-
Other		**-**	-	**-**	-
Cash used					
Purchase of plant and equipment		**(10,739)**	(89,648)	**(10,739)**	(89,648)
Purchase of land and buildings		**-**	-	**-**	-
Other		**-**	-	**-**	-
Net cash used by investing activities		**(10,739)**	(89,648)	**(10,739)**	(89,648)
FINANCING ACTIVITIES					
Cash received					
Contributed equity		**-**	-	**-**	-
Other		**-**	-	**-**	-
Cash used					
Repayment of borrowings		**-**	-	**-**	-
Other		**-**	-	**-**	-
Net cash from financing activities		**-**	-	**-**	-
Net increase/(decrease) in cash held		**123,957**	(75,598)	**123,957**	(75,598)
Cash & cash equivalents at the beginning of the reporting period		**1,105,848**	1,181,446	**1,105,848**	1,181,446
Cash & cash equivalents at the end of the reporting period	5A	**1,229,805**	1,105,848	**1,229,805**	1,105,848

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

RECOVERY OF WAGES ACTIVITY

for the year ended 30 June 2014

	Consolidated		Parent	
	2014	2013	**2014**	2013
	$	$	**$**	$
Cash assets in respect of recovered money at beginning of year	**-**	-	**-**	-
Receipts				
Amounts recovered from employers in respect of wages etc.	**-**	-	**-**	-
Interest received on recovered money	**-**	-	**-**	-
Total receipts	**-**	-	**-**	-
Payments				
Deductions of amounts due in respect of membership for:				
12 months or less	**-**	-	**-**	-
Greater than 12 months	**-**	-	**-**	-
Deductions of donations or other contributions to accounts or funds of:				
The reporting unit:				
name of account	**-**	-	**-**	-
name of fund	**-**	-	**-**	-
Name of other reporting unit of the organisation:				
name of account	**-**	-	**-**	-
name of fund	**-**	-	**-**	-
Name of other entity:				
name of account	**-**	-	**-**	-
name of fund	**-**	-	**-**	-
Deductions of fees or reimbursement of expenses	**-**	-	**-**	-
Payments to workers in respect of recovered money	**-**	-	**-**	-
Total payments	**-**	-	**-**	-
Cash asset's in respect of recovered money at end of year	**-**	-	**-**	-
Number of workers to which the monies recovered relates	**-**	-	**-**	-

Aggregate payables to workers attributable to recovered monies but not yet distributed				
Payable balance	**-**	-	**-**	-
Number of workers the payable relates to	**-**	-	**-**	-
Fund or account operated for recovery of wages				
	-	-	**-**	-

Index to the Notes of the Financial Statements

Note 1 Summary of significant accounting policies

1.1 Basis of preparation of the financial statements

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the *Fair Work (Registered Organisation) Act 2009*. For the purpose of preparing the general purpose financial statements, the Australian Retailers Association is a not-for-profit entity.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

1.2 Comparative Figures

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

The following accounting assumptions or estimates have been identified that have 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 Standard Requirements

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

The accounting policies adopted are consistent with those of the previous financial year except as follows:

Future Australian Accounting Standards Requirements

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the future reporting period that are expected to have a future financial impact on Australian Retailers Association include: AASB 9 Financial Instruments and its consequential amendments.

1.5 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Australian Retailers Association and entities (including special purpose entities) controlled by the Australian Retailers Association (its subsidiaries). Control is achieved where the Australian Retailers Association has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Income and expense of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the Australian Retailers Association and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Australian Retailers Association.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Changes in the Australian Retailers Association ownership interests in subsidiaries that do not result in the Australian Retailers Association losing control are accounted for as equity transactions. The carrying amounts of the Australian Retailers Association interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Australian Retailers Association.

When the Australian Retailers Association loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Australian Retailers Association had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under *AASB 139 'Financial Instruments: Recognition and Measurement'* or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

1.6 Acquisition of assets and or liabilities that do not constitute a business combination

The net book value of assets and or liabilities transferred to Australian Retailers Association for no consideration is used to account for an amalgamation under Part 2 of Chapter 3 of the *Fair Work (Registered Organisations) Act 2009*/a restructure of the branches of the *Australian Retailers Association*/a determination by the General Manager under subsections 245(1) of the *Fair Work (Registered Organisations) Act 2009*/ a revocation by the General Manager under subsection 249(1) of the *Fair Work (Registered Organisations) Act 2009*.

The assets and liabilities are recognised as at the date of transfer.

1.7 Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from subscriptions is accounted for on an accrual basis and is recorded as revenue in the year to which it relates.

Revenue from the sale of goods is recognised when, the risks and rewards of ownership have been transferred to the buyer, the entity retains no managerial involvement or effective control over the goods, the revenue and transaction costs incurred can be reliably measured, and it is probable that the economic benefits associated with the transaction will flow to the entity.

Donation income is recognised when it is received.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

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

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Other revenue is recognised when it is received or when the right to receive payment is established.

1.8 Government grants

Government grants are not recognised until there is reasonable assurance that the Australian Retailers Association will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Australian Retailers Association recognises as expenses the related costs for which the grants are intended to compensate.

1.9 Gains

Sale of assets

Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.

1.10 Capitation fees and levies

Capitation fees and levies are to be recognised on an accrual basis and recorded as a revenue and/or expense in the year to which it relates.

1.11 Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the reporting unit 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.

1.12 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

1.13 Borrowing costs

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

1.14 Cash and cash equivalents

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the consolidated statement of financial position.

1.15 Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

1.16 Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:
- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:
- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 ‘Financial Instruments: Recognition and Measurement’ permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the ‘other gains and losses’ line item in the statement of comprehensive income.

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity dates that the reporting unit has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

Loan and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest rate basis except for debt instruments other than those financial assets that are recognised at fair value through profit or loss.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the reporting units past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of

amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.
When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Derecognition of financial assets

The reporting unit derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

1.17 Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or it is designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:
- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at fair value through profit or loss upon initial recognition if:
- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Other financial liabilities

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities

The reporting unit derecognises financial liabilities when, and only when, the reporting units obligations are discharged, cancelled or they expire. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

1.18 Contingent liabilities and contingent assets

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

1.19 Plant and equipment

Asset recognition threshold

Purchases of 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 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:

	2014	2013
Plant and equipment	1 to 20 years	1 to 20 years

Derecognition

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

1.20 Intangibles

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

	2014	2013
Intangibles	1 to 3 years	1 to 3 years

Derecognition

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

1.21 Impairment for non-financial assets

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

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

1.22 Non-current assets held for sale

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

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

1.23 Income Tax

The Australian Retailers Association is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

1.24 Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

1.25 Fair value measurement

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Australian Retailers Association determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the *Australian Retailers Association* has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

Note 2 Events after the reporting period

There were no events that occurred after 30 June 2014, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Australian Retailers Association.

	Consolidated		**Parent**	
	2014	2013	**2014**	2013
	$	$	**$**	$
Note 3 Income				
Note 3A: Capitation fees				
	-	-	**-**	-
Total capitation fees	**-**	-	**-**	-
Note 3B: Levies				
	-	-	**-**	-
Total levies	**-**	-	**-**	-
Note 3C: Interest				
Deposits	**36,623**	29,638	**36,623**	29,638
Total interest	**36,623**	29,638	**36,623**	29,623

	Consolidated		Parent	
	2014	2013	**2014**	2013
	$	$	**$**	$
Note 3D: Rental revenue				
Properties	**41,005**	59,375	**41,005**	59,375
Total rental revenue	**41,005**	59,375	**41,005**	59,375
Note 3E: Other revenue				
Training and consulting	**1,633,894**	2,001,921	**1,633,894**	2,001,921
Special project income	**481,660**	303,045	**481,660**	303,045
Other income	**510,740**	364,140	**510,740**	364,140
Total other revenue	**2,626,294**	2,669,106	**2,626,294**	2,669,106
Note 3F: Grants or donations				
Grants	**2,271,697**	2,463,020	**2,271,697**	2,463,020
Donations	**-**	-	**-**	-
Total grants or donations	**2,271,697**	2,463,020	**2,271,697**	2,463,020

Note 4 Expenses

	Consolidated		Parent	
	2014	2013	**2014**	2013
Note 4A: Employee expenses				
Holders of office:				
Wages and salaries	**959,130**	1,040,770	**959,130**	1,040,770
Superannuation	**74,784**	43,677	**74,784**	43,677
Leave and other entitlements	**4,162**	-	**4,162**	-
Separation and redundancies	**-**	-	**-**	-
Other employee expenses	**-**	-	**-**	-
Subtotal employee expenses holders of office	**1,038,076**	1,084,447	**1,038,076**	1,084,447
Employees other than office holders:				
Wages and salaries	**1,248,776**	1,053,772	**1,248,776**	1,053,772
Superannuation	**73,132**	89,822	**73,132**	89,822
Leave and other entitlements	**43,429**	(2,193)	**43,429**	(2,193)
Separation and redundancies	**6,153**	41,434	**6,153**	41,434
Other employee expenses	**-**	-	**-**	-
Subtotal employee expenses employees other than office holders	**1,371,490**	1,182,835	**1,371,490**	1,182,835
Total employee expenses	**2,409,566**	2,267,282	**2,409,566**	2,267,282

	Consolidated		Parent	
	2014	2013	**2014**	2013
	$	$	**$**	$

Note 4B: Capitation fees

	-	-	**-**	-
Total capitation fees	**-**	-	**-**	-

Note 4C: Affiliation fees

	28,260	28,513	**28,260**	28,513
Total affiliation fees/subscriptions	**28,260**	28,513	**28,260**	28,513

Note 4D: Administration expenses

Consideration to employers for payroll deductions	**-**	-	**-**	-
Compulsory levies	**-**	-	**-**	-
Fees/allowances - meeting and conferences	**-**	-	**-**	-
Conference and meeting expenses	**-**	-	**-**	-
Contractors/consultants	**2,877,543**	3,096,579	**2,877,543**	3,096,579
Property expenses	**27,265**	28,360	**27,265**	28,360
Office expenses	**110,634**	71,696	**110,634**	71,696
Information communications technology	**81,900**	69,008	**81,900**	69,008
Other	**540,326**	782,841	**540,326**	782,841
Subtotal administration expense	**3,637,668**	4,048,484	**3,637,668**	4,048,484
Operating lease rentals:				
Minimum lease payments	**357,516**	347,934	**357,516**	347,934
Total administration expenses	**3,995,184**	4,396,418	**3,995,184**	4,396,418

Note 4E: Grants or donations

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

	Consolidated		Parent	
	2014	2013	**2014**	2013
	$	$	**$**	$
Note 4F: Depreciation and amortisation				
Depreciation				
Property, plant and equipment	**130,935**	94,050	**130,935**	94,050
Total depreciation	**130,935**	94,050	**130,935**	94,050
Amortisation				
Intangibles	**13,233**	-	**13,233**	-
Total amortisation	**13,233**	-	**13,233**	-
Total depreciation and amortisation	**144,168**	94,050	**144,168**	94,050
Note 4G: Finance costs				
Finance leases	**8,292**	2,625	**8,292**	2,625
Interest payable	**965**	-	**965**	-
Total finance costs	**9,257**	2,625	**9,257**	2,625
Note 4H: Legal costs				
Litigation	**-**	-	**-**	-
Other legal matters	**6,402**	70	**6,402**	70
Total legal costs	**6,402**	70	**6,402**	70
Note 4I: Write-down and impairment of assets				
Asset write-downs and impairments of:				
Land and buildings	**-**	-	**-**	-
Plant and equipment	**3,803**	-	**3,803**	-
Intangible assets	**34,074**	-	**34,074**	-
Other	**-**	-	**-**	-
Total write-down and impairment of assets	**37,877**	-	**37,877**	-
Note 4J: Other expenses				
Penalties - via RO Act or RO Regulations	**-**	-	**-**	-
Total other expenses	**-**	-	**-**	-

Note 5 Current assets

Note 5A: Cash and cash equivalents

	Consolidated 2014 $	Consolidated 2013 $	Parent 2014 $	Parent 2013 $
Cash at bank	**919,094**	729,765	**919,094**	729,765
Cash on hand	**2,277**	514	**2,277**	514
Short term deposits	**308,434**	375,569	**308,434**	375,569
Total cash and cash equivalents	**1,229,805**	1,105,848	**1,229,805**	1,105,848

Note 5B: Trade and other receivables

	Consolidated 2014 $	Consolidated 2013 $	Parent 2014 $	Parent 2013 $
Receivables from other reporting unit				
Australian Retailers Association	**1,331,625**	732,222	**1,331,625**	732,222
Total receivables from other reporting unit	**1,331,625**	732,222	**1,331,625**	732,222
Less provision for doubtful debts				
Australian Retailers Association	**(39,345)**	(10,000)	**(39,345)**	(10,000)
Total provision for doubtful debts	**(39,345)**	(10,000)	**(39,345)**	(10,000)
Receivable from other reporting unit (net)	**1,292,280**	722,222	**1,292,280**	722,222
Other receivables:				
GST receivable from the Australian Taxation Office	**-**	-	**-**	-
Other trade receivables	**-**	9,225	**-**	9,225
Total other receivables	**-**	-	**-**	-
Total trade and other receivables (net)	**1,292,280**	731,447	**1,292,280**	731,447

Note 5C: Other current assets

	Consolidated 2014 $	Consolidated 2013 $	Parent 2014 $	Parent 2013 $
Stock	**49,912**	69,862	**49,912**	69,862
Prepayments	**81,624**	39,053	**81,624**	39,053
Total other current assets	**131,536**	108,915	**131,536**	108,915

	Consolidated		Parent	
	2014	2013	**2014**	2013
	$	$	**$**	$

Note 6 Non-current assets

Note 6A: Plant and equipment

Plant and equipment:				
at cost	**898,829**	878,381	**898,829**	878,381
accumulated depreciation	**(797,052)**	(652,605)	**(797,052)**	(652,605)
Total plant and equipment	**101,777**	225,776	**101,777**	225,776

Reconciliation of the opening and closing balances of plant and equipment

As at 1 July 2013				
Gross book value	**878,381**	862,508	**878,381**	862,508
Accumulated depreciation and impairment	**(652,605)**	(558,557)	**(652,605)**	(558,557)
Net book value 1 July 2013	**225,776**	303,951	**225,776**	303,951
Additions:				
By purchase	**10,739**	15,874	**10,739**	15,874
From acquisition of entities (including restructuring)	**-**	-	**-**	-
Impairments	**-**	-	**-**	-
Depreciation expense	**(130,935)**	(94,049)	**(130,935)**	(94,049)
Other movement	**-**	-	**-**	-
Disposals:				-
From disposal of entities (including restructuring)	**-**	-	**-**	-
Other	**(3,803)**	-	**(3,803)**	-
Net book value 30 June 2014	**101,777**	225,776	**101,777**	225,776
Net book value as of 30 June represented by:				
Gross book value	**898,829**	878,381	**898,829**	878,381
Accumulated depreciation and impairment	**(797,052)**	(652,605)	**(797,052)**	(652,605)
Net book value 30 June 2014	**101,777**	225,776	**101,777**	225,776

	Consolidated		Parent	
	2014	2013	**2014**	2013
	$	$	**$**	$

Note 6B: Intangibles

Computer software at cost:				
internally developed	**-**	-	**-**	-
Purchased	**39,700**	73,774	**39,700**	73,774
accumulated amortisation	**(13,233)**	-	**(13,233)**	-
Total intangibles	**26,467**	73,774	**26,467**	73,774

Reconciliation of the opening and closing balances of intangibles

As at 1 July 2013				
Gross book value	**73,774**	-	**73,774**	-
Accumulated amortisation and impairment	**-**	-	**-**	-
Net book value 1 July	**73,774**	-	**73,774**	-
Additions:				
By purchase	**-**	73,774	**-**	73,774
From acquisition of entities (including restructuring)	**-**	-	**-**	-
Impairments	**-**	-	**-**	-
Amortisation	**(13,233)**	-	**(13,233)**	-
Other movements	**-**	-	**-**	-
Disposals:				
From disposal of entities (including restructuring)	**-**	-	**-**	-
Other	**(34,074)**	-	**(34,074)**	-
Net book value 30 June 2014	**26,467**	73,774	**26,467**	73,774
Net book value as of 30 June represented by:				
Gross book value	**39,700**	73,774	**39,700**	73,774
Accumulated amortisation and impairment	**(13,233)**	-	**(13,233)**	-
Net book value 30 June 2014	**26,467**	73,774	**26,467**	73,774

Note 6C: Other investments

Rental Deposits	**160,503**	152,503	**160,503**	152,503
Total other investments	**160,503**	152,503	**160,503**	152,503

Note 6D: Other non-current assets

Other	**-**	-	**-**	-
Total other non-financial assets	**-**	-	**-**	-

	Consolidated		Parent	
	2014	2013	**2014**	2013
	$	$	**$**	$

Note 7 Current liabilities

Note 7A: Trade payables

Trade creditors and accruals	**361,399**	291,933	**361,399**	291,933
Operating lease rentals	**-**	-	**-**	-
Subtotal trade creditors	**361,399**	291,933	**361,399**	291,933
Payables to other reporting unit	**-**	-	**-**	-
Subtotal payables to other reporting unit	**-**	-	**-**	-
Total trade payables	**361,399**	291,933	**361,399**	291,933

Settlement is usually made within 30 days.

Note 7B: Other payables

Wages and salaries	**-**	-	**-**	-
Superannuation	**105,569**	47,081	**105,569**	47,081
Consideration to employers for payroll deductions	**-**	-	**-**	-
Legal costs	**-**	-	**-**	-
Prepayments received/unearned revenue	**1,403,615**	902,921	**1,403,615**	902,921
GST payable	**106,325**	88,669	**106,325**	88,669
Other	**126,017**	192,326	**126,017**	192,326
Total other payables	**1,741,526**	1,230,997	**1,741,526**	1,230,997
Total other payables are expected to be settled in:				
No more than 12 months	**1,741,526**	1,230,997	**1,741,526**	1,230,997
More than 12 months	**-**	-	**-**	-
Total other payables	**1,741,526**	1,230,997	**1,741,526**	1,230,997

	Consolidated		Parent	
	2014	2013	**2014**	2013
	$	$	**$**	$

Note 8 Provisions

Note 8A: Employee provisions

Office Holders:				
Annual leave	**40,665**	35,121	**40,665**	35,121
Long service leave	**-**	-	**-**	-
Separations and redundancies	**-**	-	**-**	-
Other	**-**	-	**-**	-
Subtotal employee provisions—office holders	**40,665**	35,121	**40,665**	35,121
Employees other than office holders:				
Annual leave	**58,321**	26,493	**58,321**	26,493
Long service leave	**10,220**	-	**10,220**	-
Separations and redundancies	**-**	-	**-**	-
Other	**-**	-	**-**	-
Subtotal employee provisions—employees other than office holders	**68,541**	26,493	**68,541**	26,493
Total employee provisions	**109,206**	61,614	**109,206**	61,614
Current	**109,206**	61,614	**109,206**	61,614
Non Current	**-**	-	**-**	-
Total employee provisions	**109,206**	61,614	**109,206**	61,614

Note 9 Non-current liabilities

Note 9A: Other non-current liabilities

Loan – VRN	**-**	-	**4,222,150**	4,222,150
Total other non-current liabilities	**-**	-	**4,222,150**	4,222,150

	Consolidated		Parent	
	2014	2013	**2014**	2013
	$	$	**$**	$

Note 10 Cash flow

Note 10A: Cash flow reconciliation

Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:

	Consolidated 2014 $	Consolidated 2013 $	Parent 2014 $	Parent 2013 $
Cash and cash equivalents as per:				
Cash flow statement	**1,229,805**	1,105,848	**1,229,805**	1,105,848
Balance sheet	**1,229,805**	1,105,848	**1,229,805**	1,105,848
Difference	**-**	-	**-**	-

Reconciliation of (loss)/profit to net cash from operating activities:

	Consolidated 2014 $	Consolidated 2013 $	Parent 2014 $	Parent 2013 $
(Loss)/Profit for the year	**(83,482)**	13,666	**(83,482)**	13,666
Adjustments for non-cash items				
Depreciation/amortisation	**144,168**	94,049	**144,168**	94,049
Loss on disposal of non-financial assets	**37,877**	-	**37,877**	-
Fair value movements in investment property	**-**	-	**-**	-
Gain on disposal of assets	**-**	-	**-**	-
Changes in assets/liabilities				
(Increase)/decrease in net receivables	**(560,833)**	21,170	**(560,833)**	21,170
(Increase)/decrease in prepayments	**(42,571)**	-	**(42,571)**	-
(Increase)/decrease in inventories	**19,950**	(25,298)	**19,950**	(25,298)
(Increase)/decrease in other assets	**(8,000)**	5,402	**(8,000)**	5,402
Increase/(decrease) in supplier payables	**69,466**	(184,427)	**69,466**	(184,427)
Increase/(decrease) in other payables	**510,529**	109,537	**510,529**	109,537
Increase/(decrease) in employee provisions	**47,592**	(20,049)	**47,592**	(20,049)
Increase/(decrease) in other provisions	**-**	-	**-**	-
Net cash from operating activities	**134,696**	14,050	**134,696**	14,050

Note 10B: Cash flow information

	Consolidated 2014 $	Consolidated 2013 $	Parent 2014 $	Parent 2013 $
Cash inflows				
Receipts from members and non-members	**8,886,126**	7,628,345	**8,886,126**	7,628,345
Total cash inflows	**8,886,126**	7,628,345	**8,886,126**	7,628,345
Cash outflows				
Payments to Employees	**1,312,172**	1,245,407	**1,312,172**	1,245,407
Payments to Suppliers	**7,475,881**	6,398,526	**7,475,881**	6,398,526
Total cash outflows	**8,788,053**	7,643,933	**8,788,053**	7,643,933

	Consolidated		Parent	
	2014	2013	**2014**	2013
	$	$	**$**	$

Note 11 Contingent liabilities, assets and commitments

Note 11A: Commitments and contingencies

Operating lease commitments—as lessee

Rental lease on Level 10, 136 Exhibition Street Melbourne and Rental lease on Suite 104, 40-48 Atchison Street, St Leonards, NSW

Future minimum rentals payable under non-cancellable operating leases as at 30 June are as follows:

Within one year	**339,992**	313,194	**339,992**	313,194
After one year but not more than five years	**79,325**	322,643	**79,325**	322,643
More than five years	**-**	-	**-**	-
	419,317	635,837	**419,317**	635,837

Operating lease commitments—as lessor

Rental lease on part of level 10, 136 Exhibition Street, Melbourne. Lease ceases as at July 2015.

Future minimum rentals receivable under non-cancellable operating leases as at 30 June are as follows:

Within one year	**49,242**	-	**49,242**	-
After one year but not more than five years	**4,117**	-	**4,117**	-
After five years	**-**	-	**-**	-
	53,359	-	**53,359**	-

	Consolidated		Parent	
	2014	2013	**2014**	2013
	$	$	**$**	$

Note 12 Related party disclosures

Aside from the key management personnel compensation disclosed in Note 5, there were no related party transactions with the Association for the year ended 30 June 2014 (2013: none).

Note 12A: Key management personnel remuneration for the reporting period

	Consolidated 2014 $	Consolidated 2013 $	Parent 2014 $	Parent 2013 $
Short-term employee benefits				
Salary (including annual leave taken)	**963,292**	1,040,770	**963,292**	1,040,770
Annual leave accrued	**40,665**	35,121	**40,665**	35,121
Performance bonus	**-**	-	**-**	-
Total short-term employee benefits	**1,003,957**	1,075,891	**1,003,957**	1,075,891
Post-employment benefits:				
Superannuation	**74,784**	43,677	**74,784**	43,677
Total post-employment benefits	**74,784**	43,677	**74,784**	43,677
Other long-term benefits:				
Long-service leave	**-**	-	**-**	-
Total other long-term benefits	**-**	-	**-**	-
Termination benefits	**-**	-	**-**	-
Total	**1,078,741**	1,119,568	**1,078,741**	1,119,568

Note 13 Remuneration of auditors

	Consolidated 2014 $	Consolidated 2013 $	Parent 2014 $	Parent 2013 $
Value of the services provided				
Financial statement audit services	**15,850**	8,500	**15,850**	8,500
Other services	**3,850**	-	**3,850**	-
Total remuneration of auditors	**19,700**	8,500	**19,700**	8,500

Other services were for the preparation of the 2014 Annual Report.

	Consolidated		Parent	
	2014	2013	**2014**	2013
	$	$	**$**	$

Note 14 Financial instruments

The entity's financial instruments consist mainly of cash and cash equivalents, trade and other receivables and payables.

Note 14A: Credit risk

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.

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

Financial assets				
Trade and Other Receivables	**1,331,625**	741,447	**1,331,625**	741,447
Total	**1,331,625**	741,447	**1,331,625**	741,447
Financial liabilities				
Trade and Other Payables	**-**	-	**-**	-
Total	**-**	-	**-**	-

In relation to the entity's gross credit risk the following collateral is held: *None*

Credit quality of financial instruments not past due or individually determined as impaired—Consolidated

	Not past due nor impaired	**Past due or impaired**	Not past due nor impaired	Past due or impaired
	2014	**2014**	2013	2013
	$	**$**	$	$
0 to 3 months	**305,862**	-	222,434	-
3 to 6 months	**-**	**10,000**	**-**	10,000
Over 6 months overdue	**-**	**29,945**	**-**	-
Total	**305,862**	**39,945**	222,434	10,000

Customers with balances past due but without provision for impairment of receivables amount to $985,818 at 30 June 2014 ($509,013 at 30 June 2013). The Association did not consider a credit risk on the aggregate balances after reviewing credit terms of customers based on recent collection practices.

Note 14A: Credit risk (continued)

Ageing of financial assets that were past due but not impaired for 2014—Consolidated

	0 to 30 days	**31 to 60 days**	**61 to 90 days**	**90+ days**	**Total**
	$	**$**	**$**	**$**	$
Trade and other receivables	**-**	**-**	**837,449**	**148,369**	**985,818**
Total	**-**	**-**	**837,449**	**148,369**	**985,818**

Ageing of financial assets that were past due but not impaired for 2013—Consolidated

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	$	$	$	$	$
Trade and other receivables	-	-	456,290	52,723	509,013
Total	-	-	456,290	52,723	509,013

Note 14B: Liquidity risk

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.

Note 14C: Market risk

a. **Foreign currency risk**

The Association is not exposed to any significant foreign currency risk

b. **Price risk**

The Association is not exposed to any significant price risk

c. **Interest rate risk**

The Association is not exposed to any significant interest rate risk

Note 15 Fair value measurement

Note 15A: Financial assets and liabilities

Management of the reporting unit assessed that [cash, trade receivables, trade payables, and other current liabilities] approximate their carrying amounts largely due to the short term maturities of these instruments.

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

- Fair values of the reporting unit'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 2014 was assessed to be insignificant.

- Fair value of available-for-sale financial assets is derived from quoted market prices in active markets.

- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 30 June 2014 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

Note 16 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 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).

Note 17 Controlled Entities

Controlled Entities Consolidated

Parent Entity
Australian Retailers Association

Related Entities
Victorian Retail Trust

Note 18 Association Details

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

Level 10, 136 Exhibition Street
Melbourne Victoria 3000

Note 19 Segment Reporting

The Association operates as a retail industry association to service its members throughout Australia. These are separated into two segments of reporting as follows:

- Australian Retailers Association
- Australian Retailers Association – Retail Institute

Tel: +61 3 9603 1700
Fax: +61 3 9602 3870
www.bdo.com.au

Level 14, 140 William St
Melbourne VIC 3000
GPO Box 5099 Melbourne VIC 3001
Australia

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 and Controlled Entities, which comprises the statement of financial position as at 30 June 2014, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and Committee of Management's assertion statement.

Committee of Management's Responsibility for the financial report

The Committee of Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, the *Fair Work (Registered Organisations) Act 2009 and the* reporting guidelines of the General Manager, and for such internal control as the Committee of Management determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the Committee of Management also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

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 considers those risk assessments, the auditor 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 Committee of Management, 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.

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of Australian Retailers Association and Controlled Entities as at 30 June 2014, and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards, the Fair Work *(Registered Organisations) Act 2009* and the reporting guidelines of the General Manager.

Report on recovery of wages activity

We have audited the recovery of wages activity financial report included in the report for the year ended 30 June 2014.

The Committee of Management are responsible for the preparation and fair presentation of the recovery of wages activity financial report in accordance with the reporting guidelines of the general manager. Our responsibility is to express an opinion on the wages activity financial report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the recovery of wages activity financial report presents fairly, in all material respects the recovery of wages activity of Australian Retailers Association and Controlled Entities for the year ended 30 June 2014 in accordance with the guidelines of the general manager, including:

a. any fees charged to, or reimbursements of expenses claimed from, members and others for recovery of wages activity; and
b. any donations or other contributions deducted from recovered money.

Use of Going Concern Assumption

As part of our audit of the financial report, we have concluded that managements use of the going concern assumption in the preparation of the financial statements is appropriate. Because not all future events or conditions can be predicted, this statement is not a guarantee as to the entity's ability to continue as a going concern.

Declaration by the auditor

I, Simon Scalzo declare the following:

i. I am a registered auditor;
ii. I am a member of the Institute of Chartered Accountants in Australia; and
iii. I hold a current Public Practice Certificate.

BDO East Coast Partnership

Simon Scalzo
Partner

Registered company auditor #410920

Melbourne, 29 May 2015

FAIR WORK COMMISSION

8 January 2015

Mr Russell Zimmerman
Executive Director
Australian Retailers' Association

sent to: russell.zimmerman@retail.org.au

Dear Mr Zimmerman,

Re: Lodgement of Financial Statements and Accounts - Australian Retailers' Association - for year ended 30 June 2014 (FR2014/150)

I acknowledge receipt of the financial report of the Australian Retailers' Association. The documents comprising the report were lodged with the Fair Work Commission on 9 December 2014.

The financial report has not been filed. I have examined the financial report and identified a number of matters, the details of which are set out below, that you are required to address before the report can be filed.

Non compliance with previous request

While we filed last year's financial report, we raised the following issues for the reporting unit to address in the preparation of future financial reports. I notice that the same errors appeared in part in the 2014 report, namely (i) the omission of disclosure of employee benefits expenses [see RG 16(g)] and provisions by the categories described in the Reporting Guidelines [see RG 20(d)] and of a statement (or nil balances) in respect of separation/redundancy and 'other' expenses or provisions [see RGs 17 and 21] for employees (other than office-holders); and (ii) the omission from the auditor's report of the declaration in relation to the appropriateness of the going concern basis of preparation, as required by RG 39.

The Fair Work Commission aims to assist reporting units in complying with their obligations under the RO Act and Reporting Guidelines, by providing advice about errors identified in financial reports. Failure to address issues may lead to the General Manager exercising her powers under section 330 of the RO Act.

The general purpose financial report and the auditor's report will therefore require amendment. The amended reports must be presented to a meeting of the Council, republished on the organisation's website and lodged with FWC at the earliest practicable opportunity.

The matters identified should be read in conjunction with the *Fair Work (Registered Organisations) Act 2009* (the RO Act), *Fair Work (Registered Organisations) Regulations 2009* (the RO Regs), Reporting Guidelines (RG) made under section 255 of the RO Act and Australian Accounting Standards. A 'Model financial statements' is also available on the FWC website to assist organisations in preparing returns.

80 William Street
East Sydney NSW 2011
Telephone: (02) 8374 6666
Email: orgs@fwc.gov.au

Other issues

Any amendment to the report should incorporate any additional amendments required to comply with reporting requirements that were not reflected in the report. I set these out as follows:

Activities under Reporting Guidelines not disclosed

Paragraphs 13, 15, 17, 19, 21, 23 and 25 of the Reporting Guidelines state that if any activities identified in paragraphs 10, 11, 12, 14, 16, 18, 20, 22 or 24 respectively did not occur in the reporting period, a statement to this effect (or a nil balance) must be included in the notes to the GPFR. I note that for the following items no such disclosure was made:

- 10 financial support received from another reporting unit to enable it to continue as a going concern
- 11 financial support provided to another reporting unit to enable it to continue as a going concern basis
- 12 an asset or liability acquired due to a restructure of the branches of an organisation, a determination under s245 or revocation by the General Manager under s249
- 14(c) amounts (etc) of revenue raised by compulsory levies or appeals for voluntary contributions
- 14(e) financial support received [i.e. other than financial support mentioned in RG10, or capitation income mentioned in RG14(b)]
- 16(a) expenses related to payroll deductions of membership subscriptions[1]
- 16(c) fees or subscriptions paid in respect of affiliation with political parties, federations etc. with interest in industrial matters
- 16(d) amounts paid in expense for compulsory levies imposed or voluntary contributions
- 16(e) total amounts paid in (a) grants and (b) donations $1,000 or less, and greater than $1,000
- 16(h) fees or allowances paid to persons to attend a conferences or other meeting as a representative of the reporting unit
- 16(i) expenses incurred in relation to holding meetings of members or council
- 16(k) penalties imposed by the RO Act on the organisation
- 20(b) payables in respect of legal costs and other expenses related to litigation or other legal matters
- 20(c) payables (provisions) in respect of employee benefits for office-holders[2]
- 22(a) fund or account operated in respect to compulsory levies or voluntary contributions
- 22(c) fund or account (other than General Fund) operated as required by the rules
- 22(d) transfers or withdrawals to a fund, account or controlled entity
- 25 cash flows to/from other reporting units and/or controlled entity to be reported in Cash Flow Statement or in the notes to the GPFR

The notes to the financial statements should be amended to include the above disclosures. In addition, the Committee of Management statement did not include the declaration required by RG35(f) in relation to no recovery of wages activity.[3]

---

[1] It is noted that, as an employer association, this expense, and the provision for the same item described at RG20(a), would not be expected to occur.

[2] The statement at Note 5 that councillors received no remuneration for services may be thought to imply, but does not explicitly represent, a statement in respect of employee benefits *provisions* for officers as well as *expenses*.

[3] It is appreciated that, as an employer association, recovery of wages activity would not be expected to occur but the statement must comply with the prescribed form.

Auditor's Statement - qualifications

Item 38 of the Reporting Guidelines requires that in the Auditor's Statement, the auditor must declare they are either an approved auditor or a member of a firm where at least one member is an approved auditor and must specify that the auditor is a person who is a member of CPA Australia, The Institute of Chartered Accountants in Australia or the Institute of Public Accountants, and holds a current Public Practice Certificate. This information was not included in the Auditor's Statement.

The Auditor's statement made in respect of the amended report must therefore include the following (1) the declaration that he is an approved auditor or a member of a firm where at least one member is an approved auditor; and (2) a declaration, that as part of the audit of the financial statements, he has concluded that management's use of the going concern basis of accounting in the preparation of the financial statement is appropriate.

Operating report - Number of employees

Subsection 254(2)(f) and Regulation 159(b) require the disclosure of the number of persons that were, at the end of the financial year to which the report relates, employees of the reporting unit. Regulation 159(b) also requires that where the number of employees includes both full-time and part-time employees the number shall be measured on a full-time equivalent basis.

The number of employees listed in the Operating Report should be expressed as a full-time equivalent.

Action

The reporting unit should re-pass and present the amended financial statements, and make a fresh Committee of Management Statement. The amended financial statements and the amended auditor statement should be provided to members after the revised audit report is made. The lodgement in FWC of the amended financial statements should be accompanied by a Designated Officer's Certificate certifying the date the amended report was provided to the members and the date it was presented to the Committee of Management.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (02) [redacted] or (02) [redacted] or [redacted] or by email at stephen.kellett@fwc.gov.au
Yours sincerely

Stephen Kellett

Stephen Kellett
Senior Adviser, Regulatory Compliance Branch

Australian Retailers Association

Australian Retailers Association
Office - Sydney NSW
Office – Melbourne VIC
Mailing Address
Level 10, 136 Exhibition Street
Melbourne VIC 3000
P: 1300 368 041
F: (03) 8660 3399
info@retail.org.au
twitter: @retailaustralia
ABN 99 064 713 718

Designated officers Certificatation 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 14 November 2014 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 5th December 2014 in accordance with Section 266 of Division 5 of Part 3 of Chapter 8 of the Workplace Relations Act.

Roger Gillespie

Roger Gillespie
President
Australian Retailers Association

Date 5/12/2014

FairWork Commission

31 July 2014

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 - [FR2014/150]
Fair Work (Registered Organisations) Act 2009 (the RO Act)

The financial year of The Australian Retailers Association (the reporting unit) ended on 30 June 2014.

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 2015 (being the expiry date of 6 months and 14 days from 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 and guidance notes in relation to financial reporting under the RO Act are provided on the Fair Work Commission website. Further, the General Manager's updated Reporting Guidelines, that apply to all financial reports prepared on or after 30 June 2014, are also available on the website. For your convenience, our webinar video and slides on the Reporting Guidelines have also been placed on the website.

The Fair Work Commission has also developed a model set of financial statements. There is no requirement to use this model but it may be a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards. All of the above information can be accessed through our website under Financial Reporting.

The financial report and any statement of loans, grants or donations made during the financial year (statement must be lodged within 90 days of end of financial year) can be emailed to orgs@fwc.gov.au. A sample statement of loans, grants or donations is available at sample documents.

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 $51,000 for a body corporate and $10,200 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,

R. Pfeiffer

Robert Pfeiffer
Senior Adviser
Regulatory Compliance Branch

11 Exhibition Street
Melbourne VIC 3000
GPO Box 1994
Melbourne VIC 3001

Telephone : (03) 8661 7777
Email : orgs@fwc.gov.au
Internet : www.fwc.gov.au

TIMELINE/ PLANNER

Financial reporting period ending:	/ /	
Prepare financial statements and Operating Report.		As soon as practicable after end of financial year
(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. (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).	/ /	
Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /	Within a reasonable time of having received the GPFR (NB: Auditor's report must be dated on or after date of Committee of Management Statement
Provide full report free of charge to members – s265 The full report includes: • the General Purpose Financial Report (which includes the Committee of Management Statement); • the Auditor's Report; and • the Operating Report.	/ /	*(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,* *or* *(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.*
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.*

FairWork Commission

4 July 2014

Mr Russell Zimmerman
Executive Director
The Australian Retailers Association
russell.zimmerman@retail.org.au

Dear Mr Zimmerman,

Re: Lodgement of Financial Report - [FR2014/150]
Fair Work (Registered Organisations) Act 2009 (the RO Act)

The financial year of The Australian Retailers Association (the reporting unit) ended on 30 June 2014.

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 2015 (being the expiry date of 6 months and 14 days from 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 and guidance notes in relation to financial reporting under the RO Act are provided on the Fair Work Commission website. Further, the General Manager's updated Reporting Guidelines, that apply to all financial reports prepared on or after 30 June 2014, are also available on the website. For your convenience, our webinar video and slides on the Reporting Guidelines have also been placed on the website.

The Fair Work Commission has also developed a model set of financial statements. There is no requirement to use this model but it may be a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards. All of the above information can be accessed through our website under Financial Reporting.

The financial report and any statement of loans, grants or donations made during the financial year [statement must be lodged within 90 days of end of financial year] can be emailed to orgs@fwc.gov.au. A sample statement of loans, grants or donations is available at sample documents.

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 $51,000 for a body corporate and $10,200 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 Robert Pfeiffer on (03) 8661 7936 or via email at Robert.pfeiffer@fwc.gov.au.

Yours faithfully,

Dani Salinger
Advisor
Regulatory Compliance Branch

TIMELINE/ PLANNER

Financial reporting period ending:	/ /	
Prepare financial statements and Operating Report.		As soon as practicable after end of financial year
(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. (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).	/ /	
Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /	Within a reasonable time of having received the GPFR (NB: Auditor's report must be dated on or after date of Committee of Management Statement
Provide full report free of charge to members – s265 The full report includes: • the General Purpose Financial Report (which includes the Committee of Management Statement); • the Auditor's Report; and • the Operating Report.	/ /	*(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,* *or* *(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.*
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.*