Australian Government
Registered Organisations Commission

23 November 2017

Mr Roger Gillespie
President
Australian Retailers Association

Sent via email

Dear Mr Gillespie

Re: – Australian Retailers Association - financial report for year ending 30 June 2017 (FR2017/213)

I refer to the financial report of the Australian Retailers Association. The documents were lodged with the Registered Organisations Commission ('the ROC') on 1 November 2017. An amended report was received on 22 November 2017.

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

You are not required to take any further action in respect of the report lodged. However I make the following comments to assist when preparing the next report. Please note the report for year ending 30 June 2018 may be subject to an advanced compliance review.

Statements must be signed before full report provided to members

The Designated Officer's Certificate states that the full report was provided to members on 13 September 2017. However the Operating report, the Committee of management statement and the Auditor's report were not signed until 18 September. If the information in the certificate is correct, it would appear that an unsigned report was provided on the 13th. Please ensure that future reports are provided to members only after they have been signed and dated at the first meeting of the committee.

Designated Officer's certificate – to be signed/dated after events

Section 268 of the RO Act requires the certificate by the designated officer to certify that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with section 266.

The date that the Designated Officer's Certificate was signed, namely 18 September 2017, was prior to the date of presentation, namely 12 October 2017. As this certificate has to certify events that have occurred, please ensure that in future years the Designated Officer's Certificate is signed and dated at the conclusion of these events.

GPO Box 2983, Melbourne VIC 3001
Telephone: 1300 341 665 | Email: regorgs@roc.gov.au
Website: www.roc.gov.au

Comparison with previous reports

Note 1 did not include a policy disclosure similar to Note 1.5 “Basis for consolidation” appearing in previous years. Future reports should include any relevant policy disclosures that apply, consistent with relevant Australian Accounting Standards, as appropriate.

Reporting Requirements

On the ROC website is a number of factsheets in relation to the financial reporting process and associated timelines. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The ROC recommends reporting units use this model[1] as it will assist in ensuring compliance with the RO Act, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via this link.

Please note that new Reporting Guidelines will apply to organisations and branches with financial years *commencing* on or after 1 July 2017. Updates and information on the new guidelines will be provided through the ROC website and the subscription service.

Yours faithfully

Stephen Kellett
Financial Reporting
Registered Organisations Commission

[1] The 2017 report adopts the model financial statements format but also includes at page numbers 2/43 to 4/43 the explanatory introduction which refers variously to “illustrative financial report”, and “fictitious reporting unit”. These pages should be omitted from future reports.

Australian Government
Registered Organisations Commission

TF 008
(4 August 2017)

2016-17 Australian Retailers Association and Related Entities

FINANCIAL STATEMENTS 2016–17

Introduction (including explanation on using the model financial statements)

This document contains a model financial report of a fictitious reporting unit as defined under section 242 of the *Fair Work (Registered Organisations) Act 2009* (RO Act), with a reporting date of 30 June 2017.

The enclosed financial report has been prepared in accordance with the requirements of applicable Australian Accounting Standards as they apply to a not-for-profit entity and the RO Act, including the section 253 Reporting Guidelines issued on 13 June 2014. The financial report is intended to illustrate the disclosure requirements for the preparation of a general purpose financial report under Tier 1—Australian Accounting Standards. To the extent that the reporting unit is a for-profit entity, different requirements may apply.

This financial report is illustrative only and does not attempt to show all possible accounting and disclosure requirements. It is essential to refer to the relevant authoritative source and, where necessary, seek appropriate professional advice.

Although the illustrative financial report attempts to show the most common disclosure requirements for reporting units, it should not be regarded as a comprehensive checklist. A reporting unit will need to ensure that only the disclosures that are applicable to their individual circumstances are included in the audited financial report distributed to members, and lodged with the Registered Organisations Commission.

Australian Accounting Standards

When complying with Australian Accounting Standards, preparers also need to comply with all applicable amending standards and interpretations.

Australian Accounting Standards applicable as at 30 June 2017

This financial report illustrates Australian Accounting Standards which apply to annual reporting periods beginning on or after 1 July 2016.

It is important to note that the illustrative financial report in this document will require continual updating as new and amended Standards and Interpretations are issued by the Australian Accounting Standards Board. Therefore, if you are using this publication to assist in the preparation of your financial report, it must be emphasised that this does not include changes arising from new and amending Standards and Interpretations issued but not effective for periods commencing after 1 July 2016.

Therefore, users of this publication are cautioned to ensure that they consider any changes in the requirements of Accounting Standards and Interpretations issued after 1 January 2017.

In addition, the disclosure requirements of the following Australian Accounting Standards are not applicable to the fictitious reporting unit and have therefore not been considered in the model financial report:

- AASB 1 *First Time Adoption of Australian Equivalents to International Financial Reporting Standards*
- AASB 2 *Share-based Payment*
- AASB 3 *Business Combinations*
- AASB 4 *Insurance Contracts*

- AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*
- AASB 6 *Exploration for and Evaluation of Mineral Resources*
- AASB 8 *Operating Segments*
- AASB 10 *Consolidated Financial Statements*
- AASB 14 *Regulatory Deferral Accounts*
- AASB 102 *Inventories*
- AASB 111 *Construction Contracts*
- AASB 112 *Income Taxes*
- AASB 129 *Financial Reporting in Hyperinflationary Economies*
- AASB 133 *Earnings per Share*
- AASB 134 *Interim Financial Reporting*
- AASB 141 *Agriculture*
- AASB 1023 *General Insurance Contracts*
- AASB 1038 *Life Insurance Contracts*
- AASB 1039 *Concise Financial Reports*
- AASB 1049 *Whole of Government and General Government Sector Financial Reporting*
- AASB 1050 *Administered Items*
- AASB 1051 *Land Under Roads*
- AASB 1052 *Disaggregated Disclosures*
- AASB 1056 *Superannuation Entities*
- AAS 25 *Financial Reporting by Superannuation Plans*
- Interpretation 1 *Changes in Existing Decommissioning, Restoration and Similar Liabilities*
- Interpretation 6 *Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment*
- Interpretation 7 *Applying the Restatement Approach under AASB 129 Financial Reporting in Hyperinflationary Economies*
- Interpretation 10 *Interim Financial Reporting and Impairment*
- Interpretation 12 *Service Concession Arrangements*
- Interpretation 13 *Customer Loyalty Programs*
- Interpretation 15 *Agreements for the Construction of Real Estate*
- Interpretation 17 *Distributions of Non-Cash Assets to Owners*
- Interpretation 20 *Stripping Costs in the Production Phase of a Surface Mine*
- Interpretation 107 *Introduction of the Euro*
- Interpretation 110 *Government Assistance — No Specific Relation to Operating Activities*
- Interpretation 125 *Income Taxes – Changes in the Tax Status of an Entity or its Shareholders*
- Interpretation 129 *Service Concession Arrangements: Disclosures*
- Interpretation 131 *Revenue — Barter Transactions Involving Advertising Services*
- Interpretation 1003 *Australian Petroleum Resource Rent Tax*
- Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*
- Interpretation 1042 *Subscriber Acquisition Costs in the Telecommunications Industry*
- Interpretation 1047 *Professional Indemnity Claims Liabilities in Medical Defence Organisations*
- 1052 *Tax Consolidation Accounting*
- Interpretation 1055 *Accounting for Road Earthworks*

Allowed alternative treatments

In some cases, an Australian Accounting Standard permits more than one accounting treatment for a transaction or event. Preparers of the financial statements should select the treatment that is most relevant to their business and the relevant circumstances as their accounting policy.

AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, requires an entity to select and apply its accounting policies consistently for similar transactions, events and/or conditions, unless an Australian Accounting Standard specifically requires or permits categorisation of items for which different policies may be appropriate. Where an Australian Accounting Standard requires or permits such categorisation, an appropriate accounting policy is selected and applied consistently to each category. Therefore, once a choice of one of the alternative treatments has been made, it becomes an accounting policy and must be applied consistently. Changes in accounting policy should only be made if required by a standard or interpretation, or if the change results in the financial statements providing more reliable and relevant information.

Preparation of consolidated financial statements

This financial report illustrates the disclosures required for a single, non-consolidated Reporting Unit. Some Reporting Units may be required to prepare consolidated financial statements under applicable Australian Accounting Standards, where the consolidated entity consists of the Reporting Unit and the entities that it controls during, or as at the end of, the financial year.

For preparers of consolidated financial statements, four column financial statements are required, disclosing both the current year and comparative period for both the consolidated entity and the individual Reporting Unit for quantitative note disclosures. Similarly, references to the Reporting Unit would require additional references to the consolidated entity.

The additional disclosures typically required for a consolidated financial report include the following:

- Basis for consolidation – accounting policy
- Business combinations – accounting policy
- Information about business combinations
- Information about subsidiaries

Abbreviations

The following abbreviations are used in the model financial report:

AASB	Australian Accounting Standards Board
FBT	Fringe Benefit Tax
GPFR	General Purpose Financial Report
GST	Goods and Services Tax
RO Act	*Fair Work (Registered Organisations) Act 2009*
RO Regulations	*Fair Work (Registered Organisations) Regulations 2009*

William Buck

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

Report on the Audit of the Financial Report

I have audited the accompanying financial report of Australian Retailers Association and controlled entities, which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies; and the Committee of Management's assertion statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of Australian Retailers Association as at 30 June 2017, and its financial performance and its cash flows for the year ended on that date in accordance with:

a) the Australian Accounting Standards; and
b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

I declare that management's use of the going concern basis in the preparation of the financial statements of the Reporting Unit is appropriate.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of the Reporting Unit in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Information Other than the Financial Report and Auditor's Report Thereon

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

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

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

CHARTERED ACCOUNTANTS & ADVISORS
Level 20, 181 William Street
Melbourne VIC 3000
Telephone: +61 3 9824 8555
williambuck.com

Responsibilities of Committee of Management for the Financial Report

The Committee of Management of the Reporting Unit is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee of Management is responsible for assessing the Reporting Unit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee of Management either intend to liquidate the Reporting Unit or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Reporting Unit's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.

- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such

- disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Reporting Unit audit. I remain solely responsible for my audit opinion.

I communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I declare that I am an approved auditor, a member of Chartered Accountants Australia and New Zealand and hold a current Public Practice Certificate.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of section 257(7) of the RO Act, I am required to describe any deficiency, failure or shortcoming in respect of the matters referred to in section 252 and 257(2) of the RO Act.

My opinion on the financial report is not modified in respect of the following matter because, in my opinion, it has been appropriately addressed by Australian Retailers Association and is not considered material in the context of the audit of the financial report as a whole:

a) No issues noted.

Report on the Recovery of Wages Activity financial report

Opinion on the recovery of wages activity financial report

The scope of my work extended to the recovery of wages activity and I have audited the recovery of wages activity financial report for the year ended 30 June 2017

In my opinion, the financial statements and notes and recovery of wages activity financial report properly and fairly report all information required by the reporting 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.

Responsibilities

The Committee of Management is responsible for the preparation and presentation of the recovery of wages activity financial report in accordance with the reporting guidelines of the General Manager. My responsibility is to express an opinion on the recovery of wages activity financial report, based on my audit conducted in accordance with Australian Auditing Standards.

William Buck

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

N.S. Benbow
Director

Melbourne
Dated this 18th day of September, 2017

Registered company auditor
Registration number 345523

Member of Chartered Accountants Australia and New Zealand
Membership number 235845

Australian Retailers Association and Controlled Entities

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

Certificate By Prescribed Designated Officer[1]

Certificate for the year ended 30 June 2017

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 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 13th of September 2017; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 12th of October 2017 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer: Roger Gillespie

Name of prescribed designated officer: Roger Gillespie

Title of prescribed designated officer: President

Dated: 18th September 2017

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[1] Regulation 162 of the *Fair Work (Registered Organisations) Regulations 2009* defines a 'prescribed designated officer' of a reporting unit for the purposes of s.268(c) as:
(a) the secretary; or
(b) an officer of the organisation other than the secretary who is authorised by the organisation or by the rules of the organisation to sign the certificate mentioned in that paragraph.

Operating Report

for the year ended 30 June 2017

The Committee of Management presents its operating report on the Reporting Unit for the year ended 30 June 2017.

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 truly national leading retail association in providing advocate services to represent the retail industry in policy changes. ARA members and associates are part of this process and contribute to the development of retail policy.

The principal activity of the Association was to provide advocacy, membership and training services for the retrial industry.

The Association continued to be the leading voice in retail by providing thought leadership and advocacy services on a number of issues such as Employment Law, Supply chain, Payments, Education & training, Taxation and Tenancy.

ARA members received employment relations advice via its telephone advisory and online Human Resources services.

The Association RTO ARA Retail Institute provided education, consulting and professional development needs to the industry. The ARA Retail Institute specialises in consulting and education on a broad range of topics comprising of Retail Buying, Financials, Visual Merchandising, Marketing, Operations and Sales and Service Strategy, over the previous 12 months ARA delivered education & training services to 1,260 retail trainees.

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 1, 112 Wellington Parade, East Melbourne, VIC, 3002.

Officers or members who are superannuation fund trustee(s) (include position details) or director of a company that is a superannuation fund trustee

No officer or member of the reporting unit holds a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such position is that they are an officer or member of an organisation.

Number of members

There were 7,283 financial members as at 30 June 2017, (2016: 3,459) an increase of 3,824 members

Number of employees

The total number of staff employed by the Association as at 30 June 2017 was 33, made up of the following;

Full Time: 33 (FTE)
Casual: 0

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

Name	Position	Date Appointed	Date Resigned
Roger Gillespie	President	24 Nov 2008	
Ralph Edwards	Councillor	28 April 2015	
Liz Siminsky	Councillor	28 April 2015	
David Bisset	Councillor	28 April 2015	21 March 2017
Mhairi Holway	Councillor	28 April 2015	
Steven Plarre	Councillor	28 April 2015	
Robyn Batson	Councillor	28 April 2015	
Mary Poulakis	Councillor	28 April 2015	
Luke Dillon	Councillor	28 April 2015	21 March 2017
Toby Bensimon	Councillor	28 April 2015	21 March 2017
Wayne Curnuck	Councillor	28 April 2015	21 March 2017
Gerry Gerrard	Councillor	28 April 2015	
Graham Dear	Councillor	28 April 2015	
Mark Daynes	Councillor	28 April 2017	
Anthony Wilson	Councillor	28 April 2017	
Rowan Hodge	Councillor	28 April 2017	
Toby Darvall	Councillor	28 April 2017	

Signature of designated officer: Roger Gillespie

Name and title of designated officer: **Roger Gillespie President**

Dated: 18th September 2017

Australian Retailers Association and Controlled Entities

Committee of Management Statement

for the year ended 30 June 2017

On 18 September 2017 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 2017:

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 any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);

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

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

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

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

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

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

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

   (v) where information has been sought in any request by a member of the reporting unit or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and

   (vi) where any order for inspection of financial records has been made by the Registered Organisations Commission under section 273 of the RO Act, there has been compliance.

(f) no revenue has been derived from undertaking recovery of wages activity during the reporting period

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

Signature of designated officer: Roger Gillespie

Name and title of designated officer: **Roger Gillespie President**

Dated: 18th September 2017

Australian Retailers Association and Controlled Entities

Statement of Comprehensive Income

for the year ended 30 June 2017

	Notes	**2017** $	2016 $
Revenue			
Membership subscription*		**1,661,549**	1,619,094
Capitation fees	3A	**0**	0
Levies	3B	**0**	0
Interest	3C	**10,885**	16,011
Rental revenue	3D	**0**	0
Other revenue		**1,803,181**	2,020,379
Total revenue		**3,475,615**	3,655,484
Other Income			
Grants and/or donations	3E	**3,218,848**	2,107,097
Share of net profit from associate	6E	**0**	0
Net gains from sale of assets	3F	**0**	0
Total other income		**3,218,848**	2,107,097
Total income		**6,694,463**	5,762,581
Expenses			
Employee expenses	4A	**2,513,249**	2,077,728
Capitation fees	4B	**0**	0
Affiliation fees	4C	**52,904**	50,284
Administration expenses	4D	**3,740,470**	3,192,149
Grants or donations	4E	**0**	0
Depreciation and amortisation	4F	**17,298**	23,652
Finance costs	4G	**4,311**	6,179
Legal costs	4H	**0**	1,235
Audit fees	14	**39,427**	37,832
Share of net loss from associate	6E	**0**	0
Write-down and impairment of assets	4I	**0**	0
Net losses from sale of assets	4J	**0**	0
Other expenses	4K	**0**	0
Total expenses		**6,367,659**	5,389,059
Surplus for the year		**326,804**	373,522
Other comprehensive income			
Items that will be subsequently reclassified to profit or loss			
Net gain on available for sale investments		**0**	0
Items that will not be subsequently reclassified to profit or loss		**0**	0
Gain on revaluation of land & buildings		**0**	0
Total comprehensive income for the year		**326,804**	373,522

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 2017

	Notes	2017 $	2016 $
ASSETS			
Current Assets			
Cash and cash equivalents	5A	**1,488,202**	717,907
Trade and other receivables	5B	**287,039**	586,052
Other current assets	5C	**197,264**	169,351
Total current assets		**1,972,505**	1,473,310
Non-Current Assets			
Land and buildings	6A	**0**	0
Plant and equipment	6B	**42,080**	16,605
Investment Property	6C	**0**	0
Intangibles	6D	**2,461**	1,833
Investments in associates	6E	**0**	0
Other investments	6F	**81,337**	80,642
Other non-current assets	6G	**0**	0
Total non-current assets		**125,878**	99,080
Total assets		**2,098,383**	1,572,390
LIABILITIES			
Current Liabilities			
Trade payables	7A	**209,965**	303,504
Other payables	7B	**1,261,125**	1,039,208
Employee provisions	8A	**219,172**	166,226
Total current liabilities		**1,669,603**	1,508,938
Non-Current Liabilities			
Employee provisions	8A	**43,806**	25,941
Other non-current liabilities	9A	**0**	0
Total non-current liabilities		**0**	25,941
Total liabilities		**1,734,068**	1,534,879
Net assets		**364,315**	37,511
EQUITY			
General funds	10A	**0**	0
Retained earnings		**364,315**	37,511
Total equity		**364,315**	37,511

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 2017

	Notes	General funds $	Retained earnings $	Total equity $
Balance as at 1 July 2015		0	(336,011)	(336,011)
Adjustment for errors		0	0	0
Adjustment for changes in accounting policies		0	0	0
Surplus		0	373,522	373,522
Other comprehensive income		0	0	0
Transfer to/from	10A	0	0	0
Transfer from retained earnings		0	0	0
Closing balance as at 30 June 2016		**0**	**37,511**	**37,511**
Adjustment for errors		**0**	**0**	**0**
Adjustment for changes in accounting policies		**0**	**0**	**0**
Surplus		**0**	**326,804**	**326,804**
Other comprehensive income		**0**	**0**	**0**
Transfer to/from	10A	**0**	**0**	**0**
Transfer from retained earnings		**0**	**0**	**0**
Closing balance as at 30 June 2017		**0**	**364,315**	**364,315**

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

Statement of Cash Flows

for the year ended 30 June 2017

	Notes	2017 $	2016 $
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units/controlled entity(s)	11B	**7,123,469**	5,680,087
Interest		**10,885**	16,011
Other		**0**	0
Cash used			
Employees		**(2,398,631)**	(2,042,485)
Suppliers		**(3,921,332)**	(3,861,792)
Payment to other reporting units/controlled entity(s)	11B	**0**	0
Net cash from operating activities	11A	**814,391**	(208,179)
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant and equipment		**0**	0
Proceeds from sale of land and buildings		**0**	0
Other		**0**	0
Cash used			
Purchase of plant and equipment		**(44,096)**	(4,087)
Purchase of land and buildings		**0**	0
Other		**0**	0
Net cash used by investing activities		**(44,096)**	(4,087)
FINANCING ACTIVITIES			
Cash received			
Contributed equity		**0**	0
Other		**0**	0
Cash used			
Repayment of borrowings		**0**	0
Other		**0**	0
Net cash from (used by) financing activities		**0**	0
Net increase (decrease) in cash held		**770,295**	(212,266)
Cash & cash equivalents at the beginning of the reporting period		**717,907**	930,173
Cash & cash equivalents at the end of the reporting period	5A	**1,488,202**	717,907

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

Australian Retailers Association and Related Entities

Recovery of Wages Activity

for the year ended 30 June 2017

	2017	2016
	$	$
Cash assets in respect of recovered money at beginning of year	**0**	0
Receipts		
Amounts recovered from employers in respect of wages etc.	**0**	0
Interest received on recovered money	**0**	0
Total receipts	**0**	0
Payments		
Deductions of amounts due in respect of membership for:		
12 months or less	**0**	0
Greater than 12 months	**0**	0
Deductions of donations or other contributions to accounts or funds of:		
The reporting unit:		
name of account	**0**	0
name of fund	**0**	0
Name of other reporting unit of the organisation:		
name of account	**0**	0
name of fund	**0**	0
Name of other entity:		
name of account	**0**	0
name of fund	**0**	0
Deductions of fees or reimbursement of expenses	**0**	0
Payments to workers in respect of recovered money	**0**	0
Total payments	**0**	0
Cash assets in respect of recovered money at end of year	**0**	0
Number of workers to which the monies recovered relates	**0**	-
Aggregate payables to workers attributable to recovered monies but not yet distributed		
Payable balance	**0**	0
Number of workers the payable relates to	**0**	0
Fund or account operated for recovery of wages		
[*Insert fund or account name. If invested in assets include value of each asset*]	**0**	0

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 amounts

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

1.3 Significant accounting judgements and estimates

There are no accounting assumptions or estimates 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

The entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

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

1.5 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 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.

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. Specifically, government grants whose primary condition is that the Australian Retailers Association should purchase, construct otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the [*reporting unit*] with no future related costs are recognised in profit or loss in the period in which they become receivable.

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 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.

Provision is made for separation and redundancy benefit payments. The reporting unit recognises a provision for termination as part of a broader restructuring when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. A provision for voluntary termination is recognised when the employee has accepted the offer of termination.

1.12 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

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 statement of financial position.

1.15 Financial instruments

Financial assets and financial liabilities are recognised when a [*reporting unit*] 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 re-measurement 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.

Available-for-sale

Listed shares and listed redeemable notes held by the reporting unit that are traded in an active market are classified as available-for-sale and are stated at fair value. The reporting unit also has investments in unlisted shares that are not traded in an active market but that are also classified as available-for-sale financial assets and stated at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the reporting unit right to receive the dividends is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

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 re-measurement 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 Land, Buildings, Plant and Equipment

Asset Recognition Threshold

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

Revaluations—Land and Buildings

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

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

Depreciation

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

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

	2017	2016
Plant and equipment	**1 to 20 years**	1 to 20 years

Derecognition

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

1.20 Investment property

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

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

1.21 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:

	2017	2016
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.

1.22 Impairment of non-financial assets

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

1.23 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.

1.24 Taxation

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).

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 statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the 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.

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

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

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

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

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

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

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities

- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

1.26 Going concern

Australian Retailers Association is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis.

Australian Retailers Association has not agreed to provide financial support to another reporting unit to ensure they can continue on a going concern basis.

Note 2 Events after the reporting period

There were no events that occurred after 30 June 2017, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of Australian Retailers Association.

	2017	2016
	$	$
Note 3 Income		
Note 3A: Capitation fees		
	0	0
Total capitation fees	**0**	0
Note 3B: Levies		
	0	0
Total levies	**0**	0
Note 3C: Interest		
Deposits	**10,885**	16,011
Loans	**0**	0
Total interest	**10,885**	16,011
Note 3D: Rental revenue		
Properties	**0**	0
Other	**0**	0
Total rental revenue	**0**	0
Note 3E: Grants or donations		
Grants	**3,829,885**	2,107,097
Donations	**0**	0
Total grants or donations	**3,829,885**	2,107,097
Note 3F: Net gains from sale of assets		
Land and buildings	**0**	0
Plant and equipment	**0**	0
Intangibles	**0**	0
Total net gain from sale of assets	**0**	0

	2017	2016
	$	$

Note 4 Expenses

Note 4A: Employee expenses

	2017	2016
Holders of office:		
Wages and salaries	**0**	0
Superannuation	**0**	0
Leave and other entitlements	**0**	0
Separation and redundancies	**0**	0
Other employee expenses	**0**	0
Subtotal employee expenses holders of office	**0**	0
Employees other than office holders:		
Wages and salaries	**2,071,671**	1,796,384
Superannuation	**194,826**	167,075
Leave and other entitlements	**70,811**	35,243
Separation and redundancies	**0**	0
Other employee expenses	**175,941**	78,863
Subtotal employee expenses employees other than office holders	**2,513,249**	2,077,728
Total employee expenses	**2,513,249**	2,077,728

Note 4B: Capitation fees

	0	0
Total capitation fees	**0**	0

Note 4C: Affiliation fees

	52,904	50,284
Total affiliation fees/subscriptions	**52,904**	50,284

	2017	2016
	$	$

Note 4C: Affiliation fees (Continued)

Affiliations Breakdown

Note 4D: Administration expenses

Australian Chamber of Commerce and Industry	**29,752**	29,098
Victorian Congress of Employer Association	**550**	1,000
National Retail Foundation	**1,883**	2,055
Meltwater News	**7,138**	6,715
CCH Australia Ltd	**4,399**	4,039
Australian Associated Press	**3,300**	3,300
Shopping Centre News	**709**	709
Australian Financial Review	**205**	709
Fairfax	**321**	0
Inside Retail	**570**	425
Newspaper Purchases from St Leonards Newsagency	**110**	806
LinkedIn	**2,046**	655
News Digital	**736**	675
Facebook	**0**	98
Costco	**50**	0
Federation of Asia-Pacific Retailers Association	**1,135**	0
Subtotal administration expense	**52,904**	50,284

Note 4D: Administration expenses

Consideration to employers for payroll deductions	**0**	0
Compulsory levies	**0**	0
Fees/allowances - meeting and conferences	**0**	0
Conference and meeting expenses	**0**	0
Contractors/consultants	**2,480,879**	2,427,239
Property expenses	**79,244**	84,974
Office expenses	**165,321**	185,768
Information communications technology	**78,414**	142,631
Other	**496,026**	190,542
Subtotal administration expense	**3,299,884**	3,031,154
Operating lease rentals:		
Minimum lease payments	**171,522**	160,995
Total administration expenses	**3,471,406**	3,192,149

Note 4E: Grants or donations*

Grants:		
Total paid that were $1,000 or less	**0**	0
Total paid that exceeded $1,000	**0**	0
Donations:		
Total paid that were $1,000 or less	**0**	0
Total paid that exceeded $1,000	**0**	0
Total grants or donations	**0**	0

Note 4F: Depreciation and amortisation

Depreciation		
Land & buildings	**0**	0
Property, plant and equipment	**10,615**	9,252
Total depreciation	**10,615**	9,252
Amortisation		
Intangibles	**6,683**	14,400
Total amortisation	**6,683**	14,400
Total depreciation and amortisation	**17,298**	23,652

	2017	2016
	$	$

Note 4G: Finance costs

Finance leases	**0**	0
Overdrafts/loans	**4,311**	6,179
Unwinding of discount	**0**	0
Total finance costs	**4,311**	6,179

Note 4H: Legal costs

Litigation	**0**	0
Other legal matters	**0**	1,235
Total legal costs	**0**	1,235

Note 4K: Other expenses

Penalties - via RO Act or RO Regulations	**0**	0
Total other expenses	**0**	0

Note 5 Current Assets

Note 5A: Cash and Cash Equivalents

	2017 $	2016 $
Cash at bank	**1,385,247**	715,399
Cash on hand	**848**	466
Short term deposits	**100,000**	0
Other	**2,107**	2,042
Total cash and cash equivalents	**1,488,202**	717,907

Note 5B: Trade and Other Receivables

	2017 $	2016 $
Trade Receivables		
Trade Receivables	**297,039**	596,052
Total trade receivables	**287,039**	596,052
Less provision for doubtful debts*		
Trade Receivables	**(10,000)**	(10,000)
Total provision for doubtful debts	**(10,000)**	(10,000)
Receivable (net)	**287,039**	586,052
Other receivables:		
GST receivable	**0**	0
Other trade receivables	**0**	0
Total other receivables	**0**	0
Total trade and other receivables (net)	**287,039**	586,052

Note 5C: Other Current Assets

	2017 $	2016 $
Stock	**32,283**	37,246
Prepayments	**164,981**	132,105
Total other current assets	**197,264**	169,351

	2017	2016
	$	$

Note 6B: Plant and equipment

	2017 $	2016 $
Plant and equipment:		
at cost	**997,891**	922,101
accumulated depreciation	**(955,811)**	(905,496)
Total plant and equipment	**42,080**	16,605

Reconciliation of Opening and Closing Balances of Plant and Equipment

As at 1 July		
Gross book value	**922,101**	921,015
Accumulated depreciation and impairment	**(905,496)**	(896,244)
Net book value 1 July	**16,605**	24,771
Additions:		
By purchase	**36,090**	1,086
From acquisition of entities (including restructuring)	**0**	0
Impairments	**0**	0
Depreciation expense	**(10,615)**	(9,252)
Other movement	**0**	0
Disposals:		
From disposal of entities (including restructuring)	**0**	0
Other	**0**	0
Net book value 30 June	**42,080**	16,605
Net book value as of 30 June represented by:		
Gross book value	**997,891**	922,101
Accumulated depreciation and impairment	**(955,811)**	(905,496)
Net book value 30 June	**42,080**	16,605

	2017	2016
	$	$

Note 6D: Intangibles

Computer software at cost:		
Internally developed	**0**	0
Purchased	**50,011**	42,700
accumulated amortisation	**(47,550)**	(40,867)
Total intangibles	**2,461**	1,833

Reconciliation of Opening and Closing Balances of Intangibles

As at 1 July		
Gross book value	**42,700**	39,700
Accumulated amortisation and impairment	**(40,867)**	(26,467)
Net book value 1 July	**1,833**	13,233
Additions:		
By purchase	**7,311**	3,000
From acquisition of entities (including restructuring)	**0**	0
Impairments	**0**	0
Amortisation	**(6,683)**	(14,400)
Other movements	**0**	0
Disposals:		
From disposal of entities (including restructuring)	**0**	0
Other	**0**	0
Net book value 30 June	**2,461**	1,833
Net book value as of 30 June represented by:		
Gross book value	**50,011**	42,700
Accumulated amortisation and impairment	**(47,550)**	(40,867)
Net book value 30 June	**2,461**	1,833

	2017	2016
	$	$

Note 6F: Other Investments

Deposits	**81,337**	80,642
Other	**0**	0
Total other investments	**81,337**	80,642

Note 6G: Other Non-current Assets

Prepayments	**0**	0
Other	**0**	0
Total other non-financial assets	**0**	0

Note 7 Current Liabilities

Note 7A: Trade payables

Trade creditors and accruals	**209,965**	303,504
Operating lease rentals	**0**	0
Subtotal trade creditors	**209,965**	303,504
Payables to other reporting unit		
	0	0
Subtotal payables to other reporting unit	**0**	0
Total trade payables	**209,965**	303,504

Settlement is usually made within 30 days.

	2017	2016
	$	$

Note 7B: Other payables

Wages and salaries	**0**	0
Superannuation	**57,713**	50,577
Consideration to employers for payroll deductions	**0**	0
Legal costs		
Litigation	**0**	0
Other legal matters	**0**	0
Prepayments received/unearned revenue	**1,073,276**	923,398
GST payable	**(19,169)**	(23,326)
Other	**149,306**	79,559
Total other payables	**1,261,126**	1,039,208
Total other payables are expected to be settled in:		
No more than 12 months	**1,261,126**	932,398
More than 12 months	**0**	0
Total other payables	**1,261,126**	932,398

Note 8 Provisions

Note 8A: Employee Provisions

Office Holders:		
Annual leave	**0**	0
Long service leave	**0**	0
Separations and redundancies	**0**	0
Other	**0**	0
Subtotal employee provisions—office holders	**0**	0
Employees other than office holders:		
Annual leave	**174,820**	135,210
Long service leave	**88,158**	56,957
Separations and redundancies	**0**	0
Other	**0**	0
Subtotal employee provisions—employees other than office holders	**262,978**	192,167
Total employee provisions	**262,978**	192,167
Current	**219,172**	166,226
Non Current	**43,806**	25,941
Total employee provisions	**262,978**	192,167

	2017 $	2016 $

Note 9 Non-current Liabilities

Note 9A: Other non-current liabilities

	2017 $	2016 $
Nil	**0**	0
Total other non-current liabilities	**0**	0

Note 10B: Other Specific disclosures - Funds

Compulsory levy/voluntary contribution fund – if invested in assets

	2017 $	2016 $
	0	0

Other fund(s) required by rules

	2017 $	2016 $
Balance as at start of year	**0**	0
Transferred to reserve	**0**	0
Transferred out of reserve	**0**	0
Balance as at end of year	**0**	0

Note 11 Cash Flow

Note 11A: Cash Flow Reconciliation

	2017 $	2016 $
Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:		
Cash and cash equivalents as per:		
Cash flow statement	**1,488,202**	717,907
Balance sheet	**1,488,202**	717,907
Difference	**0**	0
Reconciliation of profit/(deficit) to net cash from operating activities:		
Profit for the year	**391,269**	373,522
Adjustments for non-cash items		
Depreciation/amortisation	**16,916**	23,652
Net write-down of non-financial assets	**0**	0
Fair value movements in investment property	**0**	0
Gain on disposal of assets	**0**	0
Changes in assets/liabilities		
Decrease in net receivables	**299,013**	407,791
(Increase) in prepayments	**(32,876)**	(32,935)
(Decrease) in supplier payables	**(56,307)**	(99,693)
(Decrease) in other payables	**140,878**	(1,055,686)
Increase in employee provisions	**114,618**	35,243
Increase/(decrease) in other provisions	**0**	0
Net cash from (used by) operating activities	**814,391**	(208,179)

Note 11B: Cash flow information

Cash inflows		
Receipts from members and non-members	**7,123,469**	5,680,087
Total cash inflows	**7,123,469**	5,680,087
Cash outflows		
Payments to Employees	**2,398,631**	2,042,485
Payments to Suppliers	**3,921,332**	3,861,792
Total cash outflows	**6,319,963**	5,904,277

Australian Government
Registered Organisations Commission

	2017	2016
	$	$

Note 12 Contingent Liabilities, Assets and Commitments

Note 12A: Commitments and Contingencies

Operating lease commitments—as lessee

Rental lease on Level 1, 112 Wellington Parade East Melbourne (ceases May 2019) and Rental lease on Suite 104, 40-48 Atchison Street, St Leonards, NSW (ceases April 2021)
Future minimum rentals payable under non-cancellable operating leases as at 30 June are:

	2017	2016
Within one year	**171,365**	165,570
After one year but not more than five years	**342,257**	513,622
More than five years	**0**	0
	513,622	679,192

Note 13B: Key Management Personnel Remuneration for the Reporting Period

	2017	2016
Short-term employee benefits		
Salary (including annual leave taken)	**707,592**	584,055
Annual leave accrued	**56,365**	60,170
Performance bonus	**0**	0
Total short-term employee benefits	**763,957**	644,225
Post-employment benefits:		
Superannuation	**92,102**	69,489
Total post-employment benefits	**92,102**	69,489
Other long-term benefits:		
Long-service leave	**19,538**	42,628
Total other long-term benefits	**19,538**	42,628
Termination benefits	**0**	0
Total	**875,597**	756,342

Note 14 Remuneration of Auditors

Value of the services provided		
Financial statement audit services	**12,000**	11,000
Other services	**3,750**	3,750
Total remuneration of auditors	**15,750**	14,750

Other services were for the preparation of the financial statements.

Note 15 Financial Instruments

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

Note 15D: 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.

	Consolidated	
	2017	2016
	$	$
Financial assets		
Trade and Other Receivables	**297,039**	596,052
Total	**297,039**	596,052
Financial liabilities		
Trade and Other Payables	**0**	0
Total	**0**	0

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
	2017	**2017**	2016	2016
	$	**$**	$	$
0 to 3 months	**228,103**	**0**	428,502	0
3 to 6 months	**0**	**68,936**	0	27,160
Over 6 months overdue	**0**	**0**	0	23,786
Total	**228,103**	**68,936**	428,502	50,946

Ageing of financial assets that were past due but not impaired for 2017—Consolidated

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	$	$	$	$	$
Trade and Other Receivables	0	0	7,137	68,936	76,072
Total	0	0	7,137	68,936	76,072

Customers with balances past due but with no provision for impairment of receivables amount to $66,072 at 30 June 2017 ($157,550 at 30 June 2016). The Association did not consider a credit risk on the aggregate balances after reviewing credit terms of customers based on recent collection practices.

Note 15D: Credit Risk (continued)

Ageing of financial assets that were past due but not impaired for 2016—Consolidated

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	$	$	$	$	$
Trade and Other Receivables	0	0	33,509	124,041	157,550
Total	0	0	33,509	124,041	157,550

Note 15E: Liquidity Risk

Ultimate responsibility for the management of liquidity risk tests 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 15F: 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 18 Section 272 *Fair Work (Registered Organisations) Act 2009*

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of members is drawn to the provisions of subsections (1) to (3) of section 272, which reads as follows:

Information to be provided to members or Commissioner:

(1) A member of a reporting unit, or the Commissioner, 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 19 Controlled Entities

Controlled Entities Consolidated

Parent Entity
Australian Retailers Association

Related Entities
Victorian Retail Trust

Note 20 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