



**Australian Government**  
**Australian Industrial Registry**

Level 36, Nauru House  
80 Collins Street, Melbourne, VIC 3000  
GPO Box 1994S, Melbourne, VIC 3001  
Telephone: (03) 8661 7822  
Fax: (03) 9654 6672

Mr Aart Van Roest  
Australian Retailers Association - New South Wales Division  
Level 11,  
45 Market Street  
SYDNEY NSW 2000  
**Fax: (02) 9290 7180**

Dear Mr Van Roest

**RE: FR 2004/333 - Lodgment of financial report for year ended 30 June 2004  
Schedule 1B of the Workplace Relations Act 1996 (RAO Schedule)**

I acknowledge receipt of the financial documents of the Australian Retailers Association - New South Wales Division for the year ended 30 June 2004. The documents were lodged in the Industrial Registry on 29 November 2004.

The documents have been filed.

Although the documents have been filed, I would like to comment on some issues arising out of the reports. I make these comments to assist you when you next prepare financial reports. With the exception of my comments about the general purpose financial report, you do not need to take any further action in respect of the financial reports already lodged.

**Operating Report**

The only comment I have in relation to the operating report is under "Members and Staff".

***Right of members to resign:***

Subsection 254(2)(c) requires the operating report to "give details" of the right of members to resign from the reporting unit under section 174 of the RAO Schedule. The requirement may be met by the inclusion of a statement that a member has the right to resign and a reference to the relevant rule, which makes such provision. Alternatively, the complete text of the relevant resignation rule may be reproduced in the report.

**Auditor's report**

The opinion of the auditor made under the auditor's report is expressed in terms previously required under the *Workplace Relations Act 1996*. The RAO Schedule, under subsection 257(5), now sets out the matters upon which an auditor is required to make an opinion. The following wording would satisfy the requirements:

*"In our opinion the general purpose financial report is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of Schedule 1B of the Workplace Relations Act 1996."*

We believe that the term "Australian Auditing Standards" should read "Australian Accounting Standards".

**Committee of Management Statement**

**(a) Consistency with other reporting units**

This area of the Committee of Management Statement relates to Item 17(e)(iv) of the Registrar's Reporting Guidelines. Your Branch Committee's statement does not address this issue. Subsection 242(3) of the RAO Schedule provides, in part, that where an organisation is divided into branches (divisions), each branch (division) will be a reporting unit. As the ARA consists of a number of reporting units, you may wish to consider declarations that have been made by other reporting units of the ARA when preparing this statement for next year's financial report financial reports of all reporting units are placed on our website for your perusal at [www.airc.gov.au/organisations/list/list.html](http://www.airc.gov.au/organisations/list/list.html) (click on Org Number).

**General Purpose Financial Report**

I have noted that the "General Fund for the year ended 30June 2004" includes an item shown as "Salaries Expense" as an expense from ordinary activities. Future financial reports should show such salaries amounts as having been paid to either holders of office or employees as required by the reporting guidelines. (see Item (g) and (h) of the Industrial Registrar's Reporting Guidelines.

I note that last year your attention was drawn to the existence of an amount in "Recurrent Operating Expenses" of \$339,775 which would appear to have been paid as "Contributions to other organisations". I note that this year the figure is \$443,658. I also note that on page 5 of the financial documents there is a 'nil' return for loans, grants and donations. Can you please provide some detail regarding the disbursement of moneys under this category?

Should you wish to discuss any of the matters raised in this letter, I may be contacted on (03) 8661 7822 or by email: [margaret.williams@air.gov.au](mailto:margaret.williams@air.gov.au).

Yours sincerely



Margaret Williams  
Statutory Services Branch

21 January 2005



**A U S T R A L I A N  
R E T A I L E R S  
A S S O C I A T I O N  
NEW SOUTH WALES**

Level 11, 45 Market Street  
Sydney NSW 2000  
• Phone (02) 9290 3766  
• Facsimile (02) 9290 7180  
ABN 99 064 713 718/007

Robert Pfeiffer  
Industrial Registrar  
GPO Box 1994S  
Melbourne 3001

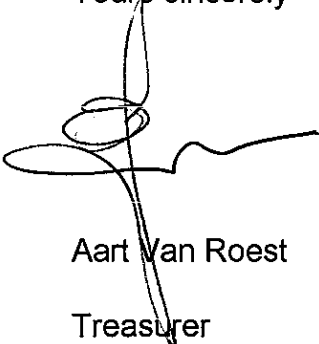
25<sup>th</sup> November 2004

Dear Mr Pfeiffer

Re Australian Retailers Association The New South Wales Division  
Financial Accounts for the year ended 30 June 2004

I wish to lodge in the Industrial Register the enclosed signed accounts and  
Auditors Report for the Australian Retailer's Association The New South  
Wales Division for the year ended 30 June 2004.

Yours sincerely



Aart Van Roest  
Treasurer

Enclosures  
Designated Officers certificate  
Financial Report for the year ended 30 June 2004 including: Operating  
Report, Auditors Report, committee of Management' statement



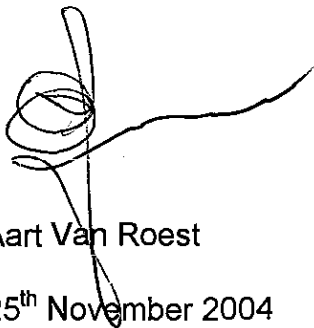
**A U S T R A L I A N  
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ABN 99 064 713 718/007

**Designated Officers Certificate**  
S268 of Schedule 1B Workplace Relations Act 1996

I Aart Van Roest being the Treasurer of The Australian Retailers Association  
NSW Division certify:

- that the documents lodged herewith are copies of the full report,  
referred to in s268 of the RAO Schedule; and
- that the full report was provided to members on 4<sup>th</sup> November 2004;  
and
- that the full report was presented to a general meeting of members of  
the reporting unit on 25<sup>th</sup> November 2004; in accordance with section  
266 of the RAO Schedule



Aart Van Roest  
25<sup>th</sup> November 2004

**AUSTRALIAN RETAILERS ASSOCIATION – NEW SOUTH WALES**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED**  
**30 JUNE 2004**

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**OPERATING REPORT**

The Committee of Management presents its operating report of the Australian Retailers Association – New South Wales for the financial year ended 30 June 2004.

**PRINCIPAL ACTIVITIES**

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

**RESULTS AND REVIEW OF OPERATIONS**

The surplus of the New South Wales Division for the financial year amounted to \$23,506 (2003 surplus: \$78,201).

**SIGNIFICANT CHANGES**

No significant changes in the Association’s state of affairs occurred during the year.

**FUTURE DEVELOPMENTS**

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

**EVENTS SUBSEQUENT TO BALANCE DATE**

From 1 July 2004, the Liquor Stores Association of NSW ceased to operate as a division of the Australian Retailers Association- New South Wales and commenced operations as a separate incorporated association.

Other than the matter referred to above, no matters or circumstances have arisen since the end of the financial year which significantly affected or may affect the operations of the Association, the results of those operations, or the state of the affairs of the Association in future financial years.

**MEMBERS AND STAFF**

All members have a right to resign from the Australian Retailers Association – New South Wales in accordance with Section 174 of Schedule 1B of the Workplace Relations Act 1996.

No Association Official is a Trustee or Member of the Board of a Superannuation Fund.

There were 4,121 members of the Association as at 30 June 2004.

The number of staff employed by the Association on a full time equivalent basis at 30 June 2004 was 18.

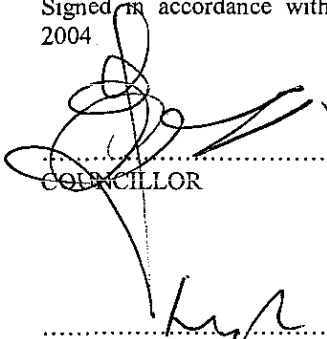
**COMMITTEE OF MANAGEMENT**

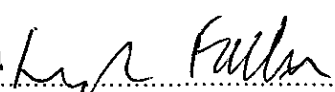
The names of each person who was a member of the Committee of Management, at all times during the financial year unless otherwise stated, are as follows:-

Leigh Fulton  
Michael Leask  
John Bailey  
David Bracey

Russell Zimmerman (resigned 31 October 2003)  
Aart Van Roest (appointed 26 February 2004)  
Judith McDonald  
Jeffrey Mueller

Signed in accordance with a resolution of the Committee of Management at Sydney on the 4<sup>th</sup> day of November 2004.

  
.....  
COUNCILLOR

  
.....  
COUNCILLOR



**Chartered Accountants  
& Advisers**

Level 19, 2 Market Street Sydney NSW 2000  
GPO Box 2551 Sydney NSW 2001  
Tel. +61 2 9286 5555 Fax +61 2 9286 5599  
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**INDEPENDENT AUDIT REPORT  
TO THE MEMBERS OF THE AUSTRALIAN RETAILERS ASSOCIATION – NEW SOUTH WALES**

**Scope**

**The Financial Report and the Responsibility of the Committee of Management**

The financial report comprises the statement of financial position, statement of financial performance, statement of cash flows, accompanying notes to the financial statements and the committee of management's statement for the Australian Retailers Association – New South Wales, for the year ended 30 June 2004.

The Committee of Management are responsible for the preparation and true and fair presentation of the financial report in accordance with the Workplace Relations Act 1996. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

**Audit Approach**

We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the Association. Our audit has been conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal controls, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Workplace Relations Act 1996, including compliance with Accounting Standards and other mandatory professional reporting requirements in Australia a view which is consistent with our understanding of the Association's financial position and its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the Committee of Management.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

**Independence**

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements and the Workplace Relations Act 1996.





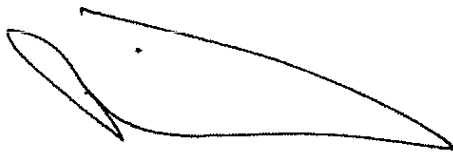
## **Audit Opinion**

In our opinion the financial report of the Australian Retailers Association – New South Wales is in accordance with:

- (a) the Workplace Relations Act 1996, including:
  - (i) giving a true and fair view of the Association's financial position as at 30 June 2004 and its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards; and
  - (iii) complying with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of Schedule 1B of the Act; and
- (b) other mandatory professional reporting requirements in Australia.

BDO

**BDO**  
Chartered Accountants



**K R REID**  
Partner

Signed at Sydney on this 4<sup>th</sup> day of November 2004

**COMMITTEE OF MANAGEMENT'S STATEMENT**

On the 4<sup>TH</sup> of November 2004 the Committee of Management of the Australian Retailers Association – New South Wales, passed the following resolution in relation to the general purpose financial report (GPFR) of the Association for the year ended 30 June 2004.

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

- (a) the financial report and notes comply with the Australian Accounting Standards;
- (b) the financial report and notes comply with the reporting guidelines of the Industrial Registrar;
- (c) the financial report and notes give a true and fair view of the financial performance, financial position and cash flows of the Association for the financial year ended 30 June 2004;
- (d) there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year ended 30 June 2004 and since the end of the financial year:
  - (i) meetings of the Committee of Management were held in accordance with the rules of the organisation and the rules of the Association; and
  - (ii) the financial affairs of the Association have been managed in accordance with the rules of the organisation and the rules of the Association; and
  - (iii) the financial records of the Association have been kept and maintained in accordance with Schedule 1B to the Workplace Relations Act 1996 and the Workplace Relations (Registration and Accountability of Organisations) Regulations 2003; and
  - (iv) the financial records of the Association have been kept, as far as practicable, in a consistent manner to each of the other Associations of the organisation; and
  - (v) no information has been sought in any request of a member of the Association or a Registrar under section 272 of Schedule 1B to the Workplace Relations Act 1996; and
  - (vi) no orders have been made by the Commission under section 273 of Schedule 1B to the Workplace Relations Act 1996

For the Committee of Management



.....  
**AART VAN ROEST**

Signed this 4<sup>th</sup> day of NOVEMBER 2004.


**AUSTRALIAN RETAILERS ASSOCIATION – NEW SOUTH WALES**

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**STATEMENT OF PARTICULARS OF LOANS, GRANTS AND DONATIONS BY AN OFFICER OF AUSTRALIAN RETAILERS ASSOCIATION – NEW SOUTH WALES**

I, AART VAN ROEST, Treasurer of the Council of Australian Retailers Association - New South Wales, state, in respect of the financial period ending 30 June 2004, that:

No loans, grants or donations of an amount exceeding \$1,000 were made by the Australian Retailers Association - New South Wales during the financial period.



AART VAN ROEST

Signed at Sydney on the 3<sup>rd</sup> day of August 2004.

**AUSTRALIAN RETAILERS ASSOCIATION – NEW SOUTH WALES**

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2004**

	Note	2004 \$	2003 \$
<b>CURRENT ASSETS</b>			
Cash at bank		3,942,380	4,524,405
Cash on hand		1,000	1,000
Prepayments		76,123	60,768
Trade Debtors		238,274	189,985
Less: Allowance for bad and doubtful debts		(18,249)	(33,140)
Inventories		12,195	-
Other debtors		50,060	51,425
Amounts receivable from related parties	12	15,439	44,527
Less: Allowance for related parties doubtful debts	12	(11,385)	-
		<u>4,305,837</u>	<u>4,838,970</u>
<b>NON-CURRENT ASSETS</b>			
Plant and equipment	4	<u>575,907</u>	<u>587,486</u>
<b>TOTAL ASSETS</b>		<u>4,881,744</u>	<u>5,426,456</u>
<b>CURRENT LIABILITIES</b>			
Trade creditors and accruals		227,286	444,051
GST payable		74,368	473,035
Unexpended grant and project income		43,290	-
Amounts payable to related parties	12	7,716	40,876
Deferred income	5	772,489	681,920
Lease liabilities - secured		8,713	8,513
Provision for annual leave	6	69,473	75,087
Provision for national funding		-	75,000
		<u>1,203,335</u>	<u>1,798,482</u>
<b>NON-CURRENT LIABILITIES</b>			
Provision for long service leave	6	35,886	35,220
Lease liabilities - secured		26,137	35,050
Lease incentives	8	<u>196,980</u>	<u>161,804</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>259,003</u>	<u>232,074</u>
<b>TOTAL LIABILITIES</b>		<u>1,462,338</u>	<u>2,030,556</u>
<b>NET ASSETS</b>		<u>3,419,406</u>	<u>3,395,900</u>
<b>MEMBERS' FUNDS</b>			
Accumulated deficit - general fund		(139,873)	(163,379)
Accumulated surplus - building fund		<u>3,054,729</u>	<u>3,054,729</u>
Aggregate accumulated surplus		2,914,856	2,891,350
Reserves	10	<u>504,550</u>	<u>504,550</u>
<b>TOTAL MEMBERS' FUNDS</b>		<u>3,419,406</u>	<u>3,395,900</u>

The attached notes form part of these financial statements.

**AUSTRALIAN RETAILERS ASSOCIATION – NEW SOUTH WALES****STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 30 JUNE 2004**

	<b>2004</b>	<b>2003</b>
	<b>\$</b>	<b>\$</b>
<b>SUMMARY</b>		
Surplus/(Deficit) on general fund (page 8)	23,506	(97,569)
Surplus on building fund (page 9)	<u>-</u>	<u>175,770</u>
Net surplus for the year	23,506	78,201
Transfer of prior year net revaluation increment to accumulated surplus on building fund being the net increment realised on sale of land and buildings	-	1,604,554
Accumulated surplus at the beginning of the financial year	<u>2,891,350</u>	<u>1,208,595</u>
Accumulated surplus at the end of the financial year	<u>2,914,856</u>	<u>2,891,350</u>
<b>GENERAL FUND</b>		
Revenues from ordinary activities	3,396,620	3,263,653
Depreciation	(82,767)	(43,966)
Employee benefits expense	(1,247,383)	(1,290,570)
Other expenses from ordinary activities	<u>(2,042,964)</u>	<u>(2,026,686)</u>
Surplus/(Deficit) on general fund	<u>23,506</u>	<u>(97,569)</u>
<b>BUILDING FUND</b>		
Revenues from ordinary activities	-	5,148,085
Depreciation	-	(13,337)
Other expenses from ordinary activities	<u>-</u>	<u>(4,958,978)</u>
Surplus on building fund	<u>-</u>	<u>175,770</u>

The attached notes form part of these financial statements

**AUSTRALIAN RETAILERS ASSOCIATION - NEW SOUTH WALES**

**GENERAL FUND FOR THE YEAR ENDED 30 JUNE 2004**

	Note	2004 \$	2003 \$
<b>INCOME</b>			
Interest income		197,269	18,664
Membership income		2,049,039	2,230,310
Project and services income		1,150,312	996,934
Proceeds on disposal of assets		-	17,745
		<u>3,396,620</u>	<u>3,263,653</u>
<b>RECURRENT OPERATING EXPENSES</b>			
Audit and Accountancy		47,799	64,798
Amortisation of finance leases		8,713	-
Bank charges and interest		13,933	40,443
Carrying amount of plant and equipment sold		312	35,427
Consultancy fees		359,807	285,742
Contributions to other organisations		443,658	339,825
Cost of goods sold		10,451	8,628
Depreciation		82,767	43,966
Doubtful debts		23,385	19,727
Fringe benefits tax		27,527	34,580
Functions and entertainment		168,571	119,716
General expenses and staff amenities		29,298	51,918
Industrial services		305	2,285
Insurance		38,431	46,772
Legal expenses – general		3,679	13,955
Library		16,831	14,720
Membership recruitment		23,193	50,807
Motor vehicle expenses		12,476	22,997
Payroll Tax		80,060	75,166
Postage		88,641	80,596
Printing and stationery		182,851	165,730
Promotions and public relations		(2,662)	54,554
Internal Project management charges		-	13,400
Rent and occupancy		288,012	239,224
Equipment software and consumables		56,386	41,334
Salaries Expense:			
Salaries		1,146,363	1,162,721
Staff recruitment		396	-
Superannuation		101,020	100,849
Provision for long service leave		666	6,935
Provision for holiday pay		(5,613)	3,593
Training and development		4,713	2,802
Telephone		42,070	77,692
Travel		33,825	17,714
		<u>3,327,864</u>	<u>3,238,616</u>
<b>Surplus on General Fund before Individually Significant Items</b>		68,753	25,037
<b>INDIVIDUALLY SIGNIFICANT ITEMS</b>			
Provision for national funding		-	(75,000)
Staff costs - redundancies		-	(27,000)
Staff recruitment		-	(20,606)
Allowance for liquidation of RGT&E		(45,250)	-
<b>Surplus/(Deficit) on General Fund</b>		<u>23,506</u>	<u>(97,569)</u>

The attached notes form part of these financial statements

**AUSTRALIAN RETAILERS ASSOCIATION - NEW SOUTH WALES**

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**BUILDING FUND FOR THE YEAR ENDED 30 JUNE 2004**

	<b>2004</b>	<b>2003</b>
	<b>\$</b>	<b>\$</b>
<b>INCOME</b>		
Rent	-	423,085
Proceeds on disposal of land and buildings	-	4,725,000
	<hr/>	<hr/>
	-	5,148,085
 <b>EXPENSES</b>		
Air conditioning maintenance	-	7,472
Carrying amount of land and buildings sold	-	4,610,224
Carrying amount of other assets disposed of consequent upon sale of land buildings	-	55,566
Costs related to sale of land and buildings	-	111,338
Cleaning	-	45,175
Consultants	-	19,669
Council rates	-	20,175
Depreciation	-	13,338
Electricity	-	24,660
Insurance	-	23,029
Interest	-	-
Land tax	-	15,456
Lift maintenance	-	2,643
Moving costs	-	11,920
Repairs and maintenance	-	8,500
Water rates	-	3,150
	<hr/>	<hr/>
	-	4,972,315
 <b>Surplus on Building Fund</b>	<hr/> <hr/>	<hr/> <hr/>
	-	175,770

The attached notes form part of the financial statements.

**AUSTRALIAN RETAILERS ASSOCIATION – NEW SOUTH WALES****STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2004**

	Note	2004 \$	2003 \$
<b>Cash Flows from Operating Activities</b>			
Receipts from customers		3,570,048	4,609,241
Interest received		197,269	6,200
Interest paid		-	(40,443)
Payments to suppliers and employees		<u>(4,260,416)</u>	<u>(3,665,375)</u>
Net cash (used in)/ provided by operating activities	16(b)	<u>(493,099)</u>	<u>909,623</u>
<b>Cash Flows from Investing Activities</b>			
Proceeds from sale of land and buildings		-	4,725,000
Proceeds from sale of plant and equipment		-	17,745
Payments for plant and equipment		(80,228)	(241,997)
Payments for disposal of land and buildings		<u>-</u>	<u>(111,338)</u>
Net cash (used in)/provided by investing activities		<u>(80,228)</u>	<u>4,389,410</u>
<b>Cash Flows from Financing Activities</b>			
Repayment of finance lease		<u>(8,698)</u>	<u>-</u>
Net cash used in financing activities		<u>(8,698)</u>	<u>-</u>
Net (decrease)/increase in cash held		(582,025)	5,299,033
Cash at beginning of the year		<u>4,525,405</u>	<u>(773,628)</u>
Cash at end of the year	16(a)	<u>3,943,380</u>	<u>4,525,405</u>

The attached notes form part of these financial statements



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial report has been prepared and presented in accordance with applicable Accounting Standards, other mandatory professional reporting requirements and the Workplace Relations Act, 1996. The financial report has also been prepared on the basis of historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. The accounting policies have been consistently applied, unless otherwise stated.

The financial report has been prepared on a going concern basis, which contemplates continuity of normal operating activities and the realisation of assets and settlement of liabilities in the normal course of the Association's operations.

The following is a summary of the significant accounting policies adopted by the Association in the preparation of the financial report.

(a) The financial statements have not been adjusted to record changes in the general purchasing power of the dollar or in the cost of specific assets.

(b) Employee Benefits

(i) *Wages and salaries, annual leave and sick leave*

Liabilities for wages and salaries, including non-monetary benefits expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(ii) *Long service leave*

The liability for long service leave expected to be settled within 12 months of the reporting date is recognised in the provision for employee benefits and is measured in accordance with (i) above. The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

Consideration is given to expected future wage and salary experience of employee departures and periods of service.

(iii) *Employee benefit on-costs*

Employee benefit on-costs, including payroll tax, are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

Contributions are made to an employee Superannuation Fund and charged as expenses when incurred.

(c) Income Tax

No provision for income tax is necessary as the Association is exempt from Income Tax.

(d) Plant and Equipment

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004 (continued)**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

(d) Plant and equipment (continued)

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

*Depreciation*

Depreciation of plant and equipment is calculated on the straight line basis for motor vehicles and the reducing balance basis for furniture and fittings and office equipment in order to write off the assets over their expected useful lives.

The depreciation rates used for each class of depreciable asset are:

<b>Class of Property, Plant and Equipment</b>	<b>Depreciation Rate</b>
Furniture and Fittings	15%
Office Machines	33%
Motor Vehicles	15%
Leasehold improvements	10%

(e) Trade Debtors and Other Debtors

Trade debtors are recognised when the risks and rewards of ownership of the underlying sales transactions have passed to customers. This event usually occurs on delivery of services, seminars or inventories to customers. Trade debtors are recorded at nominal amounts. Credit terms are 30 days. Collectability of overdue accounts is assessed on an ongoing basis. Specific allowance is made for all doubtful accounts.

(f) Trade and Other Creditors

These amounts represent unpaid liabilities for goods received and services provided to the Association prior to the end of the financial period. The amounts are unsecured and are normally settled within 30 days.

(g) Grant Income

Grant income is only brought to account as income where it is considered that the terms of the grant agreement have been, or are reasonably expected to be met. Provided this is the case, grant income received is accounted for by allocating the unspent portion as unearned grant income in the balance sheet, and releasing it to the income and expenditure account to match expenditure incurred during the period.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004 (continued)

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the Association will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

(i) Revenue

*Membership Fees*

Membership income is recognised on an accruals basis. As such, income received which relates to the following financial year has been deferred at 30 June 2004.

All revenue is stated net of the amount of goods and services tax (GST).

(j) Goods and Services Tax (GST)

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

(k) Lease Incentives

The Association entered into an operating lease of its premises at 45 Market Street Sydney commencing 1 April 2003. Under the terms of the lease agreement the Association was entitled to receive the first six months of the lease term free from rent and has received from the lessor a contribution to leasehold improvements.

*Rent-Free Period*

Rental payments were not required to be made during the first six months of the lease and a lease incentive liability has been raised to record the rental expense payable in relation to the rent-free period. Lease payments are allocated between the rental expense and the reduction of the lease incentive liability.

*Leasehold Improvements*

The lessor's contribution to the Association's leasehold improvements is recorded by recognising the fixed assets acquired and raising a lease incentive liability. The lease incentive liability is amortised to monthly rent expense over the term of the lease.

(l) Australian Equivalents To International Financial Reporting Standards (IFRSs)

For the year ending 30 June 2006, all general purpose financial reports will be required to comply with Australian equivalents to International Financial Reporting Standards (IFRSs) instead of Australian Accounting Standards presently on issue. Comparative financial statements must also be presented in accordance with Australian equivalents to IFRSs for the year ending 30 June 2005.

The Committee of Management considers that no key accounting policy changes will arise out of this transition to IFRSs.

A more detailed review will be conducted during the year ending 30 June 2005.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004 (continued)**

**NOTE 2 INFORMATION TO BE PROVIDED TO MEMBERS OF AUSTRALIAN RETAILERS ASSOCIATION - NEW SOUTH WALES OR REGISTRAR**

In accordance with the requirements of the Workplace Relations Act, 1996, the attention of members is drawn to the provisions of Sub-Sections [1], [2] and [3] of Section 272 of Schedule 1B which read as follows:-

- (1) A member of a reporting unit, or a Registrar, 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).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004 (continued)

	2004	2003
	\$	\$
<b>NOTE 3 SURPLUS</b>		
The net surplus for the year has been determined after:		
<b>(a) Expenses</b>		
Depreciation		
- Furniture and Fittings	1,649	7,171
- Office machines and other plant and equipment	21,386	38,697
- Motor Vehicles	4,326	4,325
- Building	-	4,987
- Leasehold improvements	55,406	2,124
	<u>82,767</u>	<u>57,304</u>
Amortisation of leased assets	<u>8,713</u>	<u>-</u>
Bad and doubtful debts	<u>23,385</u>	<u>19,727</u>
Remuneration of auditor		
- Audit 2003	-	11,236
2004	16,500	30,875
- Other services	12,786	22,687
	<u>29,286</u>	<u>64,798</u>
<b>(b) Revenues and net gains</b>		
Net loss of sale of property, plant and equipment	<u>312</u>	<u>69,810</u>
<b>NOTE 4 PLANT AND EQUIPMENT</b>		
Furniture and fittings, at cost	50,074	51,542
Less: Accumulated depreciation	40,133	39,626
	<u>9,941</u>	<u>11,916</u>
Office machines and equipment at cost	325,571	336,920
Less: Accumulated depreciation	292,432	318,285
	<u>33,139</u>	<u>18,635</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004 (continued)

	Note	2004 \$	2003 \$
<b>NOTE 4 PROPERTY, PLANT AND EQUIPMENT</b>			
<b>(continued)</b>			
Motor Vehicles, at cost		28,836	28,836
Less: Accumulated depreciation		<u>27,393</u>	<u>23,067</u>
		<u>1,443</u>	<u>5,769</u>
Leasehold Improvements		554,064	509,726
Less: Accumulated depreciation		<u>57,530</u>	<u>2,124</u>
		<u>496,534</u>	<u>507,602</u>
Plant and equipment under finance lease		43,563	43,563
Less: Accumulated amortisation		<u>8,113</u>	<u>-</u>
		<u>34,850</u>	<u>43,563</u>
Total Plant and Equipment	a)	<u><u>575,907</u></u>	<u><u>587,485</u></u>

a) **Fixed Asset Movements**

	Furniture and Fittings	Office Machines and Equipment	Motor Vehicles	Leasehold Improvements	Plant and Equipment under Finance Lease	Total
	\$	\$	\$	\$	\$	\$
Opening WDV	11,916	18,635	5,769	507,602	43,563	587,485
Additions	-	35,890	-	44,338	-	80,228
Depreciation and amortisation	(1,649)	(21,386)	(4,326)	(55,406)	(8,713)	(91,480)
Disposals	(326)	-	-	-	-	(326)
Closing WDV	<u>9,941</u>	<u>33,139</u>	<u>1,443</u>	<u>496,534</u>	<u>34,850</u>	<u>575,907</u>

**AUSTRALIAN RETAILERS ASSOCIATION – NEW SOUTH WALES**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004 (continued)**

	<b>2004</b>	<b>2003</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 5 DEFERRED INCOME</b>		
Deferred membership income	732,989	596,599
Other deferred revenue	<u>39,500</u>	<u>85,321</u>
	<u>772,489</u>	<u>681,920</u>
<b>NOTE 6 PROVISIONS</b>		
<b>CURRENT</b>		
Annual leave	<u>69,473</u>	<u>75,087</u>
<b>NON CURRENT</b>		
Long service leave	<u>35,886</u>	<u>35,220</u>
Average number of employees	<u>23</u>	<u>20</u>
<b>NOTE 7 EMPLOYEE BENEFITS</b>		
Employee benefit and related on-cost liabilities:		
Included in trade creditors and accruals	23,691	25,326
Provision for employee benefits - current	69,473	75,087
Provision for employee benefits - non current	<u>35,886</u>	<u>35,220</u>
Aggregate employee benefit and related on-costs liabilities	<u>129,050</u>	<u>135,633</u>
<b>NOTE 8 LEASE INCENTIVES</b>		
Rent-free period (refer note 1(k))	100,555	52,522
Leasehold improvements (refer note 1(k))	<u>96,425</u>	<u>109,282</u>
	<u>196,980</u>	<u>161,804</u>
<b>NOTE 9 CAPITAL</b>		
The Australian Retailers Association - New South Wales is a division registered under the provisions of the Federal Workplace Relations Act 1996. It has no issued capital.		
<b>NOTE 10 RESERVES</b>		
General reserve	413,686	413,686
Legal fees reserve	<u>90,864</u>	<u>90,864</u>
	<u>504,550</u>	<u>504,550</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004 (continued)

	2004 \$	2003 \$
<b>NOTE 11 CONTINGENT LIABILITIES</b>		
No contingent liabilities exist for Australian Retailers Association - New South Wales.		
<b>NOTE 12 RELATED PARTY TRANSACTIONS</b>		
The following transactions took place during the financial year on normal commercial terms and conditions.		
<u>Balances received or receivable during the year:</u>		
Rent received or receivable	41,000	57,889
Accounting and administration fees received or receivable	29,000	24,445
	<u>70,000</u>	<u>82,334</u>
<i>Receivable at year end</i>		
Australian Retailers Association – National	4,054	33,142
Australian Retailers Association – South Australia	11,385	11,385
Allowance for doubtful debts	<u>(11,385)</u>	<u>-</u>
	<u>4,055</u>	<u>44,527</u>
<i>Payable at year end</i>		
Australian Retailers Association – National	7,245	13,376
Australian Retailers Association – Victoria	471	27,500
	<u>7,716</u>	<u>40,876</u>



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004 (continued)

**NOTE 13 EVENTS SUBSEQUENT TO BALANCE DATE**

From 1 July 2004, the Liquor Stores Association of NSW ceased to operate as a division of the Australian Retailers Association- New South Wales and commenced operations as a separate incorporated association.

Other than the matter referred to above, no matters or circumstances have arisen since the end of the financial year which significantly affected or may affect the operations of the Association, the results of those operations, or the state of the affairs of the Association in future financial years.

**NOTE 14 SEGMENT INFORMATION**

Australian Retailers Association - New South Wales operated within New South Wales to service the needs of its members.

**NOTE 15 FINANCIAL INSTRUMENTS**

(a) Interest Rate Risk

The Association's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of change in market interest rates and the effective weighted average interest rates on these financial assets and financial liabilities is as follows:

	Weighted Average Effective Interest Rate %	Floating Rate \$	Fixed Interest Rate Maturing		Total \$
			Within 1 Year \$	1 to 5 Years \$	
<b>30 June 2004</b>					
<b>Financial Assets</b>					
Cash at bank	4.55	3,943,380	-	-	3,943,380
<b>Total Financial Assets</b>		3,943,380	-	-	3,493,380
<b>Financial Liabilities</b>					
Lease Liability	21.12	-	8,713	26,137	34,850
<b>Total Financial Liabilities</b>		-	8,713	26,137	34,850

	Weighted Average Effective Interest Rate %	Floating Rate \$	Fixed Interest Rate Maturing		Total \$
			Within 1 Year \$	1 to 5 Years \$	
<b>30 June 2003</b>					
<b>Financial Assets</b>					
Cash at bank	4.45	4,524,405	-	-	4,524,405
<b>Total Financial Assets</b>		4,524,405	-	-	4,524,405
<b>Financial Liabilities</b>					
Lease Liability	21.12	-	8,513	35,050	43,563
<b>Total Financial Liabilities</b>		-	8,513	35,050	43,563

All other financial assets and liabilities are non-interest bearing.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004 (continued)**

**NOTE 15 FINANCIAL INSTRUMENTS (continued)**

(b) Credit Risk

The maximum exposure to credit risk at balance date excluding the value of any collateral or other security, to recognised financial assets is the carrying amount, net of any allowance for doubtful debts, as disclosed in the Statement of Financial Position and Notes to the Financial Statements.

The Association does not have any material debtor or group of debtors under financial instruments entered into.

(c) Net Fair Values of Financial Assets and Liabilities

The carrying amount of cash, cash equivalents and non-interest bearing monetary financial assets and liabilities (eg accounts receivable and payable) approximate net fair values.

	<b>2004</b>	<b>2003</b>
	<b>\$</b>	<b>\$</b>

**NOTE 16 CASH FLOWS**

**a) Reconciliation of cash**

For the purpose of this statement of cash flows, cash includes cash, at call deposits with banks and other financial institutions, net of bank overdraft.

Cash at the end of the year is shown in the balance sheet as:

- Cash at bank on hand	<u>3,943,380</u>	<u>4,525,405</u>
------------------------	------------------	------------------

**b) Reconciliation of cash flow from operations with net surplus**

Net surplus	23,506	78,201
Non cash flows in surplus from ordinary activities		
Depreciation and amortisation	91,480	57,304
Loss on sale of plant and equipment	312	17,682
Loss on sale of land and buildings	-	52,128

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004 (continued)

	2004	2003
	\$	\$
<b>NOTE 16 CASH FLOWS (continued)</b>		
Changes in assets and liabilities		
Increase in inventories	(12,195)	-
(Increase)/ decrease in trade debtors	(63,180)	8,369
Increase in prepayments	(15,355)	(2,394)
Decrease in other debtors	1,365	5,447
Decrease in trade creditors and accruals	(216,765)	(63,977)
Increase in lease incentives	35,176	161,804
(Decrease)/ Increase in GST payable	(398,667)	451,988
Increase/ (decrease) in unexpended grant	43,290	(155,704)
(Decrease)/ Increase in provisions	(79,948)	85,527
Decrease/ (increase) in related party receivable	40,473	(44,527)
(Decrease)/ Increase in related party payable	(33,160)	33,817
Increase in deferred memberships	90,569	223,958
	<u>(493,099)</u>	<u>909,623</u>
Cash used/(provided) by operating activities		

**c) Non cash financing and investing activities**

Plant and equipment

During the financial year the Association acquired plant and equipment with an aggregate fair value of \$nil (2003: \$45,563) by means of a finance lease agreement.

During the financial year the Association acquired leasehold improvements with an aggregate fair value of \$nil (2003: \$110,200) as a lease incentive on entering an operating lease.

These acquisitions are not reflected in the cash flow.

**NOTE 17 CAPITAL AND LEASING COMMITMENTS**

**a) Finance lease commitments payable**

- Not later than one year	10,800	10,800
- Later than one year but not later than five years	<u>33,199</u>	<u>44,200</u>
Minimum lease payments	43,999	55,000
Less: Future finance charges	<u>(9,149)</u>	<u>(11,437)</u>
Lease liabilities recognised in the financial statements	<u>34,850</u>	<u>43,563</u>

The lease is a non-cancellable lease with a five year term. The implicit interest rate is 21.12%. Lease liabilities are effectively secured as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2004 (continued)

	2004	2003
	\$	\$
<b>NOTE 17 CAPITAL AND LEASING COMMITMENTS</b>		
<b>(continued)</b>		
<b>b) Operating lease commitments</b>		
Non-cancellable operating leases Contracted for but not capitalised in the financial statements:		
Payable:		
- Not later than one year	241,046	172,875
- Later than one year but not later than five years	1,064,536	1,016,836
- Later than five years	<u>1,160,435</u>	<u>1,380,083</u>
	<u>2,466,017</u>	<u>2,569,794</u>

The property lease is a non-cancellable lease with a ten year term. Contingent rentals within the lease require that the minimum lease payments shall be increased by the greater of CPI or 4% per annum. An option exists to renew the lease at the end of the ten year term for an additional term of five years.

**NOTE 18 ASSOCIATION DETAILS**

The registered office and principal place of business is:

Australian Retailers Association New South Wales  
 Level 11  
 45 Market Street  
 SYDNEY NSW 2000