



## AUSTRALIAN INDUSTRIAL REGISTRY

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80 Collins Street, Melbourne, VIC 3000  
GPO Box 1994S, Melbourne, VIC 3001  
Telephone: (03) 8661 7993  
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Ms. M. Adler-Bishop  
Secretary/Treasurer  
The Australian Retailers Association  
Victoria Division  
Level 2  
Association House  
104 Franklin Street  
MELBOURNE VIC 3000

Dear Ms. Adler-Bishop,

**Re: Financial documents for year ended 30 June 2003  
FR 2003/554**

Reference is made to the financial documents of the Victoria Division of The Australian Retailers Association for the year ended 30 June 2003. The documents were lodged in the Industrial Registry on 16 December 2003.

The following matters are referred for assistance when preparing future financial documents; no further action is requested in respect of these.

### **1. Committee of Management Certificate**

- (a) A certificate prepared under regulation 109(1)(b) should include a statement that the certificate is in accordance with a resolution passed by the committee of management of the organisation (refer regulation 109(2)(a)).
- (b) Paragraph (d) was not completed correctly.

In that part the committee of management was required to certify whether or not the division had complied with the requirements of section 279 in respect of the financial documents of the immediately preceding financial period, that is the year ended 30 June 2002.

It should be noted that this part of the committee of management's certificate always refers back to the preceding year.

### **2. Timescale Provisions**

Unless an extension is granted, financial documents should be lodged in the Industrial Registry within 14 days of the meeting at which they were presented - refer subsection 280(1).

Should you wish to discuss this letter or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8661 7817.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'R Pfeiffer', written in a cursive style.

Robert Pfeiffer  
Statutory Services Branch

17 February 2004



AUSTRALIAN  
RETAILERS  
ASSOCIATION

FR 2003/554.

## AUSTRALIAN RETAILERS ASSOCIATION Victoria Division

### Annual Accounts 2003

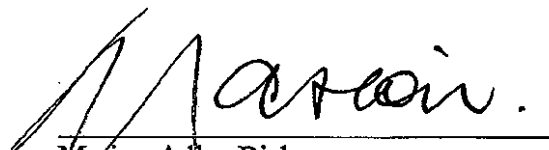
WORKPLACE RELATIONS ACT 1996 s280

I, Marion Adler-Bishop,  
being Secretary-Treasurer of the Australian Retailers Association Victoria Division  
certify that the attached documents entitled,

- 1. Australian Retailers Association – Victoria  
Financial Summary for the Year ended 30 June 2003*
- 2. Financial reports and Statements  
for the financial year ended June 30<sup>th</sup> 2003  
Australian Retailers Association – Victoria*

are true copies of the financial statements presented to the Annual General Meeting of  
the Association held on 19 November 2003.

The Financial Summary has been circulated to members.

  
\_\_\_\_\_  
Marion Adler-Bishop  
Secretary Treasurer  
Australian Retailers Association Victoria

Date: 19 November 2003

# **FINANCIAL REPORTS AND STATEMENTS**

**for the Financial Year ended June 30th, 2003**

**in respect of the consolidated economic entity consisting of**

**AUSTRALIAN RETAILERS ASSOCIATION - VICTORIA**

a Division of the Australian Retailers Association  
registered under the Workplace Relations Act 1996  
(the parent entity)

**and**

**RETAIL TRADERS' INSURANCE BROKING PTY LTD (RTIB)**

ACN 051 823 628  
(a controlled entity)

**and**

**HAIRDRESSING & BEAUTY INDUSTRY ASSOCIATION (HBIA)**

ACN 004 134 794  
(a controlled entity)

**prepared in compliance with the  
the Workplace Relations Act 1996 (the Act)**

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## **COUNCILLORS' REPORT 2003**

In accordance with S.213 of the Workplace Relations Act, the Division's Councillors submit the following Financial Statements (comprising the Statement of Financial Position, Statement of Financial Performance, Statement of Cash Flows and Notes thereto, together with the Councillors' Statement thereon) in respect of the financial year ended June 30th, 2003; and report as follows:

### **COUNCILLORS**

The Councillors in office at any time during the financial year are:-

Andrew Carter	Jeanie Chapman	Max Lord	Vivienne Atkinson
Andrew Woodward	Joe Briffa	Paul Teminghoff	Wendy Ford
Barry Barron	John Montano	Peter Ferne	
Dawn Simmonds	Jon Onley	Peter Micheal	
Denis Littleford	John Ryan	Peter Nicoll	
Don Parsons	Judy Katz	Sue Yacopetti	
Gary Beville	Margaret Porritt	Susan Braidwood	
Ian Cornwell	Maria Campbell	Simon Glowrey	
Irene Goonan	Marion Alder Bishop	Thais Whitehead	

### **PRINCIPAL ACTIVITIES**

The Division's principal activities during the course of the financial year were:

- The provision of business support services to the Victorian retail industry, including the hairdressing and beauty sector
- Acting as a federally registered association of employers
- Providing training services to members, the industry and potential employees

### **REVIEW OF OPERATIONS**

In accordance with the objects of the Association the Division continued to reinvest its surpluses in the provision of services to members throughout 2002/03 returning a final operating surplus of \$14,696 in line with budget.

In November 2002 the ARAV formed an alliance with the Hardware Association of Victoria Inc (HAV) to advance the common interests of both associations. Under this agreement the ARAV will provide service and support to the members of the HAV.

The Association's property at 104 Franklin Street has been revalued to bring the book value into line with current market values. A sworn valuation was sought by the Council and relied upon in assessing the market value.

### **FUTURE DEVELOPMENTS**

The national organisation is continuing a strategic review of its operational structure to determine how to provide the best possible representation for members.

### **EVENTS SUBSEQUENT TO BALANCE DATE**

In October 2003 a caveat was lodged by The Retail Traders Association of Victoria in respect of the Land & Buildings held at 104 Franklin Street.

In October 2003 the National Council of the Association confirmed that assets held in respect of state divisions should be dealt with as if separately held by the division and authorised the transfer of any such assets to a discretionary trust benefiting the state division where that division chooses to do so.

No other events have occurred subsequent to the balance date that are likely to affect the operations or the state of affairs of the Division in subsequent financial periods.

## Australian Retailers Association - Victoria

ABN 99 064 713 718 / 006

### GROUP RESULTS

It is not an objective of the Division to make profits in the accepted commercial connotation of the expression. It is however, the Division's policy to provide comprehensive services to members at such prices as will allow the sustained provision of those services. Accordingly, the operations for the 2003 financial year resulted in a final surplus of \$14,696. This compares with a surplus of \$4,546 in 2002.

### INFORMATION ON COUNCILLORS

		Council		Executive	
		eligible	attended	eligible	attended
J. Briffa	Property, Leasing & Development Manager Adidem Group, Councillor since Oct 99, President	10	9	10	9
P Nicoll	Retail Operations Manager, Henry Buck's Pty Ltd Councillor since Mar 92, Vice President	10	9	6	6
J Onley	Retail Operations Manager, Gasmart Councillor since Apr 94, Vice President	10	6	10	6
M Alder-Bishop	Marketing Director, The Chocolate Box Councillor since Feb 96, Secretary Treasurer	10	8	6	6
V Atkinson	Owner-Manager, Australian Balloon Co Councillor since Jun 99	10	8		
B Barron	Financial Controller, Sussan Corporation Councillor since Mar 97	10	5		
D Braida	Divisional Manager, Daimaru Australia, Councillor since Sept 02, Resigned Oct 02	9	1		
G Beville	General Manager, Beville Jewellers, Councillor since Oct 02	8	3		
S Braidwood	Regional Manager, Myer, Councillor Since Oct 02	8	2		
M Campbell	Manager, Recreation Beauty Centre Councillor since Oct 01	10	8		
J Campradt	Regional Manager, Safeway Supermarkets Councillor since Feb 02, Resigned Oct 02	4	0		
J Chapman	Owner, Zilky Body Cosmetics, Councillor since Oct 02	8	4		
A Carter	Retail Operations Manager, Nike Councillor since May 01	10	0		
P Feme	Managing Director, Arthur Daley's Clearance House Councillor since Oct 01	10	7		
W Ford	Owner-Manager, Wendy Ford Hair & Beauty Councillor since Oct 92,	10	7	4	2
I Goonan	Owner-Manager, Renees Raggs & Wool Councillor since Oct 94,	10	3	4	3
S Glowrey	State Manager, Myer/Grace Bros Councillor since May 99	10	8		
M Lingard	Proprietor, Snapper Head Surf Shop Councillor since Oct 01, Resigned Mar 03	8	4		
D Littleford	Operations Manager, Bakers Delight, Councillor since Oct 02	8	4		
M Lord	Managing Director, Echnca Fashion Centre Councillor since Nov 88	10	8		
P Michael	Managing Director, Michael's Camera, Digital & Video Councillor since Nov 01	10	7		
J Montano	Owner-Manager, Jades Hair Design Councillor since Aug 97	10	3		
M Porritt	Owner-Manager, Feathers Pty Ltd Councillor since Aug 97	10	6		

		Council		Executive	
		eligible	attended	eligible	attended
P Sheppard	Managing Director, Peter Sheppard Footwear Councillor since Jul 80, Resigned Jul 02	1	1		
J Ryan	External Affairs Manager – Coles Supermarkets Councillor since Jan 01 Alternate: Richard Uglow	10	1		9
D Simmonds	State Manager, Australia Post, Councillor since Oct 02	8	1		
P Teminghoff	Regional Manager, Safeway Supermarkets Councillor since Jul 02	10	4		
T Whitehead	Proprietor, Rivage Hair Stylists Councillor since Jul 94	10	6		
A Woodward	Proprietor, Angle Hair Designs Councillor since Feb 02, HBIA President	10	4	10	8
S Yacopetti	State Sales Manager, Jeans West Corporation Councillor since Apr 02	10	0		
D Parsons	Director - Leasing, Hardy Bros Jewellers, Councillor since Oct 02	8	5		
J Katz	Owner, Card & Carboodle, Councillor since Oct 02	8	7		
M Van Der Looy	Retail Manger, Peter Sheppard Footwear, Councillor since Jul 02, Resigned May 03	7	3		
I Cornwell	Owner, Doncaster Mitre 10 Vice President, Hardware Association of Victoria Advisory Councillor since Mar 03	4	2		

#### **COUNCILLORS' BENEFITS**

Except as detailed in note 15 to the financial statements, no councillor has received, or has become entitled to receive, during the financial year, or since its close, a benefit because of a contract that:

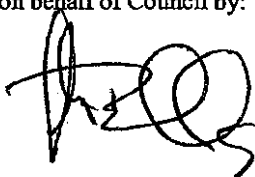
- (a) the councillor;
- (b) a firm of which the councillor is a member;
- (c) an entity in which the councillor has a substantial financial interest; has made (during the financial year or at any other time) with:
- (d) the company;
- (e) an entity that the company controlled, or a body corporate that was related to the company, when the contract was made or when the councillor received, or became entitled to receive, the benefit (if any).

During the financial year or since its close the Division has paid premiums to insure all of its councillors and executive officers against liabilities for costs and expenses incurred by them in defending legal proceedings arising out of their conduct while acting in the capacity of officer of the Association, other than conduct involving a wilful breach of duty in relation to the Association. The total amount of premium paid was \$2,759 (2002 \$2,138).

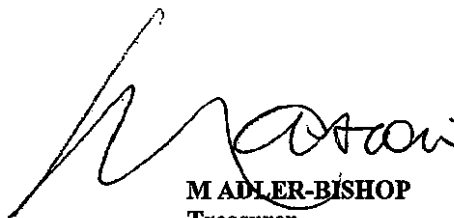
#### **AUDITORS**

Danby Bland Provan & Co., Chartered Accountants, continue in office in accordance with S.275 & S.278 of the Workplace Relations Act.

Signed on behalf of Council by:



**J BRIFFA**  
President



**M ADLER-BISHOP**  
Treasurer

Date 31 October 2003

**Statement of Financial Performance**  
**For the year ended 30 June 2003**

	Notes	2003 \$	2002 \$
Revenue from ordinary activities	2	3,527,606	3,200,088
Employee benefits expense		(1,416,646)	(1,340,493)
Depreciation and amortisation expenses	3	(77,101)	(71,596)
Promotion, membership and function expenses		(257,349)	(202,483)
Travel expenses		(106,253)	(136,744)
Training expenses		(427,323)	(315,314)
Administration and communication expenses		(643,517)	(620,845)
Function expenses		(156,760)	(146,013)
Commission expenses		(153,420)	(122,941)
Other expenses from ordinary activities		(272,282)	(239,113)
Borrowing costs expense	3	<u>(2,259)</u>	<u>-</u>
<b>Surplus from ordinary activities</b>		<u>14,696</u>	<u>4,546</u>
Increase (decrease) in asset revaluation reserve	12	<u>2,663,144</u>	<u>-</u>
<b>Total changes in equity other than those resulting from transactions with owners as owners</b>		<u>2,677,840</u>	<u>4,546</u>

The accompanying notes form part of these financial statements.



**Statement of Financial Position**  
**As at 30 June 2003**

	Notes	2003 \$	2002 \$
<b>CURRENT ASSETS</b>			
Cash assets	4	1,012,555	1,094,467
Receivables	5	583,504	419,631
Other	6	<u>53,693</u>	<u>28,919</u>
<b>TOTAL CURRENT ASSETS</b>		<u><b>1,649,752</b></u>	<u><b>1,543,017</b></u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	<u>3,589,054</u>	<u>979,788</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<u><b>3,589,054</b></u>	<u><b>979,788</b></u>
<b>TOTAL ASSETS</b>		<u><b>5,238,806</b></u>	<u><b>2,522,805</b></u>
<b>CURRENT LIABILITIES</b>			
Payables	9	258,037	243,557
Provisions	10	133,673	110,796
Other	11	<u>536,167</u>	<u>543,653</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u><b>927,877</b></u>	<u><b>898,006</b></u>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	10	<u>29,839</u>	<u>21,549</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u><b>29,839</b></u>	<u><b>21,549</b></u>
<b>TOTAL LIABILITIES</b>		<u><b>957,716</b></u>	<u><b>919,555</b></u>
<b>NET ASSETS</b>		<u><b>4,281,090</b></u>	<u><b>1,603,250</b></u>
<b>EQUITY</b>			
Reserves	12	2,778,244	115,100
Retained surplus	13	<u>1,502,846</u>	<u>1,488,150</u>
<b>TOTAL EQUITY</b>		<u><b>4,281,090</b></u>	<u><b>1,603,250</b></u>

The accompanying notes form part of these financial statements.

**Statement of Cash Flows**  
**For the year ended 30 June 2003**

	Notes	2003 \$	2002 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from customers		3,629,754	3,220,906
Payments to suppliers and employees		(3,738,105)	(3,526,613)
Interest received		51,921	50,512
Borrowing costs		<u>(2,259)</u>	<u>-</u>
Net cash used in operating activities	15 (b)	<u>(58,689)</u>	<u>(255,195)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		-	11,817
Payment for property, plant and equipment		<u>(23,223)</u>	<u>(48,820)</u>
Net cash used in investing activities		<u>(23,223)</u>	<u>(37,003)</u>
Net decrease in cash held		(81,912)	(292,198)
Cash at beginning of financial year		<u>1,094,467</u>	<u>1,386,665</u>
Cash at end of financial year	15 (a)	<u>1,012,555</u>	<u>1,094,467</u>

The accompanying notes form part of these financial statements.

## **Notes to the Financial Statements**

### **For the year ended 30 June 2003**

#### **NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

The Financial Statements are a special purpose financial report prepared in order to satisfy the accounts preparation requirements of the Workplace Relations Act. The financial statements have been prepared on the basis of historical cost and do not take into account changing money values, or except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for the assets. The accounting policies have been consistently applied, unless otherwise stated.

The statements have been prepared in accordance with the following applicable Accounting Standards and other mandatory professional reporting requirements:

AAS5:	Materiality
AAS6:	Accounting Policies
AAS8:	Events Occurring After Reporting Date
AAS18:	Accounting for Goodwill
AAS22:	Related Party Disclosures
AAS28:	Statement of Cash Flows
AAS30:	Accounting for Employee Entitlements

The following is a summary of material accounting policies adopted by the entity in the preparation of the financial statements.

#### **(a) Income Tax**

No provision for income tax has been raised as the company is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

#### **(b) Property, Plant and Equipment**

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

##### *Property*

Freehold land and buildings are measured on the fair value basis being the amount which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

##### *Plant and equipment*

Plant and equipment is measured on the cost basis.

##### *Depreciation*

All assets, excluding freehold land and buildings, are depreciated on a straight line basis over their useful lives to the company.

#### **(c) Intangibles**

##### *Goodwill*

Goodwill is initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net tangible assets at date of acquisition. Goodwill is amortised on a straight line basis over the period of 20 years. The balances are reviewed annually and any balance representing future benefits the realisation of which is considered to be no longer probable are written off.

**Notes to the Financial Statements**  
**For the year ended 30 June 2003**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(d) Employee Benefits**

Provision is made for the Division's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the Division to an employee superannuation fund and are charged as expenses when incurred.

**(e) Revenue**

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Other revenue is recognised when the right to receive the revenue has been established.

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

	Note	2003 \$	2002 \$
<b>NOTE 2: REVENUE</b>			
<b>Operating activities</b>			
- rendering of services		3,474,252	3,107,860
- interest	2(a)	51,921	50,512
- other revenue		<u>1,433</u>	<u>41,716</u>
		<u><u>3,527,606</u></u>	<u><u>3,200,088</u></u>
<b>(a) Interest from:</b>			
- financial institutions		<u>51,921</u>	<u>50,512</u>
<b>NOTE 3: SURPLUS FROM ORDINARY ACTIVITIES</b>			
Profit (losses) from ordinary activities has been determined after:			
<b>(a) Expenses:</b>			
Borrowing costs		2,259	-
Depreciation of property, plant and equipment		77,101	71,596
Bad and doubtful debts		<u>470</u>	<u>1,470</u>
<b>Remuneration of the auditors for:</b>			
- audit or review services		8,800	6,000
- other services		<u>4,560</u>	<u>3,500</u>
<b>NOTE 4: CASH ASSETS</b>			
Cash on hand		1,200	1,200
Cash at bank		<u>1,011,355</u>	<u>1,093,267</u>
		<u><u>1,012,555</u></u>	<u><u>1,094,467</u></u>

**Notes to the Financial Statements**  
**For the year ended 30 June 2003**

	Note	2003 \$	2002 \$
<b>NOTE 5: RECEIVABLES</b>			
<b>CURRENT</b>			
Trade debtors		528,561	262,309
Less provision for doubtful debts		<u>(24,586)</u>	<u>(41,536)</u>
		<u>503,975</u>	<u>220,773</u>
Other debtors		<u>79,529</u>	<u>198,858</u>
		<u>583,504</u>	<u>419,631</u>
<b>NOTE 6: OTHER ASSETS</b>			
<b>CURRENT</b>			
Prepayments		<u>53,693</u>	<u>28,919</u>
<b>NOTE 7: PROPERTY, PLANT AND EQUIPMENT</b>			
<b>LAND</b>			
Freehold land:			
At cost		-	300,000
At independent valuation		<u>2,000,000</u>	-
Total freehold land		<u>2,000,000</u>	<u>300,000</u>
<b>BUILDINGS</b>			
At cost		-	703,510
Less accumulated depreciation		<u>-</u>	<u>(149,066)</u>
		<u>-</u>	<u>554,444</u>
At independent valuation		<u>1,500,000</u>	-
Total buildings		<u>1,500,000</u>	<u>554,444</u>
<b>PLANT AND EQUIPMENT</b>			
<b>(a) Motor vehicles</b>			
At cost		54,930	54,930
Less accumulated depreciation		<u>(43,889)</u>	<u>(33,017)</u>
		<u>11,041</u>	<u>21,913</u>
<b>(b) Furniture, fixtures and fittings</b>			
At cost		494,696	471,473
Less accumulated depreciation		<u>(416,683)</u>	<u>(368,042)</u>
		<u>78,013</u>	<u>103,431</u>
At directors' valuation		233,675	233,675
Less accumulated depreciation		<u>(233,675)</u>	<u>(233,675)</u>
		<u>-</u>	<u>-</u>
Total property, plant and equipment		<u>3,589,054</u>	<u>979,788</u>

**Notes to the Financial Statements**  
**For the year ended 30 June 2003**

	Note	2003 \$	2002 \$
<b>NOTE 8: INTANGIBLE ASSETS</b>			
Goodwill at cost		63,000	63,000
Less accumulated amortisation		<u>(63,000)</u>	<u>(63,000)</u>
		<u>-</u>	<u>-</u>
<b>NOTE 9: PAYABLES</b>			
<b>CURRENT</b>			
Unsecured liabilities			
Trade creditors		49,291	105,748
Sundry creditors and accruals		<u>208,746</u>	<u>137,809</u>
		<u>258,037</u>	<u>243,557</u>
<b>NOTE 10: PROVISIONS</b>			
<b>CURRENT</b>			
Employee benefits	(a)	116,352	85,196
Other		<u>17,321</u>	<u>25,600</u>
		<u>133,673</u>	<u>110,796</u>
<b>NON-CURRENT</b>			
Employee benefits	(a)	<u>29,839</u>	<u>21,549</u>
(a) Aggregate employee benefits liability		<u>146,191</u>	<u>106,745</u>
<b>NOTE 11: OTHER LIABILITIES</b>			
<b>CURRENT</b>			
Membership income received in advance		338,785	459,686
Grant funds not expended		<u>197,382</u>	<u>83,967</u>
		<u>536,167</u>	<u>543,653</u>
<b>NOTE 12: RESERVES</b>			
Asset revaluation reserve	(a)	<u>2,778,244</u>	<u>115,100</u>
(a) Asset Revaluation Reserve			
Movements during the financial year:			
Opening balance		115,100	115,100
increment in valuation of land & buildings		<u>2,663,144</u>	<u>-</u>
Closing balance		<u>2,778,244</u>	<u>115,100</u>
The asset revaluation reserve records revaluations of non-current assets			

**Notes to the Financial Statements**  
**For the year ended 30 June 2003**

	Note	2003 \$	2002 \$
<b>NOTE 13: RETAINED SURPLUS</b>			
Retained surplus at the beginning of the financial year		1,488,150	1,483,604
Net surplus attributable to members of the entity		<u>14,696</u>	<u>4,546</u>
Retained surplus at the end of the financial year		<u>1,502,846</u>	<u>1,488,150</u>
<b>NOTE 14: CAPITAL AND LEASING COMMITMENTS</b>			
(a) Operating lease commitments			
Non-cancellable operating leases contracted for but not capitalised in the financial statements:			
Payable			
- not longer than one year		38,628	31,028
- longer than one year but not longer than two years		38,628	4,092
- longer than two years but not longer than five years		<u>93,351</u>	<u>-</u>
		<u>170,607</u>	<u>35,120</u>
<b>NOTE 15: CASH FLOW INFORMATION</b>			
(a) Reconciliation of cash			
Cash at the end of the financial year as shown in the statement of Cash Flows is reconciled to the related items in the statement of financial position as follows:			
Cash on hand		1,200	1,200
Cash at bank		<u>1,011,355</u>	<u>1,093,267</u>
		<u>1,012,555</u>	<u>1,094,467</u>
(b) Reconciliation of cash flow from operations with profit from ordinary activities after income tax			
Surplus from ordinary activities after income tax		14,696	4,546
Non-cash flows in profit from ordinary activities			
Depreciation		77,101	71,596
Charges to provisions		-	1,470
Net (gain) / loss on disposal of property, plant and equipment		-	(8,580)
Changes in assets and liabilities			
Increase in receivables		(163,873)	(148,599)
Increase in other assets		(24,774)	(11,848)
Decrease in grants received in advance		(7,486)	-
increase/(decrease) in payables		14,480	(137,677)
increase/(decrease) in provisions		<u>31,167</u>	<u>(26,103)</u>
Cash flows from operations		<u>(58,689)</u>	<u>(255,195)</u>

**Notes to the Financial Statements**  
**For the year ended 30 June 2003**

Note	2003 \$	2002 \$
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**NOTE 16: RELATED PARTY TRANSACTIONS**

With the exception of the items detailed below, no Councillor received, or is entitled to receive, a benefit from the economic entity. Transactions between related parties were on normal commercial terms and conditions no more favourable than those available to other parties.

**NOTE 17: INVESTMENT IN CONTROLLED ENTITY**

ARAV owns all the issued shares in Retail Traders' Insurance Broking Pty Ltd a company incorporated in Victoria and registered pursuant to the provisions of Part III of the Insurance (Agents & Brokers) Act 1984. Inter-merger transactions have been eliminated. RTIB's contribution to net profit after tax was \$2,002. (2002 - \$1,623)

**NOTE 18: INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR**

In accordance with S.274(4) of the Workplace Relations Act the attention of members is drawn to the following provisions of the Act:

*S.274 (1) A member of an organisation, or a Registrar, may apply to the organisation for specified prescribed information in relation to the organisation;*

*(2) An organisation shall, on application made under subsection (1) by a member of the organisation or a Registrar, make the specified information available to the member or Registrar in such manner and within such time as is prescribed;*

*(3) A Registrar may only make an application under subsection (1) at the request of a member of the organisation concerned and the Registrar shall provide to the member information received because of an application made at the request of the member.*



## TREASURER'S CERTIFICATE

For the purposes of S273(2) of the Workplace Relations Act, I, Marion Adler-Bishop, being the officer responsible for keeping the accounting records of the Division, do hereby state that:

- (a) at June 30, 2003 there were 3,698 members of the Division (2002 3,695);  
and that in my opinion:
- (b) the Financial Statements for the year ended June 30th, 2003 (comprising the Statement of Financial Position, Statement of Financial Performance, Statement of Cash Flows and Notes thereto as set out on pages 4 to 13) show a true and fair view of the financial affairs of the Division as at June 30th, 2003;
- (c) a record has been kept of all moneys paid by, or collected from members of the Division, and all moneys so paid or collected have been credited to the bank accounts to which those moneys are to be credited in accordance with the rules of Division;
- (d) before any expenditure was incurred by the Division, approval of the incurring of the expenditure was obtained in accordance with the rules of the Division;
- (e) no payments were made from funds raised by compulsory levies or voluntary contributions from members for purposes other than for which the fund was operated;
- (f) all loans and other financial benefits granted to persons holding office in the Association were approved in accordance with the rules of the Division; and,
- (g) the register of members of the Division was maintained in accordance with the Act.

**M ADLER-BISHOP**  
Treasurer


  
Dated this 3 day of October 2003

## **COMMITTEE OF MANAGEMENT'S CERTIFICATE**

We, Joseph Briffa and Marion Adler Bishop, being Councillors of the Australian Retailers Association - Victoria, do state on behalf of the Council that:

- (a) in the opinion of the Council, the Financial Statements for the year ended June 30th, 2003 (comprising the Statement of Financial Position, Statement of Financial Performance, Statement of Cash Flows and Notes thereto as set out on pages 4 to 13) show a true and fair view of the financial affairs of the Division as at June 30th, 2003;
- (b) in the opinion of the Council, meetings of the Council were held during the year ended June 30th, 2003 in accordance with the rules of the Division;
- (c) to the knowledge of the members of the Council there have been no instances where records of the Division, other documents (not being documents containing information made available to a member of the Division under S.274(2) of the Act), copies of those documents, or copies of the rules of the Division have not been furnished or made available to members in accordance with the Act, the Regulations thereto, or the rules of the Division;
- (d) the Division has complied with S.279(1)&(6) of the Act in relation to the independent audit report for the financial year ended June 30th, 2003,
- (e) the Councillors have determined that the Division is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the accounts.

Signed on behalf of Council by

  
**J BRIFFA**  
President

  
**M ADLER-BISHOP**  
Treasurer

Dated 3<sup>rd</sup> October 2003

## INDEPENDENT AUDIT REPORT TO THE MEMBERS OF AUSTRALIAN RETAILERS ASSOCIATION - VICTORIA

### SCOPE

We have audited the financial statements, being a special purpose financial report of the Australian Retailers Association - Victoria and controlled entities for the year ended 30 June 2003. These statements are set out on pages 4 to 13. The Division's Councillors are responsible for the financial statements and have determined that the accounting policies used and described in Note 1 to the financial statements are appropriate to meet the requirements of the Workplace Relations Act and the needs of the members. We have conducted an independent audit of the financial statements in order to express an opinion on them to the members of the Division. No opinion is expressed as to whether the accounting policies used, and described in Note 1, are appropriate to the needs of the members.

The financial statements have been prepared for distribution to members for the purpose of fulfilling the organisation's financial reporting requirements under the Workplace Relations Act. We disclaim any assumption of responsibility for any reliance on this report or on the financial statements to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

Our audit has been conducted in accordance with Australian Auditing Standards. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with the accounting policies described in Note 1 to the financial statements. These policies do not require the application of all Accounting Standards and other mandatory professional reporting requirements. The audit opinion expressed in this report has been formed on the above basis.

### AUDIT OPINION

In our opinion the financial statements present fairly in accordance with the:-

- (a) accounting policies described in Note 1 to the financial statements the financial position of Australian Retailers Association - Victoria and its controlled entities as at 30 June 2003 and the results of its operations and its cash flows for the year then ended.
- (b) provisions of the Workplace Relations Act; and,

There were kept by the organisation in relation to the year satisfactory accounting records, including:-

- (i) records of the sources and nature of the income of the organisation (including income from members); and,
- (ii) records of the nature and purposes of the expenditure of the organisation.

We further state that all information and explanations required in the course of the audit were provided.



**DANBY BLAND PROVAN & CO.**  
Chartered Accountants



**R A LANE**  
Partner

Dated this 31<sup>st</sup> day of October 2003.

# Australian Retailers Association – Victoria

FINANCIAL SUMMARY FOR YEAR ENDING 30 JUNE 2003



AUSTRALIAN  
RETAILERS  
ASSOCIATION  
VICTORIA

## Statement of Financial Position

as at 30 June 2003

	2003	2002
	\$	\$
<b>CURRENT ASSETS</b>		
Cash	1,012,555	1,094,467
Receivables	583,504	419,631
Other	53,693	28,919
<b>Total Current Assets</b>	<b>1,649,752</b>	<b>1,543,017</b>
<b>NON-CURRENT ASSETS</b>		
Property, Plant & Equipment	3,589,054	979,788
<b>Total Non-Current Assets</b>	<b>3,589,054</b>	<b>979,788</b>
<b>TOTAL ASSETS</b>	<b>5,238,806</b>	<b>2,552,805</b>
<b>CURRENT LIABILITIES</b>		
Creditors	794,204	787,209
Provisions	133,673	110,796
<b>Total Current Liabilities</b>	<b>927,877</b>	<b>898,005</b>
<b>NON-CURRENT LIABILITIES</b>		
Provisions	29,839	21,549
<b>Total Non-Current Liabilities</b>	<b>29,839</b>	<b>21,549</b>
<b>TOTAL LIABILITIES</b>	<b>957,716</b>	<b>919,554</b>
<b>NET ASSETS</b>	<b>4,281,090</b>	<b>1,603,251</b>
<b>MEMBERS FUNDS</b>		
Reserves	2,778,244	115,100
Accumulated surplus	1,502,846	1,488,151
<b>TOTAL MEMBERS FUNDS</b>	<b>4,281,090</b>	<b>1,603,251</b>

## Statement of Financial Performance

	2003	2002
	\$	\$
<b>Operating Surplus</b> (as per Revenue Account)	14,696	4,548
Provision for RTIB Wind Up	0	0
Write Off RTIB Goodwill	0	0
<b>Operating Surplus/(Deficit)</b>	<b>14,696</b>	<b>4,548</b>
Transfers from/(to) Reserves -		0
<b>Surplus</b>	<b>14,696</b>	<b>4,548</b>
Accumulated Surplus at beginning of year	1,488,150	1,483,603
<b>Accumulated Surplus at end of financial year</b>	<b>1,502,846</b>	<b>1,488,150</b>

## Revenue Account

	2003	2002
	\$	\$
<b>INCOME</b>		
Advertising & Sponsorship	103,268	57,982
Consulting Fees	182,397	122,295
Functions Income	215,877	223,335
Insurance Fees & Commissions	142,125	139,848
Interest Received	51,921	50,512
Licence Fees & Commissions	185,004	103,216
Membership Subscriptions	1,495,085	1,499,213
Merchandise Sales	62,010	100,006
Profit on Sale of Non-Current Assets	0	8,580
Grant Income	77,794	0
Rental Income	94,125	67,500
Training - Short Courses	95,208	124,608
Training - Consulting	87,533	106,044
Training - Govt Funded	83,307	57,164
Training - Traineeships	628,781	490,676
Training - Other	21,738	15,973
Sundry Income	1,433	33,136
<b>Total Income</b>	<b>3,527,606</b>	<b>3,200,088</b>
<b>EXPENDITURE</b>		
Accounting & Audit	13,360	9,572
Affiliation Fees	4,000	4,000
Bad Debts	470	1,470
Bank Fees	18,378	30,658
Catering	47,073	43,085
Cleaning	21,066	18,014
Commissions	133,364	103,701
Consultants	81,305	87,136
Depreciation & Amortisation	77,101	71,596
Equipment	38,237	44,212
Fringe Benefits Tax	40,392	40,061
Functions Expenses	156,760	146,467
General Expenses	5,711	14,531
Insurance	15,831	14,889
Interest Paid	2,259	0
Legal Expenses	43,353	14,206
Magazines	117,385	121,797
Merchandise Purchases	17,144	23,446
Motor Vehicles	43,700	57,043
National Office Contribution	175,328	175,895
Payroll Tax	63,933	62,946
Postage	30,641	35,915
Printing & Stationery	137,025	110,224
Promotion & Membership Costs	100,589	48,993
Provision for Annual Leave	29,525	(22,129)
Provision for Long Service Leave	9,957	9,456
Rent & Occupancy Costs	73,863	75,904
Salaries & Related	1,174,909	1,185,659
Special Projects	68,489	20,200
Staff Recruitment Costs	29,609	20,850
Subscriptions & Resource Materials	40,583	33,233
Superannuation	124,168	127,446
Telephone	84,577	73,487
Training Expenses	427,324	315,760
Training & Development	0	4,901
Travel	51,666	57,371
Workcover	13,835	13,545
<b>Total Expenditure</b>	<b>3,512,910</b>	<b>3,195,540</b>
<b>OPERATING SURPLUS</b>	<b>14,696</b>	<b>4,548</b>

This information has been summarised from the audited financial statements. A copy of the financial statements can be obtained by contacting the association on (03) 9321 5000