



Australian Government
Australian Industrial Registry

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Ms Judy Katz
Branch Secretary/Treasurer
The Australian Retailers Association
Victorian Branch
Level 2, 104 Franklin Street
MELBOURNE VIC 3000

Dear Ms Katz,

Re: Financial Documents - year ended 30 June 2004 (FR2004/333)
Schedule 1B - Workplace Relations Act 1996 (RAO Schedule)

I have received the financial report for the Victorian Branch of The Australian Retailers Association for the year ended 30 June 2004. The documents were lodged in the Registry on 6 May 2005 under s268 of Schedule 1B of the Workplace Relations Act 1996.

As you would be aware, this is the first lodgment by the branch of its audited financial report under Schedule 1B (Registration and Accountability of Organisations (RAO) Schedule) which commenced on 12 May 2003.

The documents have been filed.

The following comments may assist you when you next prepare financial reports. No further action is required regarding these issues with respect to the lodged documents.

Timing of financial documents

The RAO Schedule sets out a particular chronological order in which the financial documents must be prepared, made available to members and presented to a meeting - see the enclosed *Timeline*.

It is noted that the lodged documents did not comply fully with these requirements as follows:

- The documents were lodged in the Registry more than 6 months after the date of the general meeting at which the documents were presented, rather than within 21 days of the meeting as required by s268 of the RAO Schedule.

Accordingly, in future financial years the branch should ensure that the financial documents are prepared, made available to members and presented to the relevant meeting in the strict chronological sequence set out in the *Timeline* – see also sections 253, 265, 266 and 268 of the RAO Schedule.

Auditor's Report

The Auditor's Report should be revised so that it specifically confirms whether, in the Auditor's opinion, the accounts are presented fairly in accordance with the *Australian Accounting Standards* as required by s257(5) of the RAO Schedule.

Operating Report - superannuation trustees

The Operating Report must give details (including details of the position held) of any officer or member of the reporting unit who is:

- (i) a trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- (ii) a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme;

where a criterion for the officer or member being the trustee or director is that the officer or member is an officer or member of a registered organisation – see s254(2)(d) of the RAO Schedule.

In the event that no officer or member of the organisation is a trustee or director of a superannuation entity or an exempt public sector superannuation scheme the Operating Report should include a comment to this effect.

Undated certificate

It is noted that the Designated Officer's Certificate prepared under s268 of the RAO Schedule was not dated. All such certificates should be dated as a matter of course.

Due date for next financial return is 15 January 2006

Now that the financial year for 30 June 2005 has ended, the branch should consider commencing the financial reporting process set out in the enclosed *Timeline* to ensure that the financial documents are lodged in the Registry by 15 January 2006. The maximum extension that is available is one month – see s265(5).

I apologise for the delay in finalising this matter.

If you have any queries please contact me on (03) 8661 7799.

Yours faithfully,



Andrew Schultz
Statutory Services Branch

30 August 2005

FR 2004/333.



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

Rec'd
6/5/05

**AUSTRALIAN RETAILERS ASSOCIATION
Victoria Division**

Annual Accounts 2004

WORKPLACE RELATIONS ACT 1996 s268 of Schedule 1B

I, **Judy Katz,**
being Secretary-Treasurer of the Australian Retailers Association - Victoria Division
certify that the attached documents entitled,

***1. Australian Retailers Association – Victoria
Financial Report for the Year ended 30 June 2004***

is a copy of the documents provided to members and presented to a General Meeting
of Members held on 8 December 2004 in accordance with S266 of the RAO Schedule.

Judy Katz
Secretary Treasurer
Australian Retailers Association Victoria

Australian Retailers Association - Victoria

and controlled entity

Financial Report

For the year ended 30 June 2004

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Australian Retailers Association - Victoria

Operating Report

In accordance with S.254 of Schedule 1B of the Workplace Relations Act (the Act) your committee members submit the financial report of the Australian Retailers Association - Victoria Division and controlled entity for the financial year ended 30 June 2004.

Committee Members

The names of committee members throughout the financial year and at the date of this report are:

Joseph Briffa

Irene Goonan (resigned 19/11/2003)

Jon Onley (resigned 18/06/2004)

Wendy Ford

Marion Adler-Bishop

Vivienne Atkinson

Barry Barron (resigned 28/09/2004)

Maria Campbell (resigned 10/03/2004)

Andrew Carter

Peter Ferne

Max Lord

Dawn Simonds

Denis Littleford

Peter Michael

John Montano

Peter Nicoll

Margaret Porritt

Paul Temminghoff (ineligible from 1 October 2003)

Andrew Woodward

Sue Yacopetti

Gary Beville (resigned 16/07/2003)

Don Parsons

Ian Cornwell (Advisory Councillor)

Reporting Entity

The Australian Retailers Association – Victoria is the Victorian division of the Australian Retailers Association, an Association of Employers registered under the Workplace Relations Act 1996. The division is a reporting unit for the purposes of the accounting obligations of the Act and this report and the financial statements refer to the Victoria Division of the Association as required by the Act.

Victorian Retail Nominees Pty Ltd (ACN 107 001 650) is the trustee of the Victorian Retail Trust. The division and its members are beneficiaries of the trust and the division appoints the majority of the directors of the trustee company. As such the committee believes that the trustee and the trust are controlled entities for the purposes of Australian accounting standards and has consolidated the results of these entities in these reports.

Australian Retailers Association - Victoria

Operating Report (Cont...)

Principal Activities

The principal activities of the division during the financial year were (i) representing the interests of members in regulatory, industrial and general business matters, (ii) the provision of business support services to the Victorian retail industry, including the hairdressing and beauty sector, (iii) providing industrial relations, tenancy, training and business support services to members, businesses and the industry, and (iv) providing support to the national operations of the association and other divisions of the association.

Significant Changes in Activity

The Victorian Retail Trust was established in November 2003 to hold the division's real property to the benefit of the division and the members of the division. Victorian Retail Nominees Pty Ltd was incorporated to act as trustee of the Victorian Retail Trust.

No other significant changes in the nature of the activities occurred during the year.

Operating Result and Review of Operations

The loss from ordinary activities after providing for income tax amounted to \$495,243.

Membership revenue from national members fell significantly due to the resignation or non renewal of a few significant national retailers from the ARA at the beginning of the year. The division was also called upon during the year to contribute an additional \$202,523 of funding towards the operating deficits of the national office of the association.

Net revenue from training fell during the year due to the reduction in funding of traineeships for casual employees as retailers are highly dependant upon the flexibility offered by casual employment. The non renewal of a new apprenticeship services contract operated by the division also added to the revenue shortfall. While income from other fee for service training activities increased these only partly offset the shortfall in training revenue from these sources.

Despite these reductions in revenue the Committee determined that it was strategically important to maintain and improve services to members while addressing the longer term restructuring of the association for the benefit of all members. In accordance with this principal core operating activities were maintained through the year.

The highlights of the year include:

- The successful introduction of a specialist legal support service
- The commencement of a strengthened partnership and service agreement with the Master Grocers Association of Victoria enabling joint access to services and a stronger voice on common issues
- The release of a number of retail technology publications to support members
- The continued growth of the Retail Night of Nights, Retail awards and Hairdressing championships
- The celebration of the Hairdressing and Beauty Industry Association's 75th anniversary with a Gala Charity Dinner raising \$19,500 for the Royal Children's Hospital.
- Continued growth in professional service fee income for industrial and tenancy services

As part of the restructuring of the association, the building and property of the division at 104 Franklin Street, was transferred into the Victorian Retail Trust on 28 November 2003 to ensure its continued use for the benefit of the members of the Division. As a controlled entity the property is included in the consolidated accounts.

At 30 June 2004 there were 3,779 members enrolled in the division up from 3,698 members at 30 June 2003.

The division employed 27 staff at 30 June 2004.

Australian Retailers Association - Victoria

Operating Report (Cont...)

After Balance Date Events

On July 29, 2004 the national council of the Association resolved to restructure the association to provide full financial autonomy for each division and maintain the current funding ratio for national office. The structure to provide this is to be resolved and is expected to be implemented in the coming financial year. As a result of this decision another significant retailer has resigned from the association representing a loss of potential membership revenue to the division of \$61,000.

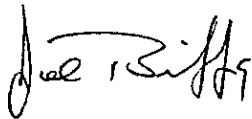
The division has also secured a significant contract to provide business coaching services to packaged liquor retailers on behalf of the Packaged Liquor Industry Development Trust. The project is expected to run from August 2004 to April 2005 and generate significant training activity.

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


Right to Resign

While your committee encourages all members to speak to the association's professional staff at any time should they have any concerns regarding service or policy or simply wish to provide input, we are required to advise that members who wish to resign from the association may do so by written notice addressed to The Secretary, Australian Retailers Association, 104 Franklin Street, Melbourne 3000.

Signed in accordance with a resolution of the Members of the Committee:



Joseph Briffa (President)



Marion Adler-Bishop (Secretary - Treasurer)

Dated this 16th day of November 2004

Australian Retailers Association - Victoria

Statement of financial performance
For the year ended 30 June 2004

	Notes	2004 \$	2003 \$
INCOME			
Insurance fees & commissions		161,864	142,125
Consulting and sales		293,140	244,407
Membership subscriptions		1,355,229	1,495,085
Rental Income		78,685	94,125
Training		948,334	994,361
Other professional income		684,812	504,149
Interest		51,066	51,921
Other income		<u>18,935</u>	<u>1,433</u>
TOTAL INCOME	2	3,592,065	3,527,606
LESS EXPENSES			
Accounting fees		3,000	-
Affiliation fees		4,000	4,000
Annual Leave		14,601	29,525
Audit fees		19,320	13,360
Bad debts		19,205	470
Bank charges		23,300	18,381
Cleaning		22,239	21,066
Catering		54,123	47,073
Commission paid		43,825	116,760
Consultancy fees		72,345	98,060
Council meeting expenses		12,179	15,463
Depreciation	3	69,467	77,101
Equipment < \$300		29,085	38,237
Fringe benefits		61,326	40,392
Function expense		285,428	156,760
General expenses		22,649	10,353
Insurance		32,035	28,352
Interest paid	3	3,188	2,259
Legal costs		52,625	10,119
Long Service Leave		15,654	9,957
Magazines, journals and periodicals		4,387	1,667
Merchandise purchase		18,770	17,144
Motor vehicle expenses		39,199	45,114
National office contribution		305,910	183,848
Payroll tax		74,058	63,933
Postage		101,059	102,999
Printing and stationery		168,975	175,746
Expenses carried forward			

The accompanying notes form part of these financial statements.

Australian Retailers Association - Victoria

Statement of financial performance
For the year ended 30 June 2004

	Notes	2004 \$	2003 \$
Expenses brought forward			
Promotion and Membership cost		159,841	96,151
Recruitment costs		5,001	29,609
Rent & occupancy		129,058	73,863
Salaries and wages		1,349,899	1,212,604
Special Projects		140,975	68,489
Subscriptions		50,959	41,441
Superannuation		141,660	124,168
Telephone		82,986	84,577
Trainers fees		412,137	394,261
Travelling expenses		24,117	27,683
Other expenses		<u>18,723</u>	<u>31,927</u>
TOTAL EXPENSES		<u>4,087,308</u>	<u>3,512,912</u>
Profit from ordinary activities		(495,243)	14,694
Increase (decrease) in asset revaluation reserve	11	-	2,663,144
Total changes in equity other than those resulting from transactions with owners as owners		(495,243)	2,677,838

The accompanying notes form part of these financial statements.

Australian Retailers Association - Victoria

Statement of Financial Position

As at 30 June 2004

	Notes	2004 \$	2003 \$
CURRENT ASSETS			
Cash assets	4	699,219	1,012,555
Receivables	5	492,015	583,504
Other	6	<u>98,332</u>	<u>53,693</u>
TOTAL CURRENT ASSETS		<u>1,289,566</u>	<u>1,649,752</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	<u>3,567,624</u>	<u>3,589,054</u>
TOTAL NON-CURRENT ASSETS		<u>3,567,624</u>	<u>3,589,054</u>
TOTAL ASSETS		<u>4,857,190</u>	<u>5,238,806</u>
CURRENT LIABILITIES			
Payables	8	271,762	258,037
Provisions	9	152,200	133,673
Other	10	<u>623,136</u>	<u>536,167</u>
TOTAL CURRENT LIABILITIES		<u>1,047,098</u>	<u>927,877</u>
NON-CURRENT LIABILITIES			
Provisions	9	<u>24,245</u>	<u>29,839</u>
TOTAL NON-CURRENT LIABILITIES		<u>24,245</u>	<u>29,839</u>
TOTAL LIABILITIES		<u>1,071,343</u>	<u>957,716</u>
NET ASSETS		<u>3,785,847</u>	<u>4,281,090</u>
EQUITY			
Reserves	11	2,778,244	2,778,244
Retained profits	12	<u>1,007,603</u>	<u>1,502,846</u>
TOTAL EQUITY		<u>3,785,847</u>	<u>4,281,090</u>

The accompanying notes form part of these financial statements.

Australian Retailers Association - Victoria

Statement of Cash Flows
For the year ended 30 June 2004

	Notes	2004 \$	2003 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		3,582,703	3,629,754
Payments to suppliers and employees		(3,895,880)	(3,738,105)
Interest received		51,066	51,921
Borrowing costs		<u>(3,188)</u>	<u>(2,259)</u>
Net cash used in operating activities	14 (b)	<u>(265,299)</u>	<u>(58,689)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		<u>(48,037)</u>	<u>(23,223)</u>
Net cash used in investing activities		<u>(48,037)</u>	<u>(23,223)</u>
Net decrease in cash held		(313,336)	(81,912)
Cash at beginning of financial year		<u>1,012,555</u>	<u>1,094,467</u>
Cash at end of financial year	14 (a)	<u><u>699,219</u></u>	<u><u>1,012,555</u></u>

The accompanying notes form part of these financial statements.

Australian Retailers Association - Victoria

**Notes to the Financial Statements
For the year ended 30 June 2004**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in order to satisfy the accounts preparation requirements of the Workplace Relations Act.

The financial report has been prepared on the basis of historical cost. It does 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 assets.

The following is a summary of the material accounting policies adopted by the association in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Income Tax

No provision for income tax has been raised as the association 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.

Plant and Equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by the division to ensure it is not in excess of the recoverable amount of those 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.

Freehold land and buildings are brought to account at cost or at independent or directors' valuation.

Depreciation

The depreciable amount of all fixed assets are depreciated over the useful lives of the assets to the division commencing from the time the asset was held ready for use. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates and useful lives used for each class of depreciable assets are:

The depreciation rates and useful lives used for each class of depreciable assets are:

Class of fixed asset	Depreciation rates/useful lives	Depreciation basis
Buildings	2.5 %	Straight Line
Motor Vehicles	15 %	Straight Line
Furniture Fixtures and Fittings	13-50 %	Straight Line

(c) 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.

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

Australian Retailers Association - Victoria

**Notes to the Financial Statements
For the year ended 30 June 2004**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Revenue

Membership fees are recognised as income when cash is received from members for their current year of membership. Where cash is received prior to balance date for the next financial year it is classified as income received in advance and recognised as income in the subsequent year.

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).

(e) Adoption of Australian Equivalents to International Financial Reporting Standards

Australia is currently preparing for the introduction of International Financial Reporting Standards (IFRS) effective for financial years commencing 1 January 2005. This requires the production of accounting data for future comparative purposes at the beginning of the next financial year.

The association's management are assessing the significance of these changes and preparing for their implementation. A separate IFRS subcommittee has been established to oversee and manage the Association's transition to IFRS.

Australian Retailers Association - Victoria

Notes to the Financial Statements
For the year ended 30 June 2004

	Note	2004 \$	2003 \$
NOTE 2: REVENUE			
Operating activities			
- rendering of services		3,522,064	3,474,252
- interest	2(a)	51,066	51,921
- other revenue		<u>18,935</u>	<u>1,433</u>
		<u>3,592,065</u>	<u>3,527,606</u>
(a) Interest from:			
- financial institutions		<u>51,066</u>	<u>51,921</u>
NOTE 3: PROFIT FROM ORDINARY ACTIVITIES			
Profit (losses) from ordinary activities has been determined after:			
(a) Expenses:			
Borrowing costs:			
- other persons		<u>3,188</u>	<u>2,259</u>
Depreciation of non-current assets			
- Plant and equipment		<u>69,467</u>	<u>77,101</u>
Bad and doubtful debts:			
- trade debtors		<u>19,205</u>	<u>470</u>
Remuneration of the auditors for:			
- audit or review services		11,320	8,800
- other services		<u>8,000</u>	<u>4,560</u>
NOTE 4: CASH ASSETS			
Cash on hand		1,200	1,200
Cash at bank		<u>698,019</u>	<u>1,011,355</u>
		<u>699,219</u>	<u>1,012,555</u>
NOTE 5: RECEIVABLES			
CURRENT			
Trade debtors		422,599	528,561
Less provision for doubtful debts		<u>(17,199)</u>	<u>(24,586)</u>
		<u>405,400</u>	<u>503,975</u>
Other debtors		<u>86,615</u>	<u>79,529</u>
		<u>492,015</u>	<u>583,504</u>

Australian Retailers Association - Victoria

**Notes to the Financial Statements
For the year ended 30 June 2004**

	Note	2004 \$	2003 \$
NOTE 6: OTHER ASSETS			
CURRENT			
Prepayments		<u>98,332</u>	<u>53,693</u>
NOTE 7: PROPERTY, PLANT AND EQUIPMENT			
LAND			
Freehold land:			
At independent valuation		<u>2,000,000</u>	<u>2,000,000</u>
BUILDINGS			
At independent valuation		1,500,000	1,500,000
Less accumulated depreciation		<u>(15,411)</u>	<u>-</u>
		<u>1,484,589</u>	<u>1,500,000</u>
Total land and buildings	7a	<u>3,484,589</u>	<u>3,500,000</u>
PLANT AND EQUIPMENT			
(a) Motor vehicles			
At cost		54,930	54,930
Less accumulated depreciation		<u>(49,871)</u>	<u>(43,889)</u>
		<u>5,059</u>	<u>11,041</u>
(b) Furniture, fixtures and fittings			
At cost		542,733	494,696
Less accumulated depreciation		<u>(464,757)</u>	<u>(416,683)</u>
		<u>77,976</u>	<u>78,013</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>3,567,624</u>	<u>3,589,054</u>

(a) Beneficial Ownership of Land and Buildings

During the year, the Land and Buildings were transferred to Victorian Retail Nominees Pty Ltd as trustee of the Victorian Retail Trust. The beneficial owners of the trust are the Division and its members.

Australian Retailers Association - Victoria

Notes to the Financial Statements
For the year ended 30 June 2004

NOTE 7: PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year

	Freehold land	Buildings	Motor vehicles	Furniture, fixtures & fittings
	\$	\$	\$	\$
2004				
Balance at the beginning of the year	2,000,000	1,500,000	11,041	78,013
Additions	-	-	-	48,037
Depreciation expense	-	(15,411)	(5,982)	(48,074)
Carrying amount at end of year	<u>2,000,000</u>	<u>1,484,589</u>	<u>5,059</u>	<u>77,976</u>
	Total			
	\$			
2004				
Balance at the beginning of the year	3,589,054			
Additions	48,037			
Depreciation expense	(69,467)			
Carrying amount at end of year	<u>3,567,624</u>			

NOTE 8: PAYABLES

CURRENT

Unsecured liabilities

Trade creditors	137,554	49,291
Sundry creditors and accruals	<u>134,208</u>	<u>208,746</u>
	<u>271,762</u>	<u>258,037</u>

NOTE 9: PROVISIONS

CURRENT

Employee benefits	9(a)	152,200	116,352
Other		<u>-</u>	<u>17,321</u>
		<u>152,200</u>	<u>133,673</u>

NON-CURRENT

Employee benefits	9(a)	<u>24,245</u>	<u>29,839</u>
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(a) Aggregate employee benefits liability 176,445 146,191

(b) Number of employees at year end 27 27

Australian Retailers Association - Victoria

Notes to the Financial Statements
For the year ended 30 June 2004

	Note	2004 \$	2003 \$
NOTE 10: OTHER LIABILITIES			
CURRENT			
Membership income received in advance		518,720	338,785
Grant funds not expended		<u>104,416</u>	<u>197,382</u>
		<u>623,136</u>	<u>536,167</u>
NOTE 11: RESERVES			
Asset revaluation reserve	(a)	<u>2,778,244</u>	<u>2,778,244</u>
(a) Asset Revaluation Reserve			
Movements during the financial year:			
Opening balance		2,778,244	115,100
Increment in valuation of land & buildings		<u>-</u>	<u>2,663,144</u>
Closing balance		<u>2,778,244</u>	<u>2,778,244</u>
The asset revaluation reserve records revaluations of non-current assets			
NOTE 12: RETAINED PROFITS			
Retained profits at the beginning of the financial year		1,502,846	1,488,152
Net profit (loss) attributable to members of the entity		<u>(495,243)</u>	<u>14,694</u>
Retained profits at the end of the financial year		<u>1,007,603</u>	<u>1,502,846</u>
NOTE 13: CAPITAL AND LEASING COMMITMENTS			
(a) Operating lease commitments			
Non-cancellable operating leases contracted for but not capitalised in the financial statements:			
Payable			
- not later than one year		75,954	38,628
- later than one year and not later than five years		164,893	38,628
- later than five years		<u>-</u>	<u>93,351</u>
		<u>240,848</u>	<u>170,607</u>

Australian Retailers Association - Victoria

**Notes to the Financial Statements
For the year ended 30 June 2004**

	Note	2004 \$	2003 \$
NOTE 14: CASH FLOW INFORMATION			
(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>698,019</u>	<u>1,011,355</u>
		<u>699,219</u>	<u>1,012,555</u>

(b) Reconciliation of cash flow from operations with profit from ordinary activities after income tax

Surplus (Deficit) from ordinary activities after income tax	(495,243)	14,694
Non-cash flows in profit from ordinary activities		
Depreciation	69,467	77,101
Changes in assets and liabilities		
(Increase)/decrease in receivables	91,489	(163,873)
Increase in other assets	(44,639)	(24,774)
Increase/(decrease) in grants received in advance	86,968	(7,486)
Increase/(decrease) in payables	13,726	14,480
Increase in provisions	<u>12,933</u>	<u>31,169</u>
Cash flows from operations	<u>(265,299)</u>	<u>(58,689)</u>

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 changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate		Floating Interest Rate		Non Interest Bearing		Total	
	2004 %	2003 %	2004 \$	2003 \$	2004 \$	2003 \$	2004 \$	2003 \$
Financial Assets:								
Cash	4.55	4.15	698,019	1,011,355	1,200	1,200	699,219	1,012,555
Receivables	-	-	-	-	492,015	608,090	492,015	608,090
Total Financial Assets			<u>698,019</u>	<u>1,011,355</u>	<u>493,215</u>	<u>609,290</u>	<u>1,191,234</u>	<u>1,620,645</u>
Financial Liabilities:								
Trade and sundry creditors	-	-	-	-	271,762	258,037	271,762	258,037
Total Financial Liabilities			<u>-</u>	<u>-</u>	<u>271,762</u>	<u>258,037</u>	<u>271,762</u>	<u>258,037</u>

Australian Retailers Association - Victoria

**Notes to the Financial Statements
For the year ended 30 June 2004**

NOTE 15: FINANCIAL INSTRUMENTS (Continued)

(b) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial report.

The association does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the association.

NOTE 16: RELATED PARTY TRANSACTIONS

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: INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

S.272 of Schedule 1B of the Workplace Relations Act provides members access to certain prescribed information when requested. The relevant subsections are set out below.

S.272 (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;

S.272 (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 to the reporting unit.

S 272 (3) A reporting unit must comply with an application made under subsection (1).

Applications should be directed in writing to The Secretary, Australian Retailers Association – Victoria,
Level 2, 104 Frankin Street, Melbourne 3000

NOTE 18: ASSOCIATION DETAILS

The principal place of business of the division is:

Australian Retailers Association - Victoria

104 Franklin St

MELBOURNE VIC 3000

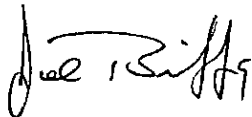
Australian Retailers Association - Victoria

Statement by members of the committee

In respect of the financial report of Australian Retailers Association - Victoria for the financial year ended 30 June 2004 being the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and notes to the Financial Statements, the Committee of Management of the Australian Retailers Association – Victoria states 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 reporting unit for the financial year ended 30 June 2004;
- (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 ended 30 June 2004 and since the end of the year:
 - (i) meetings of the committee of management were held in accordance with the rules of the Division and the Association; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the Division and the Association; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with Schedule 1B of the Workplace Relations Act 1996 and the Workplace Relations (Registration and Accountability of Organisations) Regulations 2003; and
 - (iv) the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - (v) no request has been made for information under section 272 of Schedule 1B of the Workplace Relations Act 1996; and
 - (vi) no orders for inspection of financial records have been made by the Commission under section 273 of Schedule 1B of the Workplace Relations Act 1996.

This statement is made in accordance with a resolution of the Committee made on 16 November 2004 and is signed for and on behalf of the Committee by:



Joseph Briffa (President)



Marion Adler-Bishop (Secretary - Treasurer)

Dated this 16th day of November 2004

Australian Retailers Association - Victoria

**Independent Audit Report to the members of
Australian Retailers Association - Victoria**

Scope

We have audited the financial report of Australian Retailers Association - Victoria for the financial year ended 30 June 2004 being the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, notes to the Financial Statements and the Statement by Members of the Committee. The committee is responsible for the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the members.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards, the Workplace Relations Act 1996 and other mandatory professional reporting requirements in Australia so as to present a view which is consistent with our understanding of the association's financial position and performance as represented by the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the financial report of Australian Retailers Association - Victoria presents a true and fair view in accordance with applicable Accounting Standards, the Workplace Relations Act 1996 and other mandatory professional reporting requirements in Australia, the financial position of Australian Retailers Association - Victoria as at 30 June 2004 and the results of its operations and its cash flows for the financial year then ended, 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 - 6

DANBY BLAND PROVAN & CO

Chartered Accountants

123 Camberwell Road

HAWTHORN EAST 3123

R A Lane

R A LANE

Partner

16 November 2004