

The logo for Retail NZ, featuring the word "Retail" in a white serif font and "NZ" in a white sans-serif font inside a yellow dotted circle. The background is a photograph of a grocery store with wooden shelves, glass jars of dry goods, and two customers.

Retail

NZ

# A CHANGING POST-COVID ERA

## RETAIL NZ ANNUAL REPORT

1 April 2022 - 31 March 2023



## RETAIL SECTOR //

### KEY METRICS

Total retail sales

\$122bn

Retail businesses across NZ

36,903+

Online sales

\$6.07b

People employed

230k+

Average wage

\$28.87



## Our vision:

To be asked first on anything retail.

## Our purpose:

To help retailers succeed and strengthen NZ inc.

## What we do:



### Training

Specialist retail training workshops, e-learning and free best-practice guides.



### Events & networking

Helping retailers meet others, share experiences and knowledge.



### Delivering savings

Offering better deals for members for key business services.



### News, intelligence & insight

Keeping retailers informed of market developments and trends.



### Advice & information

Helping retailers manage those tricky people and customer issues.



### Speaking up for the sector

Lobbying Government to create the best opportunities for retailers to shine.

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## FROM THE PRESIDENT

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**It's hard to believe that, at the start of this financial year, COVID-19 still cast a long shadow over our country. In April 2022, the borders had only just reopened, significant COVID-19 restrictions remained in place impacting our sector.**



There have been some changes to the governance of our association during the year. Former President Des Flynn retired from the Board - and from retail after an astonishing career spanning 67 years. In recognition of his service, the Board conferred Life Membership upon him at a special dinner in March.

We have also welcomed new directors onto the Board. Kristina Hitchcock from Postie Plus and Sonja Painter from Thrillzone were new directors elected last August; while Jenny Epke from The Warehouse Group succeeded Des on the Board in March 2023.

After the close of the financial year, the Board was sad to receive the resignation of Greg Harford, our Chief Executive, who is relocating to Canberra to take up a new role. Greg has valiantly defended the interests of our sector over many years, and played an important leadership role through the dark days of COVID-19. The Board and I thank Greg for his efforts and wish him all the very best for his future.

Financially, Retail NZ continues to perform successfully. Our 2023 financial accounts show a move away from our historic legacy special purpose accounting policies and moved to accrual accounting, which brings us in line with best practice. The result of this change means that we have brought some of last year's revenue onto the balance sheet as income in advance. This one off adjustment has resulted in an accounting loss of -\$81,085, but with an increase in our assets on the Balance Sheet. We are now positioned to operate more effectively moving forward. I would like to thank Greg and his team for the hard work done behind the scenes to achieve this important change in accounting policies.

As a membership organisation, Retail NZ is in a very good space. Our members remain engaged, and it has been pleasing to see a good number of bigger retailers join us over the last year. However, the difficult economic circumstances at present do create challenges, and I'd like to thank our members for their support. Retail NZ is reliant on members to do its great work and speak up for the sector. Simply put, we can't do it without you.

In closing, I would like to thank Greg and the whole of his team at Retail NZ for their efforts during the year in supporting our members. As well as championing the narrative around issues that matter to our sector. From small to larger retailers, the team have a vested interest in seeing all succeed, taking pride in their part of this wonderful retail industry.

I hope to see you at the AGM in Wellington on 31 August.

Yours in retailing,

A handwritten signature in blue ink, appearing to read 'Liz Wheadon'.

LIZ WHEADON  
President



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## FROM THE CHIEF EXECUTIVE

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**2022/23 has been an astonishingly busy year for the team at Retail NZ as we have worked hard to support our members and our sector through a difficult year.**



### Anti-social behaviour, crime and violence

Perhaps the biggest issue facing our sector over the past year has been an ongoing escalation in anti-social behaviour, crime and violence towards retailers. These issues have formed a key part of our advocacy efforts over the past year, and we have successfully worked very hard to get these issues onto the political agenda. While there is always a lot more to do, we are getting traction. We have seen more focus from the Police, sizeable numbers of arrests, and the Government has come to the party with significant funding to support crime prevention in SME retailers. During the year, we hosted a series of training workshops around the country to support local retailers, and continue to offer online training. We remain firmly focused on these issues, and expect to release a detailed discussion paper on the myriad complexities of the issue later in 2023.

### Fair Pay

During the year, the Retail NZ team spent a significant amount of time briefing members, preparing a governance structure and appointing legal counsel to support us through Fair Pay negotiations. Fair Pay marks the biggest change to industrial relations in more than 30 years, and puts industry associations like Retail NZ at the centre of negotiations with trade unions. While we think that the new law will add significant complexity and cost to business, and will ultimately reduce opportunities for workers, we stand ready to do our bit when it comes to negotiations. We are ready to go to advocate for our members, and the broader sector, through the negotiation process. By the end of the financial year, fair pay negotiations had not yet started for our sector, although negotiation processes for the Hospitality and Grocery sectors are in the pipeline and we expect formal negotiations to start later in 2023.

### Retail as a career

One of the key challenges we hear about from members is the difficulty of attracting and retaining workers across our sector. During the year, Retail NZ undertook a significant research project to understand perceptions of retail as a career, which has identified a number of challenges for us to overcome. At the time of writing, we are waiting to receive additional funding from Ringa Hora which will enable us to put in place a significant marketing campaign to help correct false impressions that many in the community have about our sector.

### Cost of payments

After a multi-year advocacy programme by Retail NZ around the costs of merchant service fees, new Government legislation came into force in November which regulated interchange (a key component of merchant fees) in New Zealand for the first time. While this is a positive move, it falls short of the wholesale regulation of merchant fees that we had sought. Feedback from members suggests that it may not have achieved significant reductions, and this is something that we will be undertaking further research on during 2023/24.

### Cyclones and Flooding

In the latter part of the year, weather issues came to the fore, with Auckland and other areas facing significant flooding; and then Cyclone Gabrielle sweeping across northern parts of the country. The damage in these areas was immense, and Retail NZ stood up a response to support members, successfully lobbying to resolve a number of emergency management issues, and helping members apply for relief funding. We have also received funding to support a programme around business continuity, which is being rolled out in the 2023/24 financial year.

## Let's Get Wellington Moving and other transport issues

Thriving retail hubs rely on being easily accessible for customers, no matter how they travel. It's important that there are safe and efficient transport options for pedestrians, cyclists, bus and train users, and those who travel by car. During the year, we have been continuing to advocate with local authorities and central government for inclusive solutions that don't have adverse unintended consequences for retailers. A key focus has been on the so-called Let's Get Wellington Moving Programme, that has near universal condemnation from local businesses, and the team has been working hard to get the Council there to adopt a commonsense approach.

## Carbon Zero certification

In an uncertain world, sustainability is an increasing focus for customers, our members, and for us an organisation. During the year, Retail NZ took steps to measure and offset its carbon footprint, meaning that we are now officially Carbon Zero certified by Toitū. As a national organisation with international members, we will always have a footprint associated with air travel. However, we aim to minimise that footprint, and are committed to offsetting it over time.

## Leading Retailers' Group

Our Leading Retailers' Group has continued to meet regularly throughout the year. This is a really important forum for larger and corporate retailers to network and exchange views on key policy issues. Guests through the year included David Seyour, Christopher Luxon and representatives from Mastercard, Westpac, GS1 and Ringa Hora. If you'd like to be involved, please reach out to the Membership Team to discuss options.

## Looking ahead

There is a lot of advocacy work for us to do in the run-up to the election and beyond. The economic situation remains challenging, and Retail NZ will have an important role in speaking up for our sector to Government and other stakeholders. Internally, we have exciting projects underway to review and enhance our member offering, deliver new services and streamline our IT systems to better cater to member needs.

By the time you read this, I will have completed my term as Chief Executive. I'd like to thank the Board, my team, and all our members for your support, as well as our strategic partners, particularly Westpac, Z Energy, Visa, Union Pay International, Meridian and Mastercard. Your support helps us help our members, and our sector appreciates that.

Best wishes,



GREG HARFORD  
Chief Executive

## RETAIL NZ //

Net profit

-\$81,085

Member equity

\$948k

Sector turnover represented  
by Retail NZ

70%

On average, Retail NZ was speaking  
up for you in the media each week

19 times



## OUR DIVERSITY JOURNEY

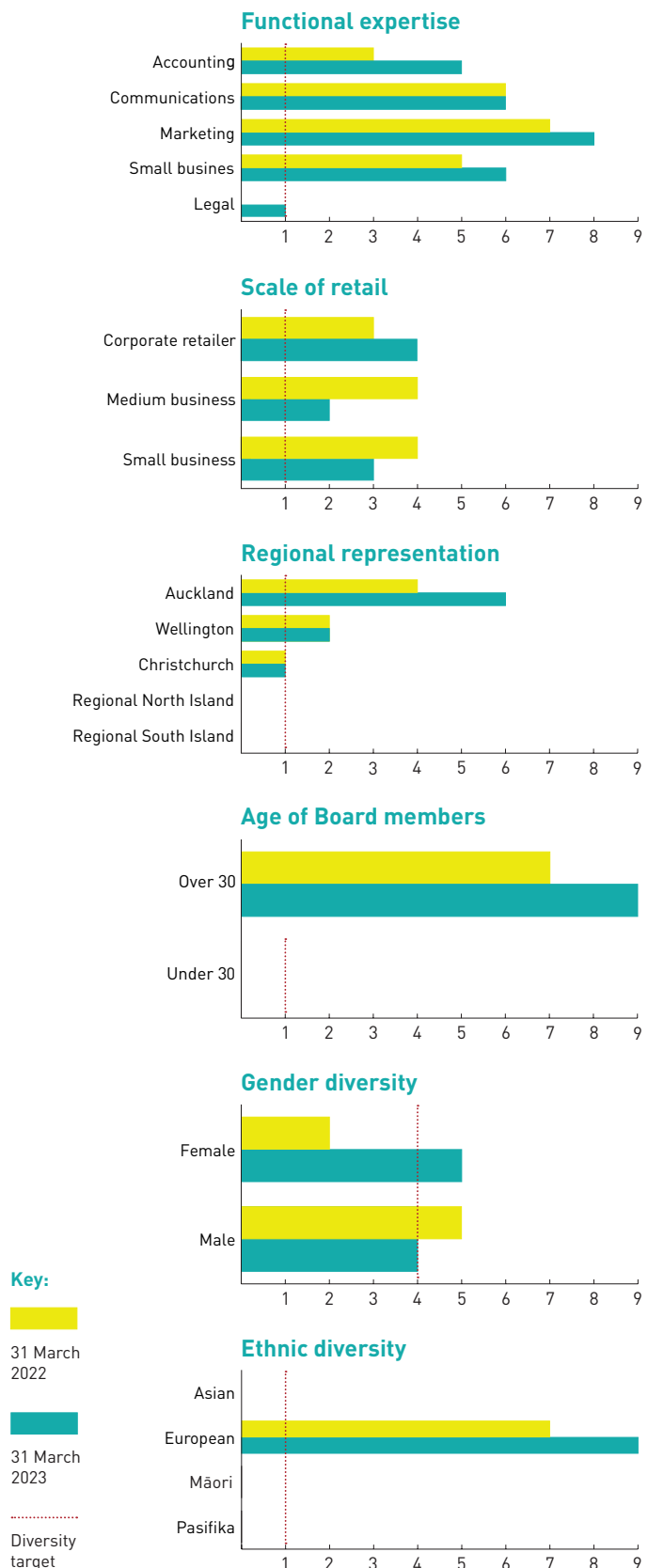
The Board of Retail NZ aspires to reflect the diversity of geographies, ethnicities, genders and ages who are represented across New Zealand's retail sector.

The Board has set targets to support this, and agreed to report progress against diversity targets annually. We are pleased to report a significant improvement in gender diversity at a governance level compared to last year.

Directors of Retail NZ are elected by the members. While this election happens democratically and members can choose for whom they vote, the Board is particularly keen to see younger directors, people from provincial areas and Māori, Pasifika and Asian ethnicity have representation on the Board.



## Board Diversity Dashboard





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## BOARD OF DIRECTORS

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**Liz Wheadon**  
PRESIDENT  
Glengarry Wines Ltd.

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**Jules Lloyd-Jones**  
VICE PRESIDENT  
Mitre 10 New Zealand

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**Des Flynn**  
PAST PRESIDENT  
The Warehouse Group  
(resigned March 2023)

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**Richard Allin**  
DIRECTOR  
Pushbikes Ltd.

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**Jenny Epke**  
DIRECTOR  
The Warehouse Group  
(from March 2023)

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**Kristina Hitchcock**  
DIRECTOR  
Postie Plus  
(from October 2022)

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**Peter Kelly**  
DIRECTOR  
Butlers Chocolate Café

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**Brian Lamont**  
DIRECTOR  
Allied Petroleum Ltd.  
(resigned 19 August 2022)

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**Scott McMillan**  
DIRECTOR  
Tea Pea

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**Sonja Painter**  
DIRECTOR  
Thrillzone  
(from October 2022)

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**John Warwick**  
DIRECTOR  
Foodstuffs

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## LEADERSHIP TEAM

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**Greg Harford**  
Chief Executive

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**Aimie Hines**  
Manager, Public Affairs & Advice

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**Rachel McCarten**  
Manager, Brand & Marketing

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**Nigel Pounds**  
Manager, Partners & Members

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# **Special Purpose Financial Statements**

Retail NZ Incorporated  
For the period 1 April 2022 to 31 March 2023

Prepared by RightWay Limited

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## Entity Information

**Retail NZ Incorporated**  
**For the year ended 31 March 2023**

**Legal Name of Entity**

Retail NZ Incorporated

**Entity Type and Legal Basis**

Incorporated Society

**Registration Number**

345871

**Incorporation Date**

23 June 1987

**IRD Number**

039-972-592

**Registered Address**

Floor 9, 175 Victoria Street  
Te Aro  
Wellington 6011

**Officers / Trustees**

Liz Wheadon - President  
Jules Lloyd-Jones - Vice President  
Greg Harford - CEO  
Jenny Epke (commenced 9 March 2023)  
John Warwick  
Kristina Hitchcock (commenced 1 October 2022)  
Peter Kelly  
Richard Allin  
Scott McMillan  
Sonja Painter (commenced 1 October 2022)  
Des Flynn (resigned 23 March 2023)  
Brian Lamont (resigned 19 August 2022)



# Approval of Financial Report

**Retail NZ Incorporated**

**For the year ended 31 March 2023**

The Board are pleased to present the approved financial report including the historical financial statements of Retail NZ Incorporated for year ended 31 March 2023.

Approved this 28<sup>th</sup> day of June 2023.

For and on behalf of the Board



# Statement of Profit and Loss

Retail NZ Incorporated

For the year ended 31 March 2023

	NOTES	2023	2022
<b>Income</b>			
Subscriptions Received		804,152	1,114,044
Interest Received		20,648	6,561
Trading Income		510,527	648,523
Other Income		14,877	142,615
Worksafe Covid Response & Recovery Income		219,996	22,000
Retail Perceptions Project		147,750	-
<b>Total Income</b>		<b>1,717,949</b>	<b>1,933,742</b>
<b>Expenses</b>			
Audit Services		17,850	19,800
MBIE Covid-19 Recovery Expenditure		-	133,933
Depreciation		25,071	45,231
Digital Production Costs		-	31,626
Fair Pay Agreements - Expenditure		8,488	-
Gain/(Loss) on Bonds		960	950
IT Expenses		91,056	84,705
Marketing		39,176	41,280
NZ Retail Magazine & The Register		62,450	71,217
Other Operating Expenses		136,121	134,771
Project Perceptions		71,050	-
Rent		68,079	67,592
Travel and Accommodation		62,839	12,744
Telecommunications		9,489	8,642
<b>Wages &amp; Salaries</b>			
Wages & Salaries		1,066,224	949,330
Wages - Holiday Pay Outstanding		20,563	2,834
Kiwisaver Employer Contributions		34,060	29,380
<b>Total Wages &amp; Salaries</b>		<b>1,120,847</b>	<b>981,543</b>
Worksafe Covid Response & Recovery Expenditure		59,576	22,000
Workshops & Seminars		25,982	965
<b>Total Expenses</b>		<b>1,799,034</b>	<b>1,656,997</b>
<b>Net Surplus / (Deficit) before Taxation</b>		<b>(81,085)</b>	<b>276,745</b>
<b>Net Surplus / (Deficit) for the Year</b>		<b>(81,085)</b>	<b>276,745</b>

These Special Purpose Financial Statements should be read in conjunction with the attached Compilation Report and the Notes to the Financial Statements.





# Balance Sheet

Retail NZ Incorporated  
As at 31 March 2023

	NOTES	31 MAR 2023	31 MAR 2022
<b>Assets</b>			
<b>Current Assets</b>			
Cash & Bank		1,154,341	1,018,806
Accounts Receivable		339,713	192,752
<b>Current Taxation Receivable</b>			
Tax Provision Paid Asset		7,355	2,330
RWT due to Jack Carter Fund		(945)	(945)
<b>Total Current Taxation Receivable</b>		<b>6,410</b>	<b>1,385</b>
NZSGA Term Deposits	2	37,505	36,901
Other Current Assets	3	53,223	21,427
Term Deposits - Short Term	2	408,760	402,756
<b>Total Current Assets</b>		<b>1,999,953</b>	<b>1,674,028</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	4	23,169	20,563
Intangibles	5	16,638	20,793
Investments	6	11,160	12,120
<b>Total Non-Current Assets</b>		<b>50,967</b>	<b>53,475</b>
<b>Total Assets</b>		<b>2,050,920</b>	<b>1,727,504</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Accounts Payable		107,684	36,335
Provisions		-	158,317
GST Payable		55,355	50,534
Other Current Liabilities	7	939,850	453,201
<b>Total Current Liabilities</b>		<b>1,102,889</b>	<b>698,388</b>
<b>Total Liabilities</b>		<b>1,102,889</b>	<b>698,388</b>
<b>Net Assets</b>		<b>948,031</b>	<b>1,029,116</b>
<b>Equity</b>			
Members' Funds	12	(38,321)	1,029,116
Other		986,352	-
<b>Total Equity</b>		<b>948,031</b>	<b>1,029,116</b>

These Special Purpose Financial Statements should be read in conjunction with the attached Compilation Report and the Notes to the Financial Statements.



# Statement of Changes in Equity

Retail NZ Incorporated

For the year ended 31 March 2023

	2023	2022
<b>Equity</b>		
Opening Balance	1,029,116	752,205
<b>Increases</b>		
Surplus/(Deficit) for the Period	(81,085)	276,745
<b>Total Increases</b>	<b>(81,085)</b>	<b>276,745</b>
<b>Decreases</b>		
<b>Members Capital Funds</b>		
<b>Movements in Capital Funds</b>		
<b>Other Increases</b>		
Equity/Members funds	-	166
<b>Total Other Increases</b>	<b>-</b>	<b>166</b>
Retained Earnings	(986,352)	-
<b>Total Decreases</b>	<b>(986,352)</b>	<b>166</b>
Special Purposes Reserve Fund	486,352	-
Wind Up Reserve	500,000	-
<b>Total Equity</b>	<b>948,031</b>	<b>1,029,116</b>

These Special Purpose Financial Statements should be read in conjunction with the attached Compilation Report and the Notes to the Financial Statements.



# Statement of Accounting Policies

Retail NZ Incorporated

For the year ended 31 March 2023

## 1. Statement of Accounting Policies

### Reporting Entity

Retail NZ Incorporated (the "Association") is an entity incorporated under the Incorporated Societies Act 1908. These financial statements have been prepared in accordance with the specific accounting policies below.

### Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of financial performance and financial position on a historical cost basis are followed by the Association except for investments which are revalued to fair value.

### Specific Accounting Policies

The following specific accounting policies which materially affect the measurement of financial performance and financial position have been applied. The comparative financial information has been restated when necessary for compliance with these policies.

#### i) Income

##### Subscription Income

Subscription income is recognised on an accruals basis. This is a departure from the previous year. Please refer to Changes in Accounting Policies for detail.

##### Trading Income

Trading income is recognised on an invoice basis with any specific trading income received for a particular major event is subsequently recognised in the period of the event.

Any trading income received from the Association's partners for specific expenditure in accordance with their contract is recognised in the period of the expenditure.

##### Other Income

Other income is recognised on an accrual basis.

#### ii) Property, Plant & Equipment

Property, plant and equipment and investment property are stated at historical cost less any accumulated depreciation and impairment losses. Historical cost includes expenditure directly attributable to the acquisition of assets, and includes the cost of replacements that are eligible for capitalisation when these are incurred.

Depreciation has been calculated using both the straight line and diminishing value method for furniture, fittings and office equipment and computer equipment. The straight line basis has been applied to leasehold improvements. The below depreciation rates applied reasonably approximate the useful lives of the assets.

An item of property, plant and equipment or investment property is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.





## ii) Property, Plant & Equipment (cont'd)

Computer Equipment	21 - 50%
Furniture, Fixtures and Fittings	7 - 67%
Leasehold Improvements	6 - 17.5%
Office Equipment	7 - 67%

## iii) Intangible Assets

Intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in profit or loss in the year in which the expenditure is incurred.

Intangible assets are amortised on a systematic basis over their useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the method for an intangible asset are reviewed at each financial year-end. Changes in the expected useful life are accounted for by changing the amortisation period for the current and future reporting years. Where no reliable estimate can be determined, the intangible asset will be amortised over 10 years.

The following estimated amortisation rates have been used:

Computer Software	40 - 60%
Website Development	50%

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

## iv) Impairment of Non-financial Assets

At each balance date, non-financial assets are classified into four categories: assets measured at fair value; assets currently available that the company intends to use to the end of their useful life; assets intended to be sold prior to the end of their useful life; and assets damaged or idle at balance date.

Assets measured at fair value or assets the company intends to use to the end of their useful life are not reviewed for impairment at balance date.

Assets intended to be sold prior to the end of their useful life or assets damaged or idle at balance date are reviewed to determine if any indicators of impairment exist. If indicators exist the asset is tested for impairment to ensure that the carrying amount of the asset is recoverable.

If the recoverable amount of an asset is determined to exceed its carrying amount then the resulting difference is recognised as an impairment loss in profit or loss for that period.



**v) Leases**

The Association leases certain office space, vehicles and car parks.

Operating lease payments, where the lessors effectively retain substantially all the risk and benefits of ownership of the leased items, are recognised as an expense in profit or loss on a straight line basis over the lease term. Operating lease incentives are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and reduction of the liability.

**vi) Accounts Receivable**

Accounts Receivable are stated at their estimated realisable value. Bad debts that are known to be uncollectable are written off in the period that they are identified.

**vii) Investments - Financial Assets**

At initial recognition, the company determines the classification of financial assets as either held at fair value, cost or amortised cost. Financial assets are measured initially at fair value, estimated at the transaction price less any associated transaction costs.

***Amortised cost***

Includes assets where the company intends to earn contractual cash flows in the nature of principal and interest payments. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, as well as through the amortisation process.

***Cost***

Equity instruments are classified as held at cost. Assets are stated at cost less any accumulated impairment loss. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired.

***Fair value***

Financial assets not held at amortised cost or cost are held at fair value and include financial derivatives such as forward contracts and interest rate swaps. Assets are subsequently measured at fair value only when the fair value of the instrument can be reliably measured based on a quoted price for an identical asset in an active market. Where no active market price is available, the instrument shall be measured at the fair value for a prior year less any accumulated impairment loss.

Gains and losses are recognised in profit or loss for movements in the fair value of the assets and when the assets are derecognised.

Investments are valued at their market value and any realised or unrealised gains or losses for the year are included in the Statement of Profit and Loss.

**viii) Income in Advance**

Income in Advance relates to trading income received for specific events and annual member subscriptions. Trading income is recognised in the period of the event. Annual member subscriptions are recognised evenly across the number of months prepayment has been received for.

**ix) Income Tax**

Income tax is accounted for using the taxes payable method. The income tax expense recorded in the profit or loss for the period represents the income tax payable for the period.

The current income tax asset or liability recognised in the balance sheet represents the current income tax balance due from or obligation to the Inland Revenue Department at balance date.



**x) Goods and Services Tax**

The Statement of Profit and Loss for the Incorporation has been prepared so that all components are stated exclusive of GST. Debtors and creditors on the balance sheet are stated gross of GST.

**Changes in Accounting Policies**

The policy in respect of recognising subscriptions paid annually in advance on a cash basis has changed for the year to permit the company to accurately record that income as Income in Advance in the Balance Sheet. The change provides reliable, relevant information to users by recognising revenue as it applies on a monthly basis in the Statement of Profit and Loss. The change in policy has impacted the special purpose financial reports by increasing Income in Advance on the Balance Sheet by \$508,907.

All other accounting policies were applied on a consistent basis during the year.

**2. Short Term Deposits**

Westpac - 0008	Matures 23 May 2023	3.75%	\$15,986
Westpac - 0009	Matures 03 November 2023	4.80%	\$21,519
Westpac - 0013	Matures 22 September 2023	4.80%	\$205,410
Westpac - 0014	Matures 23 June 2023	3.75%	\$203,350
<b>Total</b>			<b>\$446,265</b>

	2023	2022
<b>3. Other Current Assets</b>		
Prepaid Expenses	27,487	13,927
Sundry Debtors - Accrued Income	25,736	7,500
<b>Total Other Current Assets</b>	<b>53,223</b>	<b>21,427</b>

	2023	2022
<b>4. Property, Plant &amp; Equipment</b>		
Computer Hardware	7,723	3,719
Furniture, Fixtures & Fittings	12,736	16,139
Leasehold Improvements	1	1
Office Equipment	2,710	704
<b>Total Property, Plant &amp; Equipment</b>	<b>23,169</b>	<b>20,563</b>

	2023	2022
<b>5. Intangible Assets</b>		
Computer Software	-	-
Website Development	16,638	20,792
<b>Total Intangible Assets</b>	<b>16,638</b>	<b>20,793</b>





	2023	2022
<b>6. Investments</b>		
Bond Investments	11,160	12,120
<b>Total Investments</b>	<b>11,160</b>	<b>12,120</b>

	2023	2022
<b>7. Other Current Liabilities</b>		
Employee Entitlements	84,280	71,922
Provision for Audit Fees	17,900	17,900
Income in Advance	823,442	353,667
Other Accruals	4,038	1,207
Sundry Creditors	10,190	8,506
<b>Total Other Current Liabilities</b>	<b>939,850</b>	<b>453,201</b>

## 8. Related Party Transactions

Related Party transactions are all made on commercial terms equivalent to those that prevail in arm's length transactions. The only related party transactions are in respect of subscriptions from various board members. No related party debts were forgiven or written off during the year.

	2023	2022
<b>9. Operating Lease Commitments</b>		
<b>Commitments under non-cancellable operating leases</b>		
Current	31,656	63,313
Non-Current	-	31,656
<b>Total Commitments under non-cancellable operating leases</b>	<b>31,656</b>	<b>94,969</b>

	2023	2022
<b>10. Income Tax</b>		
Accounting profit / (loss) before income tax	(81,085)	270,228
At the Association's statutory income tax rate of 28%	-	75,664
<b>Represented by</b>		
<b>Adjustments in respect of current income tax</b>		
Net profit / (loss) on non-taxable activities	-	44,642
Other non-deductible/non-assessable items	8,134	3,071
Benefit of income tax losses not recognised	(8,134)	29,776
<b>Tax Expense</b>		

The Association has tax losses available to carry forward of \$696,358.54 (2022: \$681,842). The \$194,980.39 (2022: \$190,915.74) future tax benefit of these losses has not been recognised.

The Association's tax affairs are complicated by its not-for-profit status. Subscription income is not taxable and the cost of providing members' services is not deductible.



	2023	2022
<b>11. Tax Reconciliation</b>		
<b>Taxable Income</b>		
Accounting Profit/(Loss)	(81,085)	276,745
Jack Carter Fund Interest	-	-
Non Assessable Income	(804,152)	(1,114,044)
Non Deductible Expenses	842,490	954,609
Timing Differences	29,050	10,969
<b>Total Taxable Income</b>	<b>(13,696)</b>	<b>128,279</b>
<b>Losses</b>		
Loss Brought Forward	(681,842)	(810,120)
<b>Loss to Carry Forward</b>	<b>(695,538)</b>	<b>(681,842)</b>

	2023	2022
<b>12. Members' Funds</b>		
Retained Earnings/(Accumulated Deficit)	905,267	986,352
NZSGA Jack Carter Fund Capital	42,764	42,764
<b>Total Members' Funds</b>	<b>948,031</b>	<b>1,029,116</b>

### 13. Contingencies

The Association has no known contingent liabilities at balance date (2022: nil).

### 14. Subsequent Events

The Association has applied for charitable status with the Charities Commission. At the time of reporting, a decision was still pending.

### 15. Impacts of Covid 19

The economic conditions associated with COVID-19 have put real pressure on the retail sector, with a number of mainly SME members have ended their memberships. The impact of Covid 19 is still being felt across the sector and Retail NZ Inc put a program in place to manage the impacts of this while maintaining the provision of high quality services to members.



# Independent Auditor's Report

## To the Members of Retail NZ Incorporated

### Report on the Audit of the Special Purpose Financial Statements

#### Opinion

We have audited the special purpose financial statements of Retail NZ Incorporated (the 'Association') on pages 7 to 16 which comprise the special purpose Balance Sheet as at 31 March 2023, and the special purpose Statement of Profit and Loss, special purpose Statement of Changes in Equity for the year then ended, and notes to the special purpose financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying special purpose financial statements present fairly, in all material respects, the financial position of the Association at 31 March 2023 and of its financial performance and cash flows for the year ended 31 March 2023 in accordance with the Accounting Policies set out in the notes to the financial statements.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the special purpose Financial Statements section of our report. We are independent of the Association in accordance with Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Trustee's Responsibilities for the Special Purpose Financial Statements

The Trustees are responsible on behalf of the Association for the preparation and fair presentation of these special purpose financial statements in accordance with the Accounting Policies set out in Note 1 in the financial statements and for such internal control as those charged with governance determine is necessary to enable the preparation of special purpose financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, those charged with governance are responsible on behalf of the entity for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

#### Auditor's responsibilities for the Audit of the Special Purpose Financial Statements

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

A further description of the auditor's responsibilities for the audit of the financial statements is located on the External Reporting Board's website at: <https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8/>

#### **Restriction on use of our report**

This report is made solely to the Association's Members, as a body. Our audit work has been undertaken so that we might state to the Association's Members, as a body, those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's Members, as a body, for our audit work, for this report or for the opinion we have formed.

**Grant Thornton New Zealand Audit Limited**



**B Kennerley**

**Partner**

**Wellington**

**28 June 2023**



# Thank you to all our business partners





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