



Retail ^{NZ}

Retail NZ Annual Report

A year of change

1 April 2023 - 31 March 2024

RETAIL SECTOR // KEY METRICS



\$121bn

Total retail sales

Compared to \$122bn last year



30,069

Retail businesses across NZ

Compared to 36,903+ last year



\$29.68

Average wage

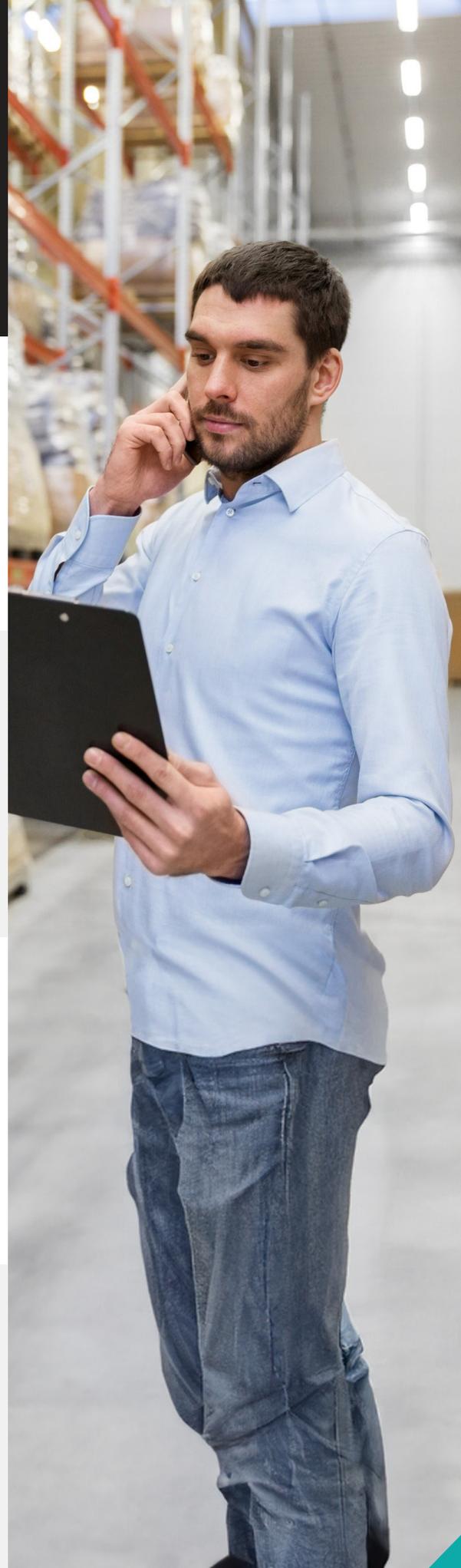
Compared to \$28.87 last year



230,000

People employed

Compared to 230k+ last year



¹ Stats NZ Retail Trade Survey <https://www.stats.govt.nz/information-releases/retail-trade-survey-march-2024-quarter>

² Stats NZ

³ Retail NZ 2024 Wages Guide

⁴ Stats NZ

Retail

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



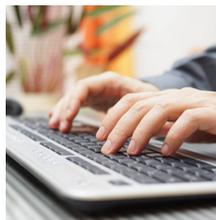
Events & Networking

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.



From the President

“ It’s been a year of change for Retail NZ, with a refreshed team and a new direction. ”

In these challenging times, having an association to support and advocate for the retail sector is more important than ever.

At the individual retail business level, having the right strategic direction is key during times like this. You need to understand changes in the market and adapt to them.

Your association is no different. Things in the retail sector are changing quickly and we must be ready to respond to the changing needs of our members.

With this in mind, the Board has agreed on a new strategic plan and direction for the organisation for the next 3 – 5 years. We agreed that now was the time to be ambitious around what we want for the sector, and how we will support our members now and in the future.

I’m super excited about the way forward and can’t wait to introduce our new concepts to you, along with tools to help your retail business.

I’m proud to have been supported through the 2023-24 year by a dynamic and energised board, who are not afraid to challenge the norms.

We have been supported by Chief Executive Carolyn Young who joined us in July 2023, and has introduced new energy and a fresh approach to our work on behalf of members. I’m confident this will pay dividends for Retail NZ in the future.

We understand that the difficult economic circumstances at present create challenges, and I thank our members for choosing to give us their ongoing support. Without you, Retail NZ can’t do the work we do to speak out on your behalf about the issues that matter to our sector and to help make running your business easier.

In closing, I would like to thank Carolyn and her team at Retail NZ for their efforts during the year to support our members. 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 am very proud of what the organisation has achieved in the last year and I look forward to building on these achievements.

Yours in retailing,

LIZ WHEADON
President



From the Chief Executive

“ Since I joined Retail NZ in July 2023, your association has been refreshed and reorganised to ensure we are ready to support the retail sector through the coming period. ”

Advocacy achievements

In the 2023-24 year we achieved a great deal on our members' behalf. Our advocacy work resulted in:

- confirmation of more Police on the beat to combat retail crime
- a crackdown on violent youth offenders
- extension of the 90-day trial period for all businesses
- a modest increase of only 2% in the minimum wage
- repeal of the Fair Pay Agreements legislation
- pause to the application process for the Smoked Tobacco Retailer Scheme and a commitment to repeal the legislation relating to the reduction in retailers that could sell smoked tobacco products.

Following the October 2023 election, we completed Briefings to Incoming Ministers (BIMs) that were sent to the Minister of Police, Minister of Justice, Minister of Commerce, Minister of Immigration, Minister of Health, Minister for the Environment, Minister of Regulation and Minister of Workplace Relations. We also discussed retail sector matters in meetings with the Ministers of Police, Justice, Immigration, Workplace Relations, Small Business and Commerce, —

as well as the Associate Minister of Health, Police Commissioner and other senior government officials.

We finalised five position statements to support our advocacy on Workforce, Sustainability, Shop Trading Hours and Retail Crime.

We are highlighting all these issues and more through the media more than 1000 times a year.

Anti-social behaviour, crime and violence

One of the biggest issues facing our sector continues to be anti-social behaviour, crime and violence towards retailers. Raising awareness of these issues and seeking solutions have formed a key part of our advocacy efforts. The Coalition Government, elected in October 2023, made law and order one of its major platforms, certainly due in part to Retail NZ lobbying, including the release of our [Position Statement on Retail Crime](#) and our [Retail Crime Report 2023](#). These achieved extensive media coverage and we also provided them to Government Ministers and officials.

While there is always a lot more to do, we are making a difference. We have seen more focus from the Police, sizeable numbers of arrests including a particular focus on violent youth offenders, and continued Government funding to support crime prevention in SME retailers. We have met regularly with Police, security and loss prevention leaders, and others involved in these issues.

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 process introduced by the previous Labour-led Government. We were pleased when the incoming Coalition Government repealed the Fair Pay Agreements Act as we believe it would have added significant complexity and cost to business.

Retail as a career

One of the key challenges we continue to hear about from members is the difficulty of attracting and retaining workers across our sector. We were delighted to receive substantial funding from ServiceIQ to put in place a significant marketing campaign to highlight the diverse career opportunities available in the retail sector. We worked with an industry steering group and advertising agency Clemenger BBDO to develop a TikTok-based campaign '7 Jobs in 7 Days' which was successfully launched in late June 2024.

Leading Retailers' Group

Our Leading Retailers' Group has continued to meet regularly throughout the year. This is an important forum for larger and corporate retailers to network and exchange views on key policy issues. Guests through the year included ACT leader David Seymour, the Minister of Police and representatives from the Ministry of Business, Innovation and Employment, WorkSafe NZ.

Retail: Unplugged

In July 2023, we launched a podcast series, Retail: Unplugged. Hosted by Chief Executive Carolyn Young, the series features guests who champion or support the retail sector and offer valuable information to members.

By the end of 2023, we released 21 episodes that attracted a loyal and growing listenership. In 2024 Retail: Unplugged comes to you via video and audio options and we will continue to review feedback from members on who you want to hear from and key topics to keep you up to date. These resources are available on our website for ongoing viewing and education for members.

Research

We continued to be active in producing research and data about the retail sector. In addition to the comprehensive Retail Crime Report mentioned earlier, we monitored the health of the retail sector through our quarterly Retail Radar survey.

We published the annual Retail NZ Wages Guide – the most comprehensive source of average wages information for the retail sector in New Zealand.

We also updated the Retail NZ Sales Index each month to get an up-to-date picture of the state of the sector.

Looking ahead

There is a lot of advocacy work for us to do as the Coalition Government progresses its election policies. The economic situation remains challenging, and Retail NZ will continue to 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 revive pre-pandemic events and networking opportunities.

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, Meridian and Mastercard. Your support helps us help our members, and our sector appreciates that.

Ngā mihi nui,

CAROLYN YOUNG

Chief Executive

Retail ^{NZ}

Net profit

\$53,171



Sector turnover represented by Retail NZ

70%



Each year, Retail NZ speaks up for you in the media

1,000x

Across television, radio and print media



The Retail NZ Advice Service responded to approximately

2,300

Emails and Calls



We made **8 submissions** to central and local government and had over **20 meetings** with Ministers, ensuring that your voice is heard at the very highest level.



BOARD OF DIRECTORS

Liz Wheadon

PRESIDENT

Glengarry Wines Ltd

Jules Lloyd-Jones

VICE PRESIDENT

Mitre 10 New Zealand

Richard Allin

DIRECTOR

Pushbikes Ltd

Jenny Epke

DIRECTOR

The Warehouse Group

Kristina Hitchcock

DIRECTOR

Postie

Peter Kelly

DIRECTOR

Butlers Chocolate

Scott McMillan

DIRECTOR

Tea Pea

Sonja Painter

DIRECTOR

Thrillzone

John Warwick

DIRECTOR

Foodstuffs

LEADERSHIP TEAM

(at 31 March 2024)

Carolyn Young

Chief Executive

Ann-Marie Johnson

Manager, Advocacy, Advice
& Communications

Rachel McCarten

Manager, Brand & Marketing

Nigel Pounds

Manager, Partners & Members



Special Purpose Financial Statements

Retail NZ Incorporated
For the year ended 31 March 2024

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Entity Information

Retail NZ Incorporated For the year ended 31 March 2024

Legal Name of Entity

Retail NZ Incorporated

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
Carolyn Young - CEO
Greg Harford - CEO (resigned July 2023)
Jenny Epke
John Warwick
Kristina Hitchcock
Peter Kelly
Richard Allin
Scott McMillan
Sonja Painter

Independent auditor's report

To the Members of Retail NZ Incorporated

Opinion

We have audited the special purpose financial statements of Retail NZ Incorporated on pages 5 to 10, which comprise the balance sheet as at 31 March 2024 and the statement of profit or loss, and statement of changes in equity for the year then ended, and notes to the special purpose financial statements, including material accounting policy information.

In our opinion, the accompanying special purpose financial statements of Retail NZ Incorporated for the year ended 31 March 2024 are prepared, in all material respects, in accordance with the accounting policies set out in the statement of accounting policies of the special purpose 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 Retail NZ Incorporated in accordance with Professional and Ethical Standard 1 (Revised) 'Code of ethics for assurance practitioners' 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.

Other than our capacity as auditor we have no relationship with, or interests in, Retail NZ Incorporated

Board's responsibilities for the special purpose financial statements

The Board are responsible on behalf of Retail NZ Incorporated for the preparation of these special purpose financial statements in accordance with the accounting policies set out in the statement of accounting policies of the special purpose financial statements and for such internal control the Board 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 financial statements, the Board are responsible on behalf of Retail NZ Incorporated for assessing Retail NZ Incorporated'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 Board either intend to liquidate Retail NZ Incorporated 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 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 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 special purpose financial statements is located at the XRB's website at <http://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8/>

Moore Markhams

Moore Markhams Wellington Audit | Qualified Auditors, Wellington, New Zealand
17 July 2024

Retail NZ Incorporated

Statement of Profit and Loss For the year ended 31 March 2024

	2024	2023
Income		
Subscriptions Received	1,077,906	804,152
Trading Income	644,572	510,527
Retail Perceptions Project	71,839	147,750
Interest Received	71,395	20,648
Other Income	12,163	14,877
Worksafe Covid Response & Recovery Income	8,004	219,996
Total Income	1,885,880	1,717,949
Expenses		
Administration	144,171	146,822
Audit Services	19,840	17,850
Depreciation	19,147	25,071
Event COS	60,224	25,982
Fair Pay Agreements - Expenditure	23,757	8,488
Grant & Contract Costs	42,475	35,594
Marketing	66,521	39,176
Memberships & Subscriptions	17,235	10,629
NZ Retail Magazine & The Register	12,000	62,450
Occupancy	63,942	68,079
Personnel	1,264,148	1,135,930
Professional Fees	32,223	29,498
Project Perceptions	-	71,050
Travel and Accommodation	67,026	62,839
Worksafe Covid Response & Recovery Expenditure	-	59,576
Total Expenses	1,832,709	1,799,034
Net Surplus / (Deficit) before Taxation	53,171	(81,085)
Net Surplus / (Deficit) for the Year	53,171	(81,085)

Retail NZ Incorporated

Statement of Financial Position As at 31 March 2024

	Notes	31 Mar 2024	31 Mar 2023
Assets			
Current Assets			
Cash & Bank		932,844	1,154,341
Accounts Receivable		229,912	339,713
NZSGA Term Deposits	2	39,073	37,505
Term Deposits - Short Term	2	826,927	408,760
Other Current Assets	3	23,128	53,223
Current Taxation Receivable			
Tax Provision Paid Asset		31,587	7,355
RWT due to Jack Carter Fund		(2,066)	(945)
Total Current Taxation Receivable		29,521	6,410
Total Current Assets		2,081,405	1,999,953
Non-Current Assets			
Property, Plant and Equipment	4	42,581	23,169
Intangibles	5	8,319	16,638
Investments	6	0	11,160
Total Non-Current Assets		50,899	50,967
Total Assets		2,132,305	2,050,920
Liabilities			
Current Liabilities			
Creditors and Accruals	7	104,500	224,092
Income in Advance		974,002	823,442
GST Payable		50,323	55,355
Total Current Liabilities		1,128,825	1,102,889
Total Liabilities		1,128,825	1,102,889
Net Assets		1,003,480	948,031
Net Assets			
Members' Funds	11	17,128	(38,321)
Reserves		986,352	986,352
Total Net Assets		1,003,480	948,031

Retail NZ Incorporated

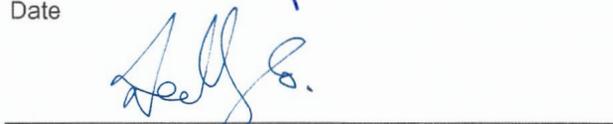
Statement of Changes in Equity For the year ended 31 March 2024

	2024	2023
Equity		
Opening Balance	948,031	1,029,116
Movements		
Surplus/(Deficit) for the Period	53,171	(81,085)
Members Capital Funds	2,278	-
Total Movements	55,449	(81,085)
Total Equity	1,003,480	948,031



Signed
Liz Wheadon
Chair

17th July 2024
Date



Signed
Peter Kelly
Director

17th July, 2024
Date

Statement of Accounting Policies

Retail NZ Incorporated

For the year ended 31 March 2024

1. Statement of Accounting Policies

Reporting Entity

Retail NZ Incorporated (the "Association") is an entity incorporated under the Incorporated Societies Act 1908.

These special purpose financial statements have been prepared in accordance with the specific accounting policies below for the benefit of use by members and to comply with the Association's constitution.

Measurement Base

The accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on an historical cost basis have been used, with the exception of certain items for which specific accounting policies have been identified. The accrual accounting basis has been used unless otherwise stated.

Specific Accounting Policies

The following is a summary of the material accounting policies adopted in the preparation and presentation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated:

i. Income

Subscription income is recognised as a liability when received. Income is recognised and the liability derecognised over the term of the membership as the term is completed.

Trading income received from the Association's partners is recognised over the term of the contract.

Income received from grants with specific conditions or for specific projects is initially recognised as a liability. Income is recognised and the liability derecognised as the conditions of the grant are fulfilled, or as the expenditure relating to the project is incurred.

Other trading income is recognised on an accruals basis with income received for major events recognised in the period of the event.

Interest received is recognised on receipt, gross of refundable tax credits received.

ii. Property, Plant & Equipment

Property, plant and equipment is stated at cost less accumulated depreciation.

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.

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 recognised at cost less any accumulated amortisation.

Amortisation has been calculated using the rates reflecting the expected useful life of the assets.

The straight line basis has been applied to computer software and diminishing value basis to website development.

Computer Software	40%
Website Development	50%

iv. Leases

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.

v. 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.

vi. Investments - Financial Assets

At initial recognition, the Association 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

viii. Income in Advance

Income in advance relates to membership subscriptions or income received for specific purposes. Membership income is recognised evenly across the number of months of the subscription term and trading income is recognised in the period of the event.

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

All amounts are stated exclusive of goods and services tax (GST) except for accounts payable and accounts receivable which are stated inclusive of GST.

Changes in Accounting Policies

There have been no changes in accounting policies. The accounting policies adopted are consistent with those of the previous year.

2. Short Term Deposits		2024	
Westpac - 0008	Matures May 2024	16,657	
Westpac - 0009	Matures July 2024	22,416	
Westpac - 0016	Matures May 2024	309,927	
Westpac - 0017	Matures June 24	517,000	
Total		866,000	
3. Other Current Assets		2024	2023
Prepaid Expenses		16,428	27,487
Sundry Debtors - Accrued Income		6,700	25,736
Total Other Current Assets		23,128	53,223
4. Property, Plant & Equipment		2024	2023
Computer Hardware		6,939	7,723
Furniture, Fixtures & Fittings		25,242	12,736
Leasehold Improvements		3,332	1
Office Equipment		7,068	2,710
Total Property, Plant & Equipment		42,581	23,169
5. Intangible Assets		2024	2023
Website Development		8,319	16,638
Total Intangible Assets		8,319	16,638

6. Investments	2024	2023
Bond Investments	-	11,160
Total Investments	-	11,160

7. Creditors and Accruals	2024	2023
Employee Entitlements	40,950	84,280
Provision for Audit Fees	13,500	17,900
Trade Creditors	49,930	111,722
Sundry Creditors/Accruals	121	10,190
Total Other Current Liabilities	104,500	224,092

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 organisations of which their representatives are Association board members. (2023: Nil)

9. Operating Lease Commitments

The Association leases office space and car parks.

Commitments under non-cancellable operating leases	2024	2023
Current	63,312	31,656
Non Current	94,969	0
Total Commitments under non-cancellable operating leases	158,281	31,656

10. Tax

Taxable Income	2024	2023
Accounting Profit/(Loss)	53,171	(81,085)
Non Assessable Income	(1,077,906)	(804,152)
Non Deductible Expenses	1,047,515	842,106
Timing Differences	(4,389)	29,050
Total Taxable Income	18,391	(14,080)
Losses		
Loss Brought Forward	(695,922)	(681,842)
Loss to Carry Forward	(677,531)	(695,922)

The Association has tax losses available to carry forward of \$677,531 (2023: \$695,922). The \$189,709(2023: \$194,858) 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.

11. Net Assets	2024	2023
Accumulated surpluses or (deficits)	(27,913)	(81,085)
NZSGA Jack Carter Fund Capital	45,041	42,764
Reserves	986,352	986,352
Total Net Assets	1,003,480	948,031

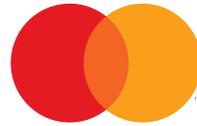
12. Contingencies

The Association has no known contingent liabilities at balance date (2023: nil).

13. Subsequent Events

There have been no events since balance date that would have a material impact on these accounts.

Thank you to all our
BUSINESS PARTNERS



SEMI-ANNUAL
SALE

UP TO
50% OFF
SELECT STYLES

Retail ^{NZ}

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