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THE REAL ESTATE INSTITUTE OF QUEENSLAND LIMITED

ABN: 49 009 661 287

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

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FOR THE YEAR ENDED 30 JUNE 2021

FINANCIAL STATEMENTS

DIRECTOR'S REPORT
30 JUNE 2021

The directors present their report on The Real Estate Institute of Queensland Limited for the financial year ended 30 June 2021.

1. GENERAL INFORMATION

Principal activities

The principal activities of The Real Estate Institute of Queensland Limited during the financial year were the representation of, and the provision of services to, the real estate agents' profession.

The objective of the Institute is to provide members with support, training, information and to lobby government for improved professional standards.

To achieve these objectives, the Institute undertakes development of new business tools, improved flexible learning packages and engages government in legislative review.

The Institute has various key performance indicators to measure the objectives. Legislative outcomes are measured by changes to the Act.

No significant changes in the nature of the Company's activities occurred during the financial year.

2. OPERATING RESULTS AND REVIEW OF OPERATIONS FOR THE YEAR

Operating results

The profit of the Company after providing for income tax amounted to $1,357,346 (2020: $127,406).

Dividends paid or recommended

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

COVID-19 Impact

The Company has considered the impact of COVID-19 when preparing the financial statements and related note disclosures. In the opinion of the Directors, the Company was not materially impacted by COVID-19. The Company continues to closely monitor developments with a focus on potential financial and operational impacts. The Directors, on the date of approving these financial statements, are of the view that the effects of COVID-19 do not change the significant estimates, judgements and assumptions in the preparation of financial statements, however note that the situation is continuing to evolve.

3. OTHER ITEMS

Significant changes in state of affairs

There have been no significant changes in the state of affairs of the Company during the year.

3. OTHER ITEMS CONTINUED

Events after the reporting date

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

Future developments and results

There are no planned developments in the operations of the Institute that are likely to affect the results in the subsequent financial year.

Environmental issues

The Company's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

4. DIRECTOR INFORMATION

Meetings of directors

During the financial year, 19 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings	
	Number eligible to attend	Number attended
Linda Bland	15	15
Julie Boyd	15	15
Peter Brewer	12	12
Peter Camphin	13	12
Eddie Chung	19	19
Leslie Freeman	10	10
Damien Keyes	3	3
Joshua Kindred	19	19
John Newlands	5	5
Laura Valenti	19	19

INFORMATION ON DIRECTORS

L.J. Bland	**Director**
Qualifications:	Licensed real estate agent, B of Com, MAICD.
Experience:	Director since 17/12/2014. 18 years in the real estate industry.
P.A. Brewer	**Chairman**
Qualifications:	Licensed real estate agent, MAICD.
Experience:	Director since 31/10/2015. Appointed as Chairman from 29/03/2018. 40 years in the real estate industry.
J. Boyd	**Director**
Qualifications:	FAICD, FAIM, B Nursing.
Experience:	Director since 01/01/2016. 21 years as a non-executive board member, 12 years in a mayoral position.
P. Camphin	**Director**
Qualifications:	Licensed real estate agent.
Experience:	Director since 30/10/2020, 43 years in the real estate industry.
E. Chung	**Director**
Qualifications:	B of Com, M of Com, M of Tax, FCA, CTA, GAICD.
Experience:	Director since 08/09/2014. 26 years in public practice in accounting and business advisory.
L. Freeman	**Director**
Qualifications:	Licensed real estate agent.
Experience:	Director from 23/10/2001 to 31/12/2007. Reappointed on 30/10/2020. 41 years in the real estate industry.
D. Keyes	**Director**
Qualifications:	Licensed real estate agent and auctioneer, B Mgt, GAICD.
Experience:	Director from 27/10/2017 until the end of his term on 30 October 2020.
J. Newlands	**Director**
Qualifications:	Licensed real estate agent.
Experience:	Director from 27/10/2017 until the end of his term on 30 October 2020.
J. Kindred	**Director**
Qualifications:	Licensed real estate agent.
Experience:	Director since 26/10/2018. 17 years in real estate industry.
L. Valenti	**Director**
Qualifications:	Licensed real estate agent, B Arts.
Experience:	Director since 25/10/2019. 20 years in real estate industry.

INFORMATION ON DIRECTORS CONTINUED

During the financial year, the Institute paid a premium of $9,341 to insure all past, present and future directors and certain officers of the company. Details of all directors during the year who are covered by the insurance policy are listed in Note 24. The liabilities insured include costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the company.

Apart from the disclosure at Note 25 of the financial statements, since 30 June 2020 no director has received or become entitled to receive, during or since the financial year, a benefit (other than a remuneration benefit included in Note 24 of the financial statement) because of a contract made by the Institute or a related entity with the director, a firm of which the director is a member or a company in which the director has a substantial financial interest.

Mrs Beavon was appointed as the company secretary on 4 November 2019, who has been an employee of the Institute since 16 September 2019, and holds the position of Legal Counsel.

The Institute may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the company are important. Details of the amounts paid or payable to the auditor (Mazars Audit (QLD) Pty Limited) for audit and non-audit services are set out in Note 26. The Board of Directors has considered the position and is satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the provision of non-audit services by the ethics associated with the audit firm did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- All non-audit services have been reviewed by the Board to ensure they do not impact the impartiality and objectivity of the auditor.
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

Auditor's independence declaration

The lead auditor's independence declaration in accordance with section 307C of the Corporations Act 2001, for the year ended 30 June 2021 has been received and can be found on page 7 of the financial report.

Signed in accordance with a resolution of the Board of Directors:

Director: Peter Brewer ....

Brisbane, 24 September 2021

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The Real Estate Institute of Queensland Limited

ABN: 49 009 661 287

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of The Real Estate Institute of Queensland Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021, there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Mazars Audit (QLD) Pty Limited
Authorised Audit Company: 338599

M. J. Green
Director

Brisbane, 24 September 2021

Mazars Audit (Qld) Pty Limited
ABN: 13 132 902 188 | Authorised Audit Company: 338599
Liability limited by a scheme approved under Professional Standards Legislation

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 $	2020 $
Income	5	**8,381,296**	7,511,338
Cost of Sales	6	**(54,057)**	(44,471)
Employment Related Expenses		**(2,879,725)**	(3,301,799)
Property, Plant and Equipment Operating Expenses		**(1,152,003)**	(1,085,862)
Depreciation and Amortisation Expenses	6	**(634,189)**	(606,080)
Impairment of Assets		**(85,631)**	(68,987)
Loss on Disposal of Asset		**(44,531)**	-
Conference, Seminar and Training Course		**(465,810)**	(600,344)
Advertising and Marketing Costs		**(481,321)**	(612,321)
Professional Fees		**(199,129)**	(124,166)
Postage, Print, and Communication Expenses		**(15,652)**	(102,919)
Finance Costs	6	**(47,008)**	(109,166)
Other expenses		**(656,793)**	(871,927)
Profit / (loss) before income tax		**1,665,447**	(16,704)
Income Tax Expense	7	**(308,101)**	144,110
Profit for the year		**1,357,346**	127,406
Items that will be reclassified to profit or loss when specific conditions are met			
Net fair value movements for financial assets		**954,643**	(263,619)
Other comprehensive income for the year, net of tax		**954,643**	(263,619)
Total comprehensive income for the year		**2,311,989**	(136,213)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	2021 $	2020 $
ASSETS			
CURRENT ASSETS			
Cash	8	**615,018**	546,184
Receivables	9	**187,845**	130,913
Inventories	10	**36,609**	43,708
Other current assets	11	**828,392**	564,023
Financial assets	13	**5,435,231**	4,288,020
TOTAL CURRENT ASSETS		**7,103,095**	5,572,848
NON-CURRENT ASSETS			
Financial assets	13	**265,416**	269,614
Investment property	14	**7,232,935**	5,280,345
Loans and advances		**7,204**	-
Property, plant and equipment	15	**2,675,340**	4,940,793
Deferred tax assets	16	**869,017**	1,180,267
Intangible assets		**716,350**	380,989
Right-of-use assets	12	**175,443**	315,987
TOTAL NON-CURRENT ASSETS		**11,941,705**	12,367,995
TOTAL ASSETS		**19,044,800**	**17,940,843**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	17	**851,953**	467,340
Borrowings	18	**511,553**	-
Other current liabilities	19	**392,901**	275,886
Employee provisions	21	**266,382**	239,816
Contract liabilities	20	**1,262,800**	1,184,584
Lease liabilities	12	**160,574**	149,446
TOTAL CURRENT LIABILITIES		**3,446,163**	2,317,072
NON-CURRENT LIABILITIES			
Borrowings	18	-	2,178,553
Employee provisions	21	**15,744**	10,591
Lease liabilities	12	**26,506**	187,080
Deferred tax liabilities	16	**195,223**	198,372
TOTAL NON-CURRENT LIABILITIES		**237,473**	2,574,596
TOTAL LIABILITIES		**3,683,636**	4,891,668
NET ASSETS		**15,361,164**	13,049,175
EQUITY			
Reserves	22	**1,391,288**	436,645
Retained earnings		**13,969,876**	12,612,530
TOTAL EQUITY		**15,361,164**	13,049,175

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

2021

	Reserves	Retained Earnings	Total
	$	$	$
Balance at 1 July 2020	**436,645**	**12,612,530**	**13,049,175**
Profit attributable to members	-	**1,357,346**	**1,357,346**
Net fair value movements for available-for-sale financial assets	**954,643**	-	**954,643**
Balance at 30 June 2021	**1,391,288**	**13,969,876**	**15,361,164**

2020

	Reserves	Retained Earnings	Total
	$	$	$
Balance at 1 July 2019	700,264	12,498,974	13,199,238
Adjustment due to change in accounting policy AASB 16	-	(13,850)	(13,850)
Profit attributable to members	-	127,406	127,406
Net fair value movements for available-for-sale financial assets	(263,619)	-	(263,619)
Balance at 30 June 2020	436,645	12,612,530	13,049,175

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 $	2020 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		**10,707,448**	7,783,553
Payments to suppliers and employees		**(8,216,631)**	(7,375,735)
Dividends received		**142,327**	185,633
Interest received		**3,659**	3,944
Interest paid		**(33,669)**	(109,166)
Net cash provided by/(used in) operating activities	23	**2,603,134**	488,229
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of plant and equipment		**32,138**	-
Purchase of property, plant and equipment		**(15,981)**	(11,546)
Purchase of intangible assets		**(523,008)**	(215,325)
Proceeds from disposals of property investments		**-**	1,810,000
Purchase of property investments		**-**	(1,872)
Purchase of financial instruments		**(989,398)**	(1,826,266)
Proceeds from sale of financial instruments		**801,028**	1,863,060
Net cash provided by/(used in) investing activities		**(695,221)**	1,618,051
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of leases		**(172,079)**	(138,944)
Repayment of borrowings		**(1,667,000)**	(2,115,200)
Net cash provided by/(used in) financing activities		**(1,839,079)**	(2,254,144)
Net increase/(decrease) in cash and cash equivalents held		**68,834**	(147,864)
Cash and cash equivalents at beginning of year		**546,184**	694,048
Cash and cash equivalents at end of financial year	8	**615,018**	546,184

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

This general purpose financial report is prepared in accordance with the historical cost convention, as modified by the revaluation of available-for-sale financial assets, certain classes of property, plant and equipment and investment property. The accounting policies have been consistently applied, unless otherwise stated. Comparative information is reclassified were appropriate to enhance comparability.

1. BASIS OF PREPARATION

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards and the Corporations Act 2001. The Institute is a not-for-profit entity for the purpose of preparing financial statements.

The financial statements of The Real Estate Institute of Queensland Limited also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Income Tax

The tax expense recognised in the statement of profit or loss and other comprehensive income comprises of current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax is not provided for the following:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).
- Taxable temporary differences arising on the initial recognition of goodwill.
- Temporary differences related to investment in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(a) Income Tax

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Income tax is calculated using the "principle of mutuality".

Investment allowances and similar tax incentives

The Institute may be entitled to claim special tax deductions for investments in qualifying assets or in relation to qualifying expenditure (e.g. Research and Development Tax incentive regime in Australia or other investment allowances). The Institute accounts for such allowances as tax credits, which means that the allowance reduces income tax payable and current tax expense. A deferred tax asset is recognised for unclaimed tax credits that are carried forward as deferred tax assets.

(b) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the Company are classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Other operating lease payments are charged to the statement of comprehensive income in the periods in which they are incurred as this represents the pattern of benefits derived from the leased assets.

(c) Revenue Recognition

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer

2. Identify the performance obligations

3. Determine the transaction price

4. Allocate the transaction price to the performance obligations

5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(c) Revenue Recognition

Revenue from contracts with customers

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Company are:

Providing training courses and event service

Revenue from the provision of training courses and event fees are recognised based on actual service provided over the period in which services are rendered. Revenue is therefore recognised over time.

The nature of the Company's contracts is such that they are at fixed price set via a predetermined fee schedule and include only one deliverable and the Company have therefore determined that there is only one performance obligation to be satisfied.

The terms of the Company's contracts require the customer to pay the fixed amount in full upfront at the commencement of the term. Where payment is required upfront, a contract liability is recognised on receipt of the payment and recognised as revenue as the services are provided.

Provision of membership subscription

Revenue from membership subscriptions is recognised for existing members at the amounts over the period to which the membership subscription relates. A fixed membership fee is paid in full upfront at the commencement of a twelve month subscription. Where membership fees are paid in advance, a contract liability is recognised on receipt of the payment and recognised as revenue at the end of each month subscribed.

(d) Cash and cash equivalents

For the purposes of the cash flow statement, cash includes deposits at call that are readily convertible to cash on hand and are subject to an insignificant risk of change of value, net of outstanding bank overdrafts.

(e) Leases

At inception of a contract, the Company assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(e) Leases

- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Company has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

Right-of-use asset

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

Lease liability

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lease accounting

The Company has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

(f) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(f) Goods and services tax (GST)

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(g) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and is net of any rebates and discounts received. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

(h) Fair value estimation

The fair value of financial instruments traded in active markets, such as financial assets measured at fair value through other comprehensive income, is based on quoted market prices at the balance sheet date.

(i) Property, plant and equipment

The recoverable amount of an asset is the net amount expected to be recovered through the net cash inflows and outflows arising from its continued use and subsequent disposal.

Where the carrying amount of a non-current asset is greater than its recoverable amount, the asset is re-valued to its recoverable amount.

Where net cash inflows are derived from a group of assets working together, recoverable amount is determined on the basis of the relevant group of assets. To the extent that a revaluation decrement reverses a revaluation increment previously credited to, and still included in the balance of, the asset revaluation reserve, the decrement is debited directly to the reserve. Otherwise the decrement is recognised as an expense in the statement of comprehensive income in the reporting period in which the recoverable amount write down occurs.

The expected net cash flows included in determining recoverable amounts on non-current assets are not discounted to their present values.

Estimated useful life

Fixed assets including buildings but excluding freehold land are depreciated over their estimated useful lives, on either a straight line or diminishing value basis, from the time the asset is held ready for use. The expected useful lives are as follows:

- Buildings (40 years)
- Plant, Equipment and Fixtures (4-20 years)

Estimates of remaining useful lives are made on a regular basis for all assets.

(j) Investment property

The investment property was initially recorded at cost. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the entity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(j) Investment property

Subsequent to initial recognition as an asset, the investment property is revalued to fair value. Changes in fair value are recorded in the statement of comprehensive income. The investment property is maintained at a high standard and, as permitted by accounting standards, the property is not depreciated.

Rental revenue from the leasing of the investment property is recognised in the income statement in the periods in which it is receivable, as this represents the pattern of service rendered through the provision of the property.

(k) Acquisition of assets

The purchase method of accounting is used for all acquisitions of assets regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given up or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition.

(l) Revaluation of non-financial assets

Subsequent to initial recognition as assets, land and buildings, including those classified as investment properties, are measured at fair value being the amounts which the assets could be exchanged between willing parties in an arm's length transaction. Revaluations are made with sufficient regularity to ensure that the carrying amount of each piece of land and each building does not differ materially from its fair value at the reporting date. Annual assessments are made by the directors, and the Institute obtains independent valuations for its investment property approximately every 3 years.

Revaluation increments are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in net profit or loss, the increment is recognised immediately as revenue in net profit or loss.

Revaluation decrements are recognised immediately as expenses in net profit or loss, except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are debited directly to the asset revaluation reserve.

Revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

Potential capital gains tax is not taken into account in determining revaluation amounts unless it is expected that a liability for such tax will crystallise.

(m) Impairment of assets

At the end of each reporting period, the entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(m) Impairment of assets

Where it is not possible to estimate the recoverable amount of an asset's class, the entity estimates the recoverable amount of the cash generating unit to which the class of assets belong.

Where an impairment loss on a revalued asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

(n) Financial instruments

Initial recognition and measurement

Financial instruments are recognised initially on the date that the Institute becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(n) Financial instruments

Financial assets

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Fair value through other comprehensive income

Equity instruments

The Company has a number of strategic investments in listed and unlisted entities over which are they do not have significant influence nor control. The Company has made an irrevocable election to classify these equity investments as fair value through other comprehensive income.

These investments are carried at fair value with changes in fair value recognised in other comprehensive income (financial asset reserve). On disposal any balance in the financial asset reserve is transferred to retained earnings and is not reclassified to profit or loss.

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

Net gains or losses, including any interest or dividend income are recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

When determining whether the credit risk of a financial assets has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.

The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(n) Financial instruments

Financial assets

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables has been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Company comprise trade payables, bank and other loans and finance lease liabilities.

(o) Trade creditors

Trade Creditors represent liabilities for goods and services provided to the economic entity prior to the end of the financial year and are usually paid within 30 days of recognition. These amounts are unsecured.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED 30 JUNE 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(p) Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Termination benefits

Termination benefits are payable when employment is terminated before retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Institute recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without the possibility of withdrawal or to providing termination benefits as a result of an offer to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Long service leave

Long service leave is measured as the present value of expected future payments to be made for services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates on national government guaranteed securities with terms to maturity that match, as closely as possible, the estimated cash outflows.

(q) Interest bearing liabilities

Interest bearing liabilities are carried at their principal amounts which represent the present value of future cash flows associated with serving the debt. Interest is paid at the time it becomes due and is recorded in the statement of comprehensive income at this time.

(r) Website expenses

Costs incurred in building and enhancing the Institute's web sites are charged as expenses as incurred, except where they result in an enhancement of future economic benefits and recognised as an asset.

(s) New Accounting Standards and Interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Company has decided not to early adopt these Standards.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Institute makes estimates and assumptions concerning the future. The resulting estimates will, by definition, seldom equal the related actual results. The estimate and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

Key estimates - valuation of property, plant and equipment

The Company tests annually whether property, plant and equipment has suffered any impairment, in accordance with the accounting policy stated in Note 2. The recoverable amounts of cash-generating units have been determined based on market value.

Although the directors do not believe additional financial impacts which may be recognised in subsequent periods are likely to be significant, it was not possible to accurately determine these at the time of issuing the financial report.

Key estimates - valuation of financial assets

The Company follows the guidance of AASB 9 Financial Instruments on determining when financial assets are impaired. This determination requires significant judgment. In making this judgment, The Company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its costs and the financial health of and near term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flows.

Key estimates - valuation of investment property

The Company tests annually whether property, plant and equipment has suffered any impairment, in accordance with the accounting policy stated in Note 2. The recoverable amounts of cash-generating units have been determined based on market value.

This has involved seeking a current market appraisal from an independent licensed real estate agent familiar with both the property and its general location.

In addition, The Company has undertaken a calculation of the property based on the current rental income and rates of return for similar properties in that location.

Finally, the Directors have reviewed the general market outlook in the location, based on commentary from commercial agents, its own market research and various other commentary.

4. FINANCIAL RISK MANAGEMENT

The Company is exposed to a variety of financial risks; credit risk, liquidity risk, cashflow interest rate risk and price risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Institute. The Institute uses different methods to measure different types of risk to which is it exposed. These methods include sensitivity analysis in the case of interest rate risks and aging analysis for credit risk.

4. FINANCIAL RISK MANAGEMENT

Risk management is carried out by the entire organisation. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as interest rate and credit risks and investing excess liquidity.

The principal categories of financial instrument used by the Company are:

	2021	2020
	$	$
FINANCIAL ASSETS:		
Cash at amortised cost	**615,018**	546,184
Receivables at amortised cost	**187,845**	130,913
Other financial assets	**5,700,647**	4,557,634
	6,503,510	5,234,731
FINANCIAL LIABILITIES:		
Trade and other payables at amortised cost	**(837,405)**	(458,563)
Financial liabilities at amortised cost	**(511,553)**	(2,178,553)
	(1,348,958)	(2,637,116)

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

(i) Price Risk

The Institute is exposed to equity securities price risk. This arises from investments held by the Institute and classified on the balance sheet as available-for-sale.

The majority of the Institute's investments are publicly traded and are included in the ASX 200 Index.

The table below summaries the impact of increases / decreases on the Institute's post tax profit for the year and on equity. The analysis is based on the assumption that the equity indexes had increased / decreased by 4% (2020: 4%) with all other variables held constant and all of the Institute's equity instruments moved according to the historical correlation with the Index.

	Impact on post tax profit	Impact on equity
	$	$
2021		
ASX 200 Index	-	**206,182**
2020		
ASX 200 Index	-	175,905

4. FINANCIAL RISK MANAGEMENT CONTINUED

To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is executed in accordance with the limits set by the Company in the risk management and investment strategies.

(ii) Cash flow and fair value interest rate risk

The Company does have short or long term borrowings which are subject to impacts from changes in the interest rates and consequentially has exposure to any associated rate risk.

The Institute holds term deposits at cost which are subject to impacts from changes in the market interest rate.

The Company manages its exposure by investing in short to medium-term term deposits. Before entering into a term deposit the Company monitors current market interest rates to determine the impact of fixing the interest rate. The investment in term deposits is maintained in accordance with the the Company's investment policy.

Sensitivity analysis

The following table illustrates the sensitivity to the Company's exposures to changes in interest rates and equity prices.

The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible.

These sensitivities also assume that the movement in a particular variable is independent of other variables.

There have been no changes in any of the assumptions used to prepare the following sensitivity analysis from the prior year.

	Profit	Equity
	+/-	+/-
YEAR ENDED 30 JUNE 2021		
+/- 2% in interest rates on cash deposits	**12,301**	12,301
+/- 2% in interest rates on mortgage lending	**10,231**	10,231
+/- 10% in listed investments	**554,064**	554,064
YEAR ENDED 30 JUNE 2020		
+/- 2% in interest rates on cash deposits	**10,924**	10,924
+/- 2% in interest rates on mortgage lending	**43,571**	43,571
+/- 10% in listed investments	**439,763**	439,763

4. FINANCIAL RISK MANAGEMENT CONTINUED

Credit risk

The credit risk on financial assets of the Institute which has been recognised on the statement of financial position is generally the carrying amount, net of any provision for doubtful debts.

Term deposits are carried on the statement of financial position at the face value of the deposit.

The Institute has no significant concentrations of credit risk. The Institute has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history.

The Institute has policies that limit the amount of credit exposure to any one financial institution.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to historical information about default rates.

	New Customers (less than 6 months)	Existing Customers (more than 6 months) with no defaults in the past	Existing Customers (more than 6 months) with some defaults in the past. All defaults were fully recovered	Existing and Past Customers (more than 6 months) with defaults. Some are expected to be recovered
	$	$	$	$
2021				
Trade receivables	-	**158,965**	-	-
Total	-	**158,965**	-	-
2020				
Trade receivables	-	82,410	-	-
Total	-	82,410	-	-

There are no balances within trade receivables that contain assets that are not impaired and are past due. It is expected that these balances will be received when due.

4. FINANCIAL RISK MANAGEMENT CONTINUED

Liquidity risk

The Company manages its liquidity by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Due to the nature of the underlying business, The Company aims at maintaining flexibility in funding by keeping committed credit lines available with a variety of counterparties. Surplus funds are generally only invested in instruments that are tradable in highly liquid markets.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on remaining period at the reporting date to the contractual maturity date.

	Less than 6 months		6-12 months		Between 1 and 2 years	
	2021	2020	2021	2020	2021	2020
	$	$	$	$	$	$
Non Interest Bearing	**851,953**	467,340	**-**	-	**-**	-
Floating Rate	**-**	-	**511,553**	-	**-**	2,178,553
Total	**851,953**	467,340	**511,553**	-	**-**	2,178,553

	Between 2 and 3 years		Between 3 and 4 years		Total	
	2021	2020	2021	2020	2021	2020
	$	$	$	$	$	$
Non Interest Bearing	**-**	-	**-**	-	**851,953**	467,340
Floating Rate	**-**	-	**-**	-	**511,553**	2,178,553
Total	**-**	-	**-**	-	**1,363,506**	2,645,893

4. FINANCIAL RISK MANAGEMENT CONTINUED

Fair Value Estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

AASB 7 Financial Instruments: Disclosures which requires disclosure of fair value measurements by level of the following fair value measurements hierarchy:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)

(b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2), and

(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3)

Such risk is managed through diversification of investments across industries and geographic locations.

	Level 1	Level 2	Level 3
Assets			
Financial assets	**5,540,646**	**-**	**160,000**
Equity securities	**5,540,646**	**-**	**160,000**

The fair value of financial instruments traded in active markets (such as financial assets) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the company is the current bid price. These investments are included in level 1.

The fair value of financial instruments that are not traded in an active market is determined using company quoted unit value for the reporting date.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the weighted average interest rate implicit in the financial instrument.

5. REVENUE AND OTHER INCOME

	2021	2020
	$	$
Revenue from Operating Activities		
- Sale of Goods	**5,350,251**	4,317,363
- Sale of Services	**2,333,702**	2,465,651
	7,683,953	6,783,014
Other revenue		
- Gain on Sale of Financial Assets	**106,686**	181,460
- Interest and Dividends	**145,987**	189,577
- Rental Income from Investment Property	**444,670**	357,287
	697,343	728,324
Revenue from continuing operations	**8,381,296**	7,511,338

6. RESULT FOR THE YEAR

The result for the year includes the following specific expenses:	2021	2020
	$	$
Cost of Sales	**54,057**	44,471
Depreciation		
- Buildings	**394,450**	391,802
- Plant and Equipment	**239,739**	214,278
Total Depreciation	**634,189**	606,080
Building Occupancy relating to Operating Leases	**7,900**	9,931
Loss on Disposal of Asset	**44,531**	-
Finance Costs		
- Finance Costs	**47,008**	109,166

7. INCOME TAX EXPENSE

	2021	2020
	$	$
(a) The major components of tax expense (income) comprise:		
Income Tax Expense		
- Deferred tax	**308,101**	(144,110)
Deferred income tax expenses included in income tax expense comprises:		
- Decrease/(Increase) in deferred tax assets	**231,712**	(141,128)
- Decrease/(Increase) in deferred tax liabilities	**7,889**	14,164
- Adjustment due to change in tax rate	**53,570**	-
- Adjustments for deferred tax of prior periods	**14,930**	(17,146)
	308,101	(144,110)
Deferred income tax expenses included in equity comprises: - Adjustment due to change in accounting policy AASB 16 Leases	**-**	(5,065)
	308,101	(149,175)
(b) Reconciliation of income tax to accounting profit:		
Prima facie tax payable on profit from ordinary activities before income tax at 26% (2020: 27.5%)	**433,016**	(4,594)
Add: Tax effect of:		
- Entertainment	**140**	149
- Income from investments	**(16,439)**	(43,510)
- Non-taxable member income arising from mutuality	**(177,117)**	(79,009)
- Adjustment due to change in tax rate	**53,571**	-
- Adjustments in respect of deferred income tax of previous years	**14,930**	(17,146)
Income Tax (benefit)/expense reported in the statement of profit or loss	**308,101**	(144,110)
(c) Deferred tax assets and liabilities		
Deferred tax assets to be recovered within 12 months	**134,532**	74,956
Deferred tax assets expected to be recovered after more than 12 months	**734,485**	1,105,311
	869,017	1,180,267
(d) Tax expense (income) relating to items of other comprehensive income: Gain on revaluation of land and buildings	-	-

8. CASH AND CASH EQUIVALENTS

	2021	2020
	$	$
Bank balances	**615,018**	546,184
	615,018	546,184

The bank balance has an average interest rate of 0.00% (2020 - 0.00%) and the term deposits have an average interest rate of 0.00% (2020 - 1.85%)

Risk Exposure

The Institute's exposure to interest rate risk is discussed in Note 5. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

Reconciliation of cash

Cash and Cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

Cash	**615,018**	546,184
Balance as per statement of cash flows	**615,018**	546,184

9. TRADE AND OTHER RECEIVABLES

CURRENT		
Trade receivables	**175,886**	110,865
Expected credit loss provision	**(16,921)**	(28,455)
Other receivables	**28,880**	48,503
	187,845	130,913

(a) Impairment of receivables

As at 30 June 2021 current trade receivables of the Institute with a nominal value of $16,921 (2020: $28,455) were impaired. The amount of the provision was $16,921 (2020: $28,455). The individually impaired receivables mainly relate to customers who are in unexpectedly difficult economic situations. It was assessed that a portion of the receivables is expected to be recovered.

(b) Past due but not impaired

As at 30 June 2021 there were no trade receivables that were past due but not impaired.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

9. TRADE AND OTHER RECEIVABLES CONTINUED

(c) Other receivables

These amounts generally arise from transactions outside the usual operating activities of the Institute.

(d) Fair value and credit risk

Due to the short-term nature of the receivables, their carrying amount is assumed to appropriate their fair value. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivable mentioned above.

10. INVENTORIES

CURRENT		
At cost:		
Retail Shop stock	**36,609**	43,708
	36,609	43,708

Inventories recognised as expense during the financial year ended 30 June 2021 and included in cost of sales amounted to $54,057 (2020: $44,471).

11. OTHER ASSETS

CURRENT		
Prepayments	**828,392**	564,023

12. LEASES

The Company has applied AASB 16 using the modified retrospective (cumulative catch-up) method and therefore the comparative information has not been restated and continues to be reported under AASB 117 and related Interpretations.

Company as a lessee

The Company has leases over a range of assets including building and office equipment.

The Company has chosen not to apply AASB 16 to leases of intangible assets.

Information relating to the leases in place and associated balances and transactions are provided below.

Terms and conditions of leases

The building lease is for the corporate office at 26 Marine Parade, Southport. It has 2 years remaining and does not have an option for extension for the lease. The lease is subject to a fixed rent review of 3% increase each year.

12. LEASES CONTINUED

RIGHT-OF-USE-ASSETS	Buildings	Plant and Equipment	Total
Year ended 30 June 2021	$	$	$
Balance at beginning of year	**229,940**	**86,047**	**315,987**
Depreciation charge	**(106,125)**	**(34,419)**	**(140,544)**
Balance at end of year	**123,815**	**51,628**	**175,443**

RIGHT-OF-USE-ASSETS	Buildings	Plant and Equipment	Total
Year ended 30 June 2020	$	$	$
Balance at beginning of year	336,065	120,466	456,531
Depreciation charge	(106,125)	(34,419)	(140,544)
Balance at end of year	229,940	86,047	315,987

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 Year	1-5 Years	> 5 Years	Total undiscounted lease liabilities	Lease liabilities included in this Statement Of Financial Position
	$	$	$	$	$
2021					
Lease liabilities	**160,574**	**26,506**	-	**187,080**	**187,080**
2020					
Lease liabilities	149,446	187,080	-	336,526	336,526

Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where the Company is a lessee are shown below:

	2021	2020
	$	$
Interest expense on lease liabilities	**(13,339)**	(19,799)
Depreciation of right-of-use assets	**(140,544)**	(140,544)
	(153,883)	(160,343)
Statement of Cash Flows		
Total cash outflow for leases	**(172,079)**	(138,944)

13. FINANCIAL ASSETS

	2021	2020
	$	$
At the beginning of year	**4,557,634**	4,816,059
Purchases/Acquisitions	**989,398**	1,826,266
Disposals	**(873,874)**	(1,863,060)
Revaluation gain/(deficit) transferred to expenditure	**72,846**	41,988
Revaluation surplus/(deficit) transferred to equity	**954,643**	(263,619)
	5,700,647	4,557,634
CURRENT		
Listed securities		
Equity securities	**5,435,231**	4,288,020
NON-CURRENT		
Listed securities		
Equity securities	**105,416**	109,614
Unlisted securities		
Equity securities	**160,000**	160,000
	265,416	269,614

(a) Listed Securities

The equity securities are entitled to dividends at the discretion of the directors of the companies in which the investments are held.

The trusts are entitled to a distribution at the discretion of the directors of the Responsible Entity.

(b) Unlisted Securities

The equity securities are held in Realestateview.com.au Ltd as consideration for the REIQ.com property portal sale.

(c) Impairment and risk exposure

The maximum exposure to credit risk at the end of the reporting period is the fair value of the shares classified as available-for-sale.

All available-for-sale financial assets are denominated in Australian currency. For an analysis of the sensitivity of available-for-sale financial assets to market (price) risk, refer to Note 4 (Financial Risk Management)

14. INVESTMENT PROPERTIES

	2021	2020
	$	$
MOVEMENTS		
At fair value		
Opening Balance as at 1 July	**5,280,345**	7,066,493
Amortisation	**(108,306)**	(108,036)
Additions	**-**	1,872
Reclassification	**2,060,896**	-
Disposals	**-**	(1,679,984)
Balance at end of the year	**7,232,935**	5,280,345
AMOUNTS RECOGNISED IN PROFIT AND LOSS FOR INVESTMENT PROPERTY		
Rental Income from Investment Property	**444,670**	357,287

(a) Valuations

The Institute obtains independent valuations for its investment property approximately every 3 years. For further details regarding the valuation of property refer to Note 28.

(b) Leasing arrangements

The investment property is leased to tenants under long term operating leases with rentals payable monthly. Minimum lease payments receivable on the lease of the investment property are as follows.

Minimum lease payments under non-cancelable operating leases of investment properties not recognised in the financial statements are receivables as follows:

	2021	2020
	$	$
Within one year	**668,201**	261,668
Later than 1 year but not later than 5 years	**1,074,635**	794,140
	1,742,836	1,055,808

15. PROPERTY, PLANT AND EQUIPMENT

	2021	2020
	$	$
LAND AND BUILDINGS		
At cost	**2,581,699**	4,758,116
Accumulated depreciation	**(139,463)**	(171,484)
Total land and buildings	**2,442,236**	4,586,632
PLANT AND EQUIPMENT		
At cost	**224,181**	286,467
Accumulated depreciation	**(157,328)**	(156,886)
Total plant and equipment	**66,853**	129,581
IT HARDWARE AND SOFTWARE		
At cost	**1,582,277**	1,589,435
Accumulated depreciation	**(1,578,300)**	(1,576,244)
Total IT hardware and software	**3,977**	13,191
LEASEHOLD IMPROVEMENT		
At cost	**360,409**	349,240
Accumulated amortisation	**(198,135)**	(137,851)
Total leasehold improvements	**162,274**	211,389
Total property, plant and equipment	**2,675,340**	4,940,793

(a) Movements in carrying amounts of property, plant and equipment

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

	Land and buildings	IT Hardware and Software	Plant and Equipment	Leasehold Improvement	Total
	$	$	$	$	$
Year ended 30 June 2021					
Balance at the beginning of year	**4,586,632**	**13,191**	**129,581**	**211,389**	**4,940,793**
Additions	**2,675**	-	**2,139**	**11,167**	**15,981**
Disposals	**(860)**	**(1,200)**	**(30,078)**	-	**(32,138)**
Depreciation expense	**(85,315)**	**(8,014)**	**(34,789)**	**(60,282)**	**(188,400)**
Reclassification	**(2,060,896)**	-	-	-	**(2,060,896)**
Balance at the end of the year	2,442,236	3,977	66,853	162,274	2,675,340

16. TAX ASSETS AND LIABILITIES

	2021	2020
	$	$
(a) DEFERRED TAX ASSETS		
Employee benefits	**52,532**	44,183
Tax losses	**734,485**	1,105,311
Other	**82,000**	30,773
	869,017	1,180,267
(b) DEFERRED TAX LIABILITIES		
Revaluation of non-current assets	**168,229**	177,934
Other	**26,994**	20,438
	195,223	198,143

17. TRADE AND OTHER PAYABLES

	2021	2020
	$	$
CURRENT		
Trade and Other Creditors	**599,018**	280,240
Accrued Expenses	**238,387**	177,625
Other payables	-	698
Credit Cards	**14,548**	8,777
	851,953	467,340

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED
FOR THE YEAR ENDED 30 JUNE 2021

18. BORROWINGS

	2021	2020
	$	$
CURRENT LIABILITIES		
Secured liabilities:		
Market rate loan (NAB)	**511,553**	-
Total current borrowings	**511,553**	-
NON-CURRENT LIABILITIES		
Secured liabilities:		
Market rate loan (NAB)	-	2,178,553
Total non-current borrowings	-	2,178,553

(a) Collateral Provided

The Market Rate Loan is secured as follows:

- General Security Agreement over the Real Estate Institute of Queensland Limited.
- First registered mortgage over properties situated at 50 and 54 Southgate Avenue, Cannon Hill, Queensland.

19. OTHER CURRENT LIABILITIES

	2021	2020
	$	$
CURRENT		
Other current liabilities	**392,901**	275,886
Total	**392,901**	275,886

20. CONTRACT LIABILITIES

	2021	2020
	$	$
CURRENT		
Contract liabilities	**1,262,800**	1,184,584
Total	**1,262,800**	1,184,584

The Company has initially applied AASB 15 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 111, AASB 118 and related interpretations.

21. EMPLOYEE PROVISIONS

	2021	2020
	$	$
CURRENT		
Long-Service Leave	**110,937**	82,023
Annual Leave	**155,445**	157,793
	266,382	239,816
NON-CURRENT		
Long-Service Leave	**15,744**	10,591
	15,744	10,591

22. RESERVES

	2021	2020
	$	$
(a) Asset revaluation reserve		
Balance 1 July	**531,197**	531,197
Balance 30 June	**531,197**	531,197
(a) Financial asset reserve		
Balance 1 July	**(94,552)**	169,067
Increase / (Decrease) on value of investment portfolio	**954,643**	(263,619)
Balance 30 June	**860,091**	(94,552)
Total reserve	**1,391,288**	436,645

23. CASH FLOW INFORMATION

	2021	2020
	$	$
(a) Asset revaluation reserve		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash	**615,018**	546,184
(b) Reconciliation of result for the year to cashflows from operating activities		
Reconciliation of net income to net cash provided by operating activities:		
Profit for the year	**1,357,346**	127,406
Cash flows excluded from profit attributable to operating activities Non-cash flows in profit:		
- amortisation / depreciation	**493,645**	465,536
- amortisation - right of use asset	**140,544**	140,544
- interest on lease liabilities	**13,339**	-
- (profit) / loss on sale of investments	**-**	(174,197)
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	**(64,136)**	238,906
- (increase)/decrease in other assets	**(264,369)**	2,334
- increase)/decrease in inventories	**7,099**	5,894
- increase/(decrease) in trade and other payables	**378,842**	(74,414)
- increase/(decrease) in income taxes payable	**-**	(144,110)
- increase/(decrease) in deferred tax liability	**308,101**	-
- increase/(decrease) in other current liabilities	**201,002**	(115,336)
- increase/(decrease) in employee benefits	**31,721**	15,666
Cashflows from operations	**2,603,134**	488,229
(c) Borrowing facilities		
The following facilities were available at the end of the reporting period:		
Total facilities		
Market rate loan (NAB)	**4,500,000**	4,500,000
	4,500,000	4,500,000
Used at reporting date		
Market rate loan (NAB)	**511,553**	2,178,553
	511,553	2,178,553
Unused at reporting date		
Market rate loan (NAB)	**3,988,447**	2,321,447
	3,988,447	2,321,447

24. KEY MANAGEMENT PERSONNEL REMUNERATION

	2021	2020
	$	$
The totals of remuneration paid to the key management personnel of The Real Estate Institute of Queensland Limited during the year are as follows:		
Short-term employee benefits	**1,345,876**	1,557,266
Long-term employee benefits	**15,338**	14,607
Post-employment benefits	**117,194**	132,992
	1,478,408	1,704,865

(a) Directors

The names of persons who were directors of The Real Estate Institute of Queensland Limited at any time during the financial year are as follows:

(i) Chairman - non-executive
P. A. Brewer

(ii) Non-executive directors
L. J. Bland
J. Boyd
P. Camphin (appointed 30/10/2020)
E. Chung
L. Freeman (appointed 30/10/2020)
J. Kindred
L. Valenti
D. Keyes (resigned 30/10/2020)
J. Newlands (resigned 30/10/2020)

24. KEY MANAGEMENT PERSONNEL REMUNERATION CONTINUED

(b) Other key management personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of The Real Estate Institute of Queensland Limited, directly or indirectly, during the financial year:

Name	Position
A. Mercorella	Chief Executive Officer
R. Facey	Chief Financial Officer
K. Beavon	Legal Counsel and Company Secretary
S. Collins	Information, Communications & Technology Manager
S. Butler	Head of Marketing and Content (appointed 08/02/2021)
S. Richardson	Training Services Manager (resigned 27/11/2020)
N. McAulay	Sales and Service Manager (resigned 15/04/2021)
J. Callaghan	Chief Operating Officer (resigned 20/08/2020)

25. RELATED PARTIES

(a) The Company's main related parties are as follows:

Key management personnel - refer to Note 24.

(a) Transactions with related parties

All directors (and/or their related entities), other than E. Chung and J. Boyd, made payments to the Institute for a range of membership services on normal commercial terms and conditions, including stationery purchases and training course fees. The aggregate amount was:

	2021	2020
	$	$
Membership and other services	**7,309**	4,171

All directors (and/or their related entities), other than E. Chung and J. Boyd, made payments to the Institute for membership subscriptions. All the transactions were within a normal employee or member relationship that would have been adopted if dealing with the directors or their related entities at arm's length in the same circumstances.

During the year, the Institute paid a premium on normal commercial terms and conditions to insure certain officers of the company. The directors of the company covered by the insurance policy include all the directors named above. The liabilities insured include costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Institute.

In addition to the transactions mentioned above, the following transactions also occurred with related parties:

	Purchases	Sales	Other
Directors			
Providing training services (Peter Camphin)	1,430	-	-
Providing tax and other services (Eddie Chung - BDO (QLD) Pty Ltd)	19,327	-	-

26. AUDITORS' REMUNERATION

	2021	2020
	$	$
Remuneration of the auditor, Mazars Audit (QLD) Pty Limited, for:		
- Audit services	**25,125**	24,750
- Preparation of financial report	**4,750**	4,750
	29,875	29,500

27. CONTINGENCIES

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2021 (30 June 2020: None).

28. VALUATION

The basis of valuation of investment property, land and buildings is fair value being the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Cannon Hill investment property valuation has involved seeking a current market appraisal from an independent licensed real estate agent familiar with the property and its location.

In addition, the Institute has undertaken a calculation of the property based on the current rental income and rates of return for similar properties in that location.

Finally, the Directors have reviewed the general market outlook in the location, based on commentary from commercial agents, its own market research and various other commentary.

29. FRANKING CREDITS

	2021	2020
	$	$
The franking credits available for subsequent financial years at tax rate of 30%	-	3,725,348

The above available balance is based on the dividend franking account at year-end adjusted for:

(d) Franking credits that will arise from the payment of the current tax liabilities;
(e) Franking debits that will arise from the payment of dividends recognised as a liability at the year end;
(f) Franking credits that will arise from the receipt of dividends recognised as receivables at the end of the year.

30. COVID-19

Covid-19 and its associated economic impacts remain uncertain. The Company continues to closely monitor developments with a focus on potential financial and operational impacts. The Directors, on the date of approving these financial statements, are of the view the effects of Covid-19 do not change the significant estimates, judgments and assumptions in the preparation of the financial statements, however note that the situation is continuing to evolve.

31. EVENTS AFTER THE END OF THE REPORTING PERIOD

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

32. MEMBERS' GUARANTEE

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee.

If the company is wound up, the constitution states that each member is required to contribute a maximum of $5 each towards meeting any outstanding obligations of the entity. As at 30 June 2021, the number of members was 4,157 (2020: 4,268).

32. STATUTORY INFORMATION

The registered office and principal place of business of the company is:

The Real Estate Institute of Queensland Limited
Level 1, 50 Southgate Avenue
Cannon Hill Qld 4170

DIRECTOR'S DECLARATION

The directors of the Company declare that:

1. the financial statements and notes for the year ended 30 June 2021 are in accordance with the Corporations Act 2001 and:

    a. comply with Accounting Standards, which, as stated in basis of preparation Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and

    b. give a true and fair view of the financial position and performance of the Company;

2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director: ....

Brisbane, 24 September 2021

mazars

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The Real Estate Institute of Queensland Limited

Independent Audit Report to the members of The Real Estate Institute of Queensland Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of The Real Estate Institute of Queensland Limited (the Company), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Company's financial position as at 30 June 2021 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Entity's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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The Real Estate Institute of Queensland Limited

Independent Audit Report to the members of The Real Estate Institute of Queensland Limited

Responsibilities of Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company'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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 Australian Auditing Standards 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 the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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The Real Estate Institute of Queensland Limited

Independent Audit Report to the members of The Real Estate Institute of Queensland Limited

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Mazars

Mazars Audit (QLD) Pty Limited
Authorised Audit Company: 338599

M. J. Green
Director

Brisbane, 24 September 2021

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