FINANCIAL STATEMENTS

The Real Estate of Queensland Limited

ABN 49 009 661 287

For the Year Ended 30 June 2022

REIQ
A REAL STEP AHEAD

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

CONTENTS

DIRECTOR'S REPORT
30 JUNE 2022

The directors present their report on The Real Estate Institute of Queensland Limited for the financial year ended 30 June 2022.

1. GENERAL INFORMATION

Principal activities

The principal activities of The Real Estate Institute of Queensland Limited during the financial year were the presentation 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 activity occurred during the financial year.

Short term objectives

The Company's short term objectives are to support the industry through the current changing economic climate and to provide essential tools and resources to support real estate professionals when conducting real estate transactions. In addition, we committed to responding to changing legislative and regulatory frameworks.

Long term objectives

The Company's long term objectives are to build a sustainable and highly resilient business to support the industry.

Strategy for achieving the objectives

To achieve these objectives, the Company has adopted the following strategies:

- Collaboration with key stakeholders
- Provision of training services to ensure best practice for members of the industry
- Provision of tools and resources to aid and support the real estate industry
- An innovation framework to ensure the Company responds to changing needs and environmental, political and economic changes.

How principal activities assisted in achieving the objectives

The principal activities assisted the Company in achieving its objectives include:

- Membership support services
- Real estate forms
- Training services for the profession.

DIRECTOR'S REPORT
30 JUNE 2022

Performance measures

The following measures are used within the Company to monitor performance:

- Internal KPIs and ensuring performance against the strategic plan.

Members' guarantee

The Real Estate Institute of Queensland Limited 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. At 30 June 2022 the collective liability of members was $20,805 (2021: $20,785).

2. OPERATING RESULTS AND REVIEW OF OPERATIONS FOR THE YEAR

Operating results

The profit of the Company after providing for income tax amounted to $2,726,799 (2021: $1,357,346).

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.

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.

Events after the reporting date

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.

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

Information on directors

L.J. Bland	Director
Qualifications	Licensed real estate agent, B of Com, MAICD
Experience	Director since 17/12/2014. 20 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. 30 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.
J. Kindred	Director
Qualifications	Licensed real estate agent
Experience	Director since 26/10/2018. 20 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.

Meeting of directors

During the financial year, 22 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	BOARD		FARM		REM	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Linda Bland	9	9	-	-	5	5
Julie Boyd	9	9	-	-	5	5
Peter Brewer	9	8	-	-	-	-
Eddie Chung	9	9	8	8	-	-
Joshua Kindred	9	9	8	7	-	-
Laura Valenti	9	9	8	8	-	-
Peter Camphin	9	8	8	6	-	-
Leslie Freeman	9	9	-	-	5	5

During the financial year, the Institute paid a premium of $12,748 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 25. 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 26 of the financial statements, since 30 June 2021 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 25 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, has been an employee of the Institute since 16 September 2019, and holds the position of General 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 Assurance Pty Ltd) for audit and non audit services are set out in Note 27. 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.

DIRECTOR'S REPORT
30 JUNE 2022

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 2022, has been received and can be found on page 6 of the financial report.

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

Director: ....

Brisbane, 30 September 2022

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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 2022, 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 Assurance Pty Ltd
Authorised Audit Company: 338599

M. J. Green
Director

Brisbane, 30 September 2022

Mazars Assurance Pty Ltd
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 2022

	Note	2022 $	2021 $
Revenue	5	**11,691,515**	8,381,296
Cost of Sales	6	**(55,003)**	(54,057)
Employee Benefits Expenses		**(3,159,355)**	(2,879,725)
Property, Plant and Equipment Operating Expenses		**(1,945,083)**	(1,144,102)
Depreciation and Amortisation Expenses	6	**(680,711)**	(634,189)
Insurance		**(93,279)**	(85,631)
Loss on Disposal of Fixed Asset		**(19,161)**	(44,531)
Loss on Disposal of Shares		**(160,000)**	-
Conference, Seminar and Training Course		**(547,466)**	(465,810)
Advertising and Marketing Costs		**(507,426)**	(465,810)
Building Occupancy Costs		**(302,394)**	(246,855)
Professional Fees		**(75,982)**	(199,129)
Postage, Print, and Communication Expenses		**(17,009)**	(15,652)
Finance Costs	6	**(14,112)**	(47,008)
Other expenses		**(719,088)**	(417,839)
Profit before income tax		**3,395,446**	1,665,447
Income Tax Expense	7	**(668,647)**	(308,101)
Profit for the year		**2,726,799**	1,357,346
Other comprehensive income, net of income tax			
Items that will not be reclassified subsequently to profit or loss			
Revaluation changes for land and buildings		**544,501**	-
(Loss)/gain on the revaluation of equity instruments at fair value through other comprehensive income, net of tax		**(657,540)**	954,643
Other comprehensive (loss)/income for the year, net of tax		**(113,039)**	954,643
Total comprehensive income for the year		**2,613,760**	2,311,989

The accompanying notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION

As at 30 JUNE 2022

	Note	2022 $	2021 $
ASSETS			
Current Assets			
Cash and cash equivalents	8	**1,357,142**	615,018
Trade and other receivables	9	**143,018**	187,845
Inventories	10	**38,039**	36,609
Other assets	11	**763,894**	828,392
Financial assets	13	**4,934,031**	5,435,231
Total Current Assets		**7,236,124**	7,103,095
Non-Current Assets			
Trade and other receivables	9	**554**	7,204
Financial assets	13	**956,235**	265,416
Investment properties	14	**8,860,000**	7,232,935
Property, plant and equipment	15	**3,492,594**	2,675,340
Deferred tax assets	17	**719,824**	869,017
Intangible assets	16	**425,018**	716,350
Right of use assets	12	**81,077**	175,443
Total Non-Current Assets		**14,535,302**	11,941,705
Total Assets		**21,771,426**	19,044,800
LIABILITIES			
Current Liabilities			
Trade and other payables	18	**856,123**	851,953
Borrowings	19	**100**	511,553
Other current liabilities	20	**251,992**	392,901
Employee provisions	22	**271,624**	266,382
Contract liabilities	21	**1,612,671**	1,262,800
Lease liabilities	12	**24,555**	160,574
Total Current Liabilities		**3,017,065**	3,446,163
Non-Current Liabilities			
Employee provisions	22	**7,691**	15,744
Lease liabilities	12	**57,275**	26,506
Deferred tax liabilities	17	**714,471**	195,223
Total Non-Current Liabilities		**779,437**	237,473
Total Liabilities		**3,796,502**	3,683,636
Net Assets		**17,974,924**	15,361,164
EQUITY			
Reserves	23	**1,278,249**	1,391,288
Retained earnings		**16,696,675**	13,969,876
TOTAL EQUITY		**17,974,924**	15,361,164

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
For the Year ended 30 JUNE 2022

2022

	Retained Earnings	Asset Revaluation Surplus	Fair value reserve of financial assets at FVOCI	Total
	$	$	$	$
Balance at 1 July 2021				
Profit for the period	**13,969,876**	**531,197**	**860,091**	**15,361,164**
Other comprehensive income/(loss)	**2,726,799**	**-**	**-**	**2,726,799**
Balance at 30 June 2022	**-**	**544,501**	**(657,540)**	**(113,039)**
	16,696,675	**1,075,698**	**202,551**	**17,974,924**

2021

	Retained Earnings	Asset Revaluation Surplus	Fair value reserve of financial assets at FVOCI	Total
	$	$	$	$
Balance at 1 July 2020	12,612,530	531,197	(94,552)	13,049,175
Profit for the period	1,357,346	-	-	1,357,346
Other comprehensive income	-	-	954,643	954,643
Balance at 30 June 2021	13,969,876	531,197	860,091	15,361,164

The accompanying notes form part of these financial statements

STATEMENT OF CASH FLOWS
For the Year ended 30 JUNE 2022

	Note	2022 $	2021 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		**10,337,531**	10,707,448
Payments to suppliers and employees		**(7,751,034)**	(8,216,631)
Dividends received		**205,995**	142,327
Interest received		**8,390**	3,659
Interest paid		**(7,842)**	(33,669)
Net cash provided by/(used in) operating activities	24	**2,793,040**	2,603,134
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of plant and equipment		**12,273**	32,138
Payments for property, plant and equipment		**(93,761)**	(15,981)
Payments for intangible assets		**(298,595)**	(523,008)
Payments for financial instruments		**(2,021,015)**	(989,398)
Proceeds from sale of financial instruments		**1,013,856**	801,028
Net cash provided by/(used in) investing activities		**(1,387,242)**	(695,221)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Payment of principal portion of lease liabilities		**(158,871)**	(172,079)
Repayment of borrowings		**(504,803)**	(1,667,000)
Net cash provided by/(used in) financing activities		**(663,674)**	(1,839,079)
Net increase/(decrease) in cash and cash equivalents held		**742,124**	68,834
Cash and cash equivalents at beginning of year		**615,018**	546,184
Cash and cash equivalents at end of financial year	8	**1,357,142**	615,018

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 30 JUNE 2022

The financial report covers The Real Estate Institute of Queensland Limited as an individual entity. The Real Estate Institute of Queensland Limited is a non profit Company limited by guarantee, incorporated and domiciled in Australia.

The principal activities of the Company for the year ended 30 June 2022 were the presentation of, and the provision of services to, the real estate agents' profession.

The functional and presentation currency of The Real Estate Institute of Queensland Limited is Australian dollars.

Comparatives are consistent with prior years, unless otherwise stated.

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).

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

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 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.

2. Summary of Significant Accounting Policies (continued)

(a) Income Tax (continued)

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.

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) 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.

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.

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:

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

2. Summary of Significant Accounting Policies (continued)

(b) Revenue Recognition (continued)

Revenue from the provision of training courses, Realworks products, event fees and conference fees are recognised at the point in time. They are charged at a fixed price set via a predetermined fee schedule and include only one deliverable and the Company has therefore determined that there is only one performance obligation to be satisfied.

Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

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 receipts of the payments and recognised as revenue at the end of each month subscribed.

Statement of financial position balances relating to revenue recognition

Contract liabilities

A contract liability is recognised if a payment is received, or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

Rental income

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.

Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

(c) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand and demand deposits which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(d) Leases

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.

2. Summary of Significant Accounting Policies (continued)

(d) Leases (continued)

Right-of-use asset (continued)

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.

(e) Goods and service 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 payables are stated inclusive of 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.

(f) 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.

(g) 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.

2. Summary of Significant Accounting Policies (continued)

(h) Property, plant and equipment

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

Land and buildings

Land and buildings are measured using the revaluation model.

Plant and equipment

Plant and equipment are measured using the cost model.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight line basis over the asset's useful life to the Company, commencing when the asset is ready for use.

Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Buildings	40 years
Equipment and Furniture	4-10 years
IT Hardware	3-4 years
Leasehold Improvement	2-3 years
Motor Vehicles	4 years

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(i) 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.

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.

2. Summary of Significant Accounting Policies (continued)

(j) 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.

(k) Financial instruments

Initial recognition and measurement

Financial instruments are recognised initially on the date that the Company 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)

2. Summary of Significant Accounting Policies (continued)

(k) Financial instruments (continued)

Financial assets (continued)

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

Amortised cost

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

Investments in managed funds

The Company has a number of strategic investments in managed funds. The Company has made an irrevocable election to classify these equity investments as fair value through other comprehensive income as they are not held for trading purposes.

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 (refer to hedging accounting policy for derivatives designated as hedging instruments.)

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

2. Summary of Significant Accounting Policies (continued)

(k) Financial instruments (continued)

Financial assets (continued)

When determining whether the credit risk of 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 includes 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.

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 asset 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 and contract assets

Impairment of trade receivables and contract assets have 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 contract asset 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.

NOTES TO THE FINANCIAL STATEMENTS

For the Year ended 30 JUNE 2022

2. Summary of Significant Accounting Policies (continued)

Financial liabilities (continued)

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

(l) 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.

(m) Employee benefits

Provision is made for the Company's liability for employee benefits, those 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.

(n) 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.

(o) 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.

2. Summary of Significant Accounting Policies (continued)

(p) Intangible assets

Amortisation

Amortisation is recognised in profit or loss on a straight line basis over the estimated useful lives of intangible assets, from the date that they are available for use.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Software

Software has a finite life and is carried at cost less any accumulated amortisation and impairment losses. It has an estimated useful life of between one and three years.

(q) 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. These are not expected to significantly affect the Company in the current nor future periods.

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.

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 - fair value of financial instruments

The Company has certain financial assets and liabilities which are measured at fair value. Where fair value has not been able to be determined based on quoted price, a valuation model has been used. The inputs to these models are observable, where possible, however these techniques involve significant estimates and therefore fair value of the instruments could be affected by changes in these assumptions and inputs.

Key estimates - valuation of investment property

The Company tests annually whether investment properties have suffered any impairment, in accordance with the accounting policy stated in Note 2.

3. Critical Accounting Estimates and Judgments (continued)

Key estimates - valuation of investment property (continued)

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.

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:

	2022	2021
	$	$
Financial assets		
Cash at amortised cost	**1,357,142**	615,018
Receivables at amortised cost	**143,018**	187,845
Financial assets at fair value through OCI	**5,890,266**	5,700,647
	7,390,426	6,503,510
Financial liabilities		
Trade and other payables	**(856,123)**	(851,953)
Financial liabilities at amortised cost	**(100)**	(511,553)
Total financial liabilities	**(856,223)**	(1,363,506)

4. Financial Risk Management (continued)

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

Price risk relates to the risk that the fair value or future cash flows of a financial instruments will fluctuate because of changes in market prices of securities held being available for sale or fair value through profit and loss.

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% (2021: 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
	$	$
2022		
ASX 200 Index	-	**211,611**
2021		
ASX 200 Index	-	206,182

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.

Post tax profit for the period would increase/decrease as a result of gain/losses on equity securities classified as at FVPL. Other components of equity would increase/decrease as a result of gains/losses on equity securities classified as at FVOCI.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company.

Credit risk arises from credit exposure to customers, including outstanding receivables and committed transactions.

Trade receivables and contract assets

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

4. Financial Risk Management (continued)

Financial liabilities (continued)

The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Finance and Risk Management Committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company review includes external ratings, if they are available, financial statements, credit agency information and industry information. Credit limits are established for each customer and the utilisation of credit limits by customers is regularly monitored by line management. Customers who subsequently fail to meet their credit terms are required to make purchases on a prepayment basis until creditworthiness can be re-established.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which the customers operate.

Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

The Company has no significant concentration of credit risk with respect to any single counterparty or group of counterparties.

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	2022	2021	2022	2021	2022	2021
	%	%	%	%	%	%
0-30 days	10.00	19.50	41,253	85,583	4,125	16,676
31-60 days	20.00	100.00	7,606	245	1,521	245
61-90 days	100.00	-	4,300	-	4,300	-
91+ days	100.00	-	3,300	-	3,300	-
			56,459	85,828	13,246	16,921

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		1-5 years		Over 5 years		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Non-Interest Bearing	$	$	$	$	$	$	$	$	$	$
	856,224	851,953	-	-	-	-	-	-	-	-
	856,224	851,953	-	-	-	-	-	-	-	-

Fair Value Measurement

The following tables detail the consolidated entity's assets and liabilities, measured, or disclosed at fair value, using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

(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).

4. Financial Risk Management (continued)

Fair Value Measurement (continued)

2022	Level 1	Level 2	Level 3
Assets			
Investment in managed fund at fair value through OCI	**5,290,266**	-	600,000
Investment properties	-	-	8,860,000
Land and buildings	-	-	2,940,000
Total assets	**5,290,266**	-	12,400,000

2021	Level 1	Level 2	Level 3
Assets			
Investment in managed fund at fair value through OCI	5,540,647	-	-
Ordinary shares at fair value through OCI	-	-	160,000
Investment properties	-	-	7,232,935
Land and buildings	-	-	2,442,236
	5,540,647	-	9,835,171

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.

Valuation techniques for fair value measurements categorised within level 2 and level 3

The basis of the valuation of investment properties is fair value. The investment properties are revalued at least every 3 years based on independent assessments by a member of the Australian Property Institute having recent experience in the location and category of investment property being valued. Valuations are based on current prices in an active market for similar properties of the same location and condition, subject to similar leases and takes into consideration occupancy rates and returns on investment.

The basis of the valuation of land and buildings is fair value. The land and buildings were revalued in June 2022 based on independent assessments by a member of the Australian Property Institute having recent experience in the location and category of land and buildings being values. Valuations are based on current prices for similar properties in the same location and condition.

Investment in managed funds has been valued using quoted market rates. This valuation technique maximises the use of observable market data where it is available and relies as little as possible on entity specific estimates.

NOTES TO THE FINANCIAL STATEMENTS

For the Year ended 30 JUNE 2022

5. Revenue and Other Income

	2022	2021
	$	$
Revenue from contracts with customers		
- Sale of goods*	**6,607,980**	5,350,251
- Rendering of services**	**2,421,679**	2,367,541
	9,029,659	7,717,792
Other Revenue		
- Interest and dividends	**214,384**	145,987
- Rental income from investment property	**611,493**	444,670
- Gain on sale of financial assets	**49,421**	72,847
- Gain on sale of fixed assets	**12,273**	-
- Gain on investment property valuation	**1,774,285**	-
	2,661,856	663,504
Revenue from continuing operations	**11,691,515**	8,381,296

*Revenue is earned and recognised at a point in time.

**Revenue is earned and recognised over time.

6. Result for the Year

The result for the year includes the following specific expenses:		
Cost of Sales	**55,003**	54,057
Depreciation and amortisation		
Buildings	**254,653**	253,906
Plant and machinery	**112,635**	239,739
Software	**171,706**	-
Right of use assets	**141,717**	140,544
Total Depreciation	**680,711**	634,189
Loss on Disposal of Fixed Asset	**19,161**	44,531
Finance costs		
Finance costs	**14,112**	47,008

NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 30 JUNE 2022

7. Income Tax Expense

	2022	2021
	$	$
(a) The major components of tax expense (income) comprise:		
Income Tax Expense		
- Deferred tax	**668,647**	308,101
Deferred income tax expenses included in income tax expense comprises:		
- Decrease/(Increase) in deferred tax assets	**110,766**	231,712
- Decrease/(Increase) in deferred tax liabilities	**526,956**	7,889
- Adjustment due to change in tax rate	**25,923**	53,570
- Adjustments for deferred tax of prior periods	**5,002**	14,930
	668,647	308,101
(b) Reconciliation of income tax to accounting profit:		
Prima facie tax payable on profit from ordinary activities before income tax at 25% (2021: 26%)	**848,861**	433,016
Add:		
Tax effect of:		
- Entertainment	**818**	140
- Income from investments	**25,061**	(16,439)
- Non taxable member income arising from mutuality	**(237,018)**	(177,117)
- Adjustment due to change in tax rate	**25,923**	53,571
- Adjustments in respect of deferred income tax of previous years	**5,002**	14,930
Income tax (benefit)/expense reported in the statement of profit or loss	**668,647**	308,101
(c) Deferred tax assets and liabilities:		
Deferred tax assets to be recovered within 12 months	**89,313**	134,532
Deferred tax assets expected to be recovered after more than 12 months	**630,511**	734,485
	719,824	869,017

8. Cash and Cash Equivalents

	2022	2021
	$	$
Bank balances	**1,357,142**	615,018
	1,357,142	615,018

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 and cash equivalents	**1,357,142**	615,018
Balance as per statement of cash flows	**1,357,142**	615,018

9. Trade and Other Receivables

CURRENT		
Trade receivables	**152,513**	175,886
Expected credit loss provision	**(13,246)**	(16,921)
Other receivables	**3,751**	28,880
	143,018	187,845
NON-CURRENT		
Loan and advances	**554**	7,204
	554	7,204

(a) Impairment of receivables

As at 30 June 2022 current trade receivables of the Institute with a nominal value of $152,513 (2021: $175,886) were impaired. The amount of the provision was $13,246 (2021: $16,921). The individually impaired receivables mainly relate to customers which 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 2022 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. The institute's exposure to credit risk is discussed in Note 4.

10. Inventories

	2022	2021
CURRENT	$	$
At cost:		
Retail shop stock	**38,039**	36,609
	38,039	36,609

Inventories recognised as expense during the financial year ended 30 June 2022 and included in cost of sales amounted to $55,003 (2021: $54,057).

11. Other Assets

	2022	2021
CURRENT		
Prepayments	**763,894**	828,392
	763,894	828,392

12. Leases

Company as a lessee

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

Terms and conditions of leases

The building lease is for the corporate office at 26 Marine Parade, Southport. It will expire in July 2022 and does not have an option for extension for the lease.

The office equipment is for the printer. It was renewed in March 2022 and has 5 years remaining. The lease is subject to a fixed rent of $1,564 per month.

12. Leases (continued)

Right of use assets	Buildings	Plant and Equipment	Total
	$	$	$
Year ended 30 June 2022			
Balance at beginning of year	**123,815**	**51,628**	**175,443**
Depreciation charge	**(114,970)**	**(55,430)**	**(170,400)**
Additions to right of use assets	**-**	**76,034**	**76,034**
Balance at end of year	**8,845**	**72,232**	**81,077**

	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

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

	< 1 year	1 - 5 years	Total undiscounted lease liabilities	Lease liabilities included in this Statement of Financial Position
	$	$	$	$
2022				
Lease liabilities	**27,712**	**62,577**	**90,289**	**81,830**
2021				
Lease liabilities	160,574	26,506	187,080	187,080

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 interest expense on lease liabilities and short term leases or leases of low value assets are shown below:

	2022	2021
	$	$
Interest expense on lease liabilities	**(6,270)**	(13,339)
Depreciation of right of use assets	**(141,717)**	(140,544)
	(147,987)	(153,883)
Total cash outflow for leases	**(158,871)**	(172,079)
	(158,871)	(172,079)

13. Financial assets

	2022	2021
	$	$
At the beginning of year	**5,700,647**	4,557,634
Purchases/acquisitions	**1,861,015**	989,398
Disposals	**(1,063,276)**	(873,874)
Revaluation gain/(deficit) transferred to expenditure	**49,421**	72,846
Revaluation surplus/(deficit) transferred to equity	**(657,541)**	954,643
	5,890,266	5,700,647
CURRENT - Financial assets at fair value through other comprehensive income		
Listed securities		
Equity securities	**4,934,031**	5,435,231
	4,934,031	5,435,231
NON-CURRENT - Financial assets at fair value through other comprehensive income		
Listed securities		
Equity securities	**356,235**	105,416
Unisted securities		
Equity securities	**-**	160,000
Investment in unit trust fund		
Unlisted unit trusts	**600,000**	-
	956,235	265,416

(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) Unisted Securities

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

(c) Investment in unit trust fund

During the year, REIQ invested into 2 unit trust funds, Swift Storage Trust and 41 Kayili Rd Kalgoorlie Unit Trust, with investment amounts of $450,000 and $150,000 respectively.

(d) 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

	2022	2021
Reconciliation	**$**	**$**
At independent valuation		
Opening balance as at 1 July	**7,232,935**	5,280,345
Amortisation	**(147,221)**	(108,306)
Revaluation increment	**1,774,286**	-
Reclassification	**-**	2,060,896
Balance at end of the year	**8,860,000**	7,232,935
Amounts recognised in profit and loss for investment property		
Rental income from investment property	**611,493**	444,670

(a) Valuations

The Institute obtains independent valuations for its investment property approximately every 3 years.

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.

14. Investment Properties (continued)

(b) Leasing arrangements

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

	2022	2021
	$	$
Within one year	**589,486**	668,201
Later than 1 year but not later than 5 years	**485,150**	1,074,635
	1,074,636	1,742,836

15. Property, plant and equipment

	2022	2021
LAND AND BUILDINGS		
At independent valuation	**3,126,200**	2,581,699
Accumulated depreciation	**(186,200)**	(139,463)
Total land and building	**2,940,000**	2,442,236
EQUIPMENT AND FURNITURE		
At cost	**645,996**	224,181
Accumulated depreciation	**(231,592)**	(157,328)
Total equipment and furniture	**414,404**	66,853
IT HARDWARE		
At cost	**1,589,103**	1,582,277
Accumulated depreciation	**(1,582,293)**	(1,578,300)
Total IT hardware	**6,810**	3,977
MOTOR VEHICLE		
At cost	**59,572**	50,271
Accumulated depreciation	**(29,774)**	(50,271)
Total motor vehicles	**29,798**	-
LEASEHOLD IMPROVEMENT		
At cost	**360,409**	360,409
Accumulated amortisation	**(258,827)**	(198,135)
Total leasehold improvements	**101,582**	162,274
Total property, plant and equipment	**3,492,594**	2,675,340

15. Property, plant and equipment (continued)

(a) Movements in Carrying Amounts

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

	Land and Buildings	IT Hardware	Equipment and Furniture	Leasehold Improvement	Motor Vehicles	Total
	$	$	$	$	$	$
Year ended 30 June 2021						
Balance at beginning of the year	2,442,236	3,977	66,853	162,274	-	2,675,340
Additions	-	8,239	462,420	-	38,637	509,296
Revaluation increments	544,501	-	-	-	-	544,501
Disposals	-	(256)	(16,219)	-	-	(16,475)
Depreciation expense	(46,737)	(5,150)	(98,650)	(60,692)	(8,839)	(220,068)
Balance at the end of the year	2,940,000	6,810	414,404	101,582	29,798	3,492,594

16. Intangible assets

	2022	2021
	$	$
Computer software		
Cost	**1,661,844**	1,593,616
Accumulated amortisation	**(1,487,260)**	(1,341,964)
Total computer software	**174,584**	251,652
Work in progress		
Cost	**250,434**	464,698
Total work in progress	**250,434**	464,698
Total Intangible assets	**425,018**	716,350

(a) Movements in carrying amounts of intangible assets

	Computer software	Work in progress	Total
	$	$	$
Year ended 30 June 2022			
Balance at beginning of year	**251,652**	**464,698**	**716,350**
Additions	**-**	**298,595**	**298,595**
Transfers	**97,324**	**(512,859)**	**(415,535)**
Amortisation	**(171,706)**	**-**	**(171,706)**
Written off	**(2,686)**	**-**	**(2,686)**
Balance at end of year	**174,584**	**250,434**	**425,018**

17. Tax assets and liabilities

	2022	2021
	$	$
(a) Deferred Tax Assets		
Employee benefits	79,466	52,532
Tax losses	630,511	734,485
Other	9,847	82,000
	719,824	869,017
(b) Deferred Tax Liabilities		
Revaluation of non-current assets	605,330	168,229
Fixed assets	97,512	-
Other	11,629	26,994
	714,471	195,223

NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 30 JUNE 2022

18. Trade and Other Payables

	2022	2021
	$	$
CURRENT		
Trade and other creditors	**585,369**	599,018
Accrued expenses	**247,565**	238,387
Credit cards	**23,189**	14,548
	856,123	851,953

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.

19. Borrowings

	2022	2021
	$	$
CURRENT		
Bank loans	**100**	511,553
Total current borrowings	**100**	511,553

(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.

20. Other Current Liabilities

	2022	2021
	$	$
CURRENT		
Other current liabilities	**251,992**	392,901
	251,992	392,901

21. Contract Liabilities

	2022	2021
	$	$
CURRENT		
Contract liabilities	**1,612,671**	1,262,800
	1,612,671	1,262,800

NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 30 JUNE 2022

22. Employee Provision

	2022	2021
	$	$
CURRENT		
Long-service leave	**112,616**	110,937
Annual leave	**159,008**	155,445
	271,624	266,382
NON-CURRENT		
Long service leave	**7,691**	15,744
	7,691	15,744

23. Reserves

	2022	2021
	$	$
(a) Asset realisation reserve		
Balance 1 July	**531,197**	531,197
Revaluation	**544,501**	-
Balance 30 June	**1,075,698**	531,197
(b) Financial asset reserve		
Balance 1 July	**860,091**	(94,552)
Increase/(decrease) on value of investment portfolio	**(657,540)**	954,643
	202,551	860,091
	1,278,249	1,391,288

24. Cash Flow Information

	2022	2021
	$	$
(a) Reconciliation of cash		
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 and cash equivalents	**1,357,142**	615,018
(b) Reconciliation of result for the year to cashflows from operating activities		
Profit after income tax expense for the year	**2,726,799**	1,357,346
Cash flows excluded from profit attributable to operating activities		
Adjustment for non cash flows in profit:		
- amortisation / depreciation	**538,994**	493,645
- amortisation - right of use asset	**141,717**	140,544
- interest on lease liabilities	**6,270**	13,339
- loss on fixed assets written off	**19,161**	-
- loss on fixed assets written off	**160,000**	-
- gain on investment property revaluation	**(1,774,285)**	-
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	**32,554**	(64,136)
- (increase)/decrease in other assets	**64,498**	(264,369)
- (increase)/decrease in inventories	**(1,430)**	7,099
- (increase)/decrease in net deferred tax	**668,441**	308,1015
- increase/(decrease) in trade and other payables	**4,170**	384,613
- increase/(decrease) in other current liabilities	**(140,909)**	117,015
- increase/(decrease) in contract liabilities	**349,871**	78,216
- increase/(decrease) in employee provisions	**(2,811)**	31,721
Cashflows from operating activities	**2,793,040**	2,603,134

24. Cash Flow Information (continued)

(c) Borrowing facilities

The following facilities were available at the end of the reporting period:

	2022 $	2021 $
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)	**100**	511,553
	100	511,553
Unused at reporting date		
Market rate loan (NAB	**4,499,900**	3,988,447
	4,499,900	3,988,447

25. Key Management Personnel Disclosures

The remuneration paid to key management personnel of The Real Estate Institute of Queensland Limited during the year is as follows:

	2022 $	2021 $
Short term employee benefits	**1,352,625**	1,345,876
Long term benefits	**16,127**	15,338
Post employment benefits	**123,520**	117,194
	1,492,272	1,478,408

(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
E. Chung
L. Freeman
J. Kindred
L. Valenti

(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 (resigned on 10/09/2021)
K. Beavon	General Counsel and Company Secretary
S. Collins	Information, Communications & Technology Manager
S. Butler	Head of Marketing and Content
D. Milton	Chief Financial Officer (appointed on 05/10/2021)

26. Related Parties

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

Key management personnel - refer to Note 25.

(b) 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 event and webinar purchases. The aggregate amount was:

	2022	2021
	$	$
Membership and other services	4,467	7,309

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	Payables
BDO (Qld) Pty Ltd			
Providing tax and other services (Director related)	**16,970**	-	-
Aventus Legal			
Legal services (KMP related)	**38,500**	-	(22,000)

NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 30 JUNE 2022

27. Auditors' Remuneration

	2022	2021
	$	$
Remuneration of the auditor, Mazars Assurance Pty Limited, for:		
- Audit services	**27,500**	25,125
- Preparation of financial report	**5,225**	4,750
	32,725	29,875

28. Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2022 (30 June 2021: None).

29. Events Occurring After the Reporting Date

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.

30. 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 2022, the number of members was 4,161 (2021: 4,157).

31. 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
Brisbane QLD 4170

DIRECTOR'S DECLARATION

The directors of the Company declare that:

1. The financial statements and notes for the year ended 30 June 2022 are in accordance with the Corporations Act 2001 and:

   a. comply with Australian Accounting Standards, 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 as at 30 June 2022 and of the performance for the year ended on that date 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 .... Peter Brewer

Brisbane, 30 September 2022

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THE REAL ESTATE INSTITUTE OF QUEENSLAND LIMITED

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Brisbane Qld 4000

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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 2022, 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 30 June 2022, 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 2022 and of its financial performance for the year ended 30 June 2022; 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 (including Independence Standards)* (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 2022, 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.

Mazars Assurance Pty Ltd
ABN: 13 132 902 188 | Authorised Audit Company: 338599
Liability limited by a scheme approved under Professional Standards Legislation

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THE REAL ESTATE INSTITUTE OF QUEENSLAND LIMITED

mazars

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.

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THE REAL ESTATE INSTITUTE OF QUEENSLAND LIMITED

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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.

Mazars Assurance Pty Ltd
Authorised Audit Company: 338599

M. J. Green
Director

Brisbane, 30 September 2022

A REAL STEP AHEAD