



28 June 2022

Christian Payne  
President  
Real Estate Employers' Federation

Sent via email: [admin@reef.org.au](mailto:admin@reef.org.au)  
CC: [bryan@reef.org.au](mailto:bryan@reef.org.au); [rwilliams@stirlingwilliams.com.au](mailto:rwilliams@stirlingwilliams.com.au)

Dear Christian Payne,

### **Real Estate Employers' Federation**

#### **Financial Report for the year ended 31 December 2021 – (FR2021/329)**

I acknowledge receipt of the financial report for the year ended 31 December 2021 for the Real Estate Employers' Federation (**the reporting unit**). The financial report was lodged with the Registered Organisations Commission (**ROC**) on 12 June 2022. I also acknowledge receipt of the amended financial report lodged on 22 June 2022.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

I make the following comments to assist you when you next prepare a financial report. The ROC will confirm these concerns have been addressed prior to filing next year's report.

#### **Documents Not Lodged on Time**

As you are aware, an organisation is required under the the Fair Work (Registered Organisations) Act 2009 (the **RO Act**) to undertake certain steps in accordance with specified timelines. Information about these timelines can be found on the ROC website. In particular, I draw your attention to the fact sheet titled 'Financial reporting process' which explains the timeline requirements, and the fact sheet titled 'Summary of financial reporting timeline's' which sets out the timelines in diagrammatical format.

I note that the following timescale requirements were not met:

#### Documents must be lodged with ROC within 14 days after general meeting

Section 268 of the RO Act requires a copy of the full report and the designated officer's certificate to be lodged with the ROC within 14 days after the general meeting of members referred to in section 266. The designated officer's certificate indicates that this meeting occurred on the 13 May 2022. If this is correct the documents should have been lodged with the ROC by 27 May 2022. The full report was not lodged until 12 June 2022.

#### **Related Parties**

##### Key management personnel compensation

The report does not disclose compensation paid to key management personnel (KMP). Australian Accounting Standard AASB 124 *Related Party Disclosures* paragraph 9 defines KMP as those

persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity

Australian Accounting Standard AASB 124 *Related Party Disclosures* paragraph 17 requires the general purpose financial report to disclose within the notes compensation paid to key management personnel.

This includes the total amount of compensation paid to all key management personnel, and then totals for each of the following categories:

- Short term employee benefits
- Post-employment benefits
- Other long term employee benefits
- Termination benefits
- Any share based payments.

The definitions for these categories can be found within accounting standard AASB 119 *Employee Benefits*.

### **Materiality**

Australian Accounting Standard AASB 101 *Presentation of Financial Statements* paragraph 97 requires material items to be presented separately. Note 5E to the financial statements reports \$233,789 as 'Other admin expenses', which is a material amount. This item is required to be further divided to ensure that any material items within 'Other admin expenses' are separately disclosed.

Materiality is a matter of professional judgment however I would encourage the reporting unit to review this expenditure item, taking into consideration the information needs of the users.

### **Statement of Comprehensive Income**

The balance of total comprehensive income is incorrect

The disclosed balance for total comprehensive income within the statement of comprehensive income is misstated. The balance for total net comprehensive income is reported in the statement of comprehensive income as \$558,467 however the correct balance is \$588,467.

Please ensure that in future years the reporting unit presents the correct balance for each subtotals and totals within the financial statements

### **Officer Declaration Statement**

The 'Officer Declaration Statement' was signed by the Chief Executive Officer. This declaration must be signed and dated by a designated officer (refer to sections 6, 9 and 243 of the RO Act).

### **Reporting Requirements**

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 reporting guidelines and a model set of financial statements.

The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 reporting guidelines and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any queries regarding this letter, please contact me on (03) 9603 0988 or by email at [Madeleine.Hurrell@roc.gov.au](mailto:Madeleine.Hurrell@roc.gov.au).

Yours sincerely

*Madeleine Hurrell*

**Madeleine Hurrell**  
**Financial Reporting Officer**  
**Registered Organisations Commission**

**Real Estate Employers' Federation**

s.268 *Fair Work (Registered Organisations) Act 2009*

## Certificate by prescribed designated officer

Certificate for the year ended **31 December 2021**

I **Christian Sidney Payne**, being the President of the Real Estate Employers' Federation, certify:

- that the documents lodged herewith are copies of the full report for the Real Estate Employers' Federation for the period referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on **13 April 2022**; and
- that the full report was presented to a general meeting of members of the reporting unit on **13 May 2022** in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer: .....

Name of prescribed designated officer: .....**Christian Sidney Payne**.....

Title of prescribed designated officer: .....**President**.....

Dated: .....**10 June 2022**.....



**REAL ESTATE EMPLOYERS' FEDERATION**

**ABN: 45 886 190 723**

**Financial Statements**

**For the year ended 31 December 2021**

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**STIRLING WILLIAMS  
CHARTERED ACCOUNTANT  
ABN 24 389 387 809**

**Auditor's Independence Declaration**

**To the Committee Members of the Real Estate Employers' Federation**

As lead auditor for the audit of the Real Estate Employers' Federation for the year ended 31 December 2021; I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

**Stirling Williams**

.....  
**Roger Charles Williams  
Partner  
Date: 27 February 2022  
Auditor Registration number AA/2018/8**

51-63 Panorama Drive, Doonan, Queensland, Australia  
PO Box 472 Eumundi 4562  
Phone: 07 5449 1798  
Email: [rwilliams@stirlingwilliams.com.au](mailto:rwilliams@stirlingwilliams.com.au)





**STIRLING WILLIAMS  
CHARTERED ACCOUNTANT  
ABN 24 389 387 809**

**Independent Audit Report**

**To the Members of the Real Estate Employers' Federation**

**Opinion**

I have audited the financial report of Real Estate Employers' Federation (the Federation), which comprises the statement of financial position as at 31 December 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 December 2021, notes to the financial statements, including a summary of significant accounting policies, the Committee of Management Statement, the subsection 255(2A) report and the Officer's Declaration Statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of Real Estate Employers' Federation as at 31 December 2021, and its financial performance and its cash flows for the year ended on that date in accordance with:

- a) the Australian Accounting Standards; and
- b) any other requirements imposed by the reporting guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

I declare that management's use of the going concern basis in the preparation of the financial statements of the reporting unit is appropriate.

**Basis for Opinion**

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the reporting unit in accordance with 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 my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

**Information Other than the Financial Report and Auditor's Report Thereon**

The committee of management is responsible for the other information. The other information obtained at the date of this auditor's report is in the operating report accompanying the financial report.

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

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

### **Responsibilities of Committee of Management for the Financial Report**

The committee of management of the reporting unit is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the committee of management 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 committee of management is responsible for assessing the reporting unit'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 committee of management either intend to liquidate the reporting unit or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Report**

My objective is 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 my 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, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 my 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 reporting unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee of management.
- Conclude on the appropriateness of the committee of management's 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 reporting unit's ability to continue as a going concern. If I conclude that a material



uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the reporting unit 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the reporting unit to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the reporting unit audit. I remain solely responsible for my audit opinion.

I communicate with the committee of management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I declare that I am an auditor registered under the RO Act.

### **Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of section 257(7) of the RO Act, I am required to describe any deficiency, failure or shortcoming in respect of the matters referred to in section 252 and 257(2) of the RO Act.

My opinion on the financial report is not modified in respect of the following matters because, in my opinion, it has been appropriately addressed by the Federation and is not considered material in the context of the audit of the financial report as a whole.

**Stirling Williams**



.....

**Roger Charles Williams**

**Partner**

**Date: 27 February 2022**

**Auditor Registration number AA/2018/8**

51-63 Panorama Drive, Doonan, Queensland, Australia

PO Box 472 Eumundi 4562

Phone: 07 5449 1798

Email: [rwilliams@stirlingwilliams.com.au](mailto:rwilliams@stirlingwilliams.com.au)

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## Real Estate Employers' Federation

### Report required under subsection 255(2A) for the year ended 31 December 2021

The committee of management presents the expenditure report as required under subsection 255(2A) on the reporting unit for the period year ended 31 December 2021.

Categories of expenditures	31/12/21 \$	31/12/20 \$
Remuneration and other employment-related costs and expenses - employees	895,738	816,812
Advertising	23,408	21,468
Operating costs	566,172	422,056
Donations to political parties	-	-
Legal costs	52,136	74,819



Paul Patrick Byrne  
Treasurer

Dated: 27 February 2022

# **Real Estate Employers' Federation**

## ***Operating Report for the Year Ended 31 December 2021***

The Committee of Management of the Real Estate Employers' Federation (the "Federation") presents its report for the financial year ended 31 December 2021.

### **Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year**

The principal activities of the Federation were to serve the interests of employers in the real estate industry. This included providing advice, guidance and support on all matters relating to employment as well as representing members in modern award and other Industrial proceedings. In this regard, we provided assistance to over 400 individual members, including the management of over 20,000 member enquiries on a broad range of employment issues. There were no significant changes in the Federation's principal activities during 2021.

### **Significant changes in financial affairs during the year**

The two significant changes in financial affairs during 2021 were:

1. The Federation received \$116,661.10 from the Real Estate Employers' Federation of South Australia & Northern Territory (REEFSA/NT), being an organisation which was dissolved during 2021.
2. A formal re-valuation of the Federation's office suite in Bathurst Street, Sydney increased the value from \$1,950,000 to \$2,200,000.

There were no other significant changes in the Federation's financial affairs during 2021.

### **Right of members to resign**

Members' rights to resign are set out in Rule 8 of the Federation's Rules. In summary, a member may resign from membership by written notice addressed and delivered to the Chief Executive Officer at the registered office of the organisation.

### **Officer(s) and/or member(s) who are superannuation fund trustee(s) where criterion of being trustee is that the person is a member or officer of reporting unit**

Not applicable.

### **Number of members**

At the end of December 2021, there were 1,826 members.

### **Number of employees (on a full time equivalent basis)**

REEF employs 6 full time employees and one casual employee.

**Names of all Committee of Management members who held office during the year and the period which each such person held office during the year**

<b>Name</b>	<b>Position on Committee</b>	<b>Period position held during the 2021 year</b>	<b>Name of company of which member is a director/representative</b>	<b>Principal Activity of company</b>
Mr. Christian Payne	President	1 Jan to 31 Dec 2021	Real Estate Team Pty Limited	Real Estate services
Mr. Paul Deegan	Vice President	1 Jan to 31 Dec 2021	RE Lismore Pty Limited	Real Estate services
Mr. Paul Byrne	Treasurer	1 Jan to 31 Dec 2021	Byrne Bros. Realty Pty Limited	Real Estate services
Mr. Steve Martin	Committee Member	1 Jan to 31 Dec 2021	Syefile Pty Limited	Real Estate services
Mr. Anthony Abboud	Committee Member	1 Jan to 31 Dec 2021	Snowden Parkes Real Estate Pty Limited	Real Estate services
Ms. Joanne Thorpe	Committee Member	1 Jan to 31 Dec 2021	Mustex Pty Limited	Real Estate services
Mr. Milton Leslight	Committee Member	31 Mar to 31 Dec 2021	Beaches & Bush Properties Pty Limited	Real Estate services
Ms. Bree Higgins	Committee Member	31 Mar to 16 Nov 2021	Cunningham Real Estate Pty Limited	Real Estate services
Ms. Linda Baker	Committee Member	10 Dec to 31 Dec 2021	Elm Real Estate Pty Limited	Real Estate services

No Committee member held a company directorship or was a member of a Board of Directors because of their position on the Committee of Management of the Federation.

#### **Auditor's Independence Declaration**

A copy of the auditor's independence declaration is set out on page 3.

This report is made in accordance with a resolution of the Committee of Management and is signed for and on behalf of the Committee of Management by:



**Paul Patrick Byrne**  
Treasurer

**Dated: 27 February 2022**



## The Real Estate Employers' Federation

### ***Committee of Management Statement for the year ended 31 December 2021***

On 23 February 2022 the Committee of Management of the Real Estate Employers' Federation passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31st December 2021:

The Committee of Management declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
  - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
  - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
  - (v) where information has been sought in any request by a member of the reporting unit or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and
  - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

This declaration is made in accordance with a resolution of the Committee of Management.



**Paul Patrick Byrne**  
Treasurer

**Dated: 27 February 2022**

# Real Estate Employers' Federation

## *Statement of Comprehensive Income for the year ended 31 December 2021*

	Notes	2021 \$	2020 \$
<b>Revenue</b>			
Membership subscription		1,773,426	1,465,888
Member services – Road Show		-	5,000
Capitation fees and other revenue from another reporting unit	4A	-	-
Levies	4B	-	-
<b>Total revenue</b>		<b>1,773,426</b>	<b>1,470,888</b>
<b>Other Income</b>			
Investment Income	4C	2,495	8,248
Grants or donation	4D	-	-
Revenue from recovery of wages activity	4E	-	-
Government assistance – COVID 19	4F	100,000	63,000
<b>Total other income</b>		<b>102,495</b>	<b>76,248</b>
<b>Total income</b>		<b>1,875,921</b>	<b>1,542,136</b>
<b>Expenses</b>			
Employee expenses	5A	895,739	816,812
Capitation fees and other expense to another reporting unit	5B	-	-
Affiliation fees	5C	-	-
Grants or donations	5D	-	182
Administration expenses	5E	483,953	413,294
Depreciation and amortisation	5F	15,828	17,410
Legal costs	5G	52,136	74,819
Net losses from disposals of assets	5H	80,798	3,638
Audit fees	13	9,000	9,000
<b>Total expenses</b>		<b>1,537,454</b>	<b>1,335,155</b>
<b>Surplus for the year</b>		<b>338,467</b>	<b>206,981</b>
<b>Other comprehensive income</b>			
Items that will not be subsequently reclassified to profit or loss			
Gain on revaluation of strata building		250,000	-
<b>Total comprehensive income for the year</b>		<b>558,467</b>	<b>206,981</b>

The above statement should be read in conjunction with the notes.



# Real Estate Employers' Federation

## Statement of Financial Position as at 31 December 2021

	Note	2021 \$	2020 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	6A	2,235,620	2,104,017
Trade and other receivables	6B	78,850	-
Other current assets	6C	40,840	10,074
<b>Total current assets</b>		<b>2,355,310</b>	<b>2,114,091</b>
<b>Non-current Assets</b>			
Strata property	7A	2,200,000	1,950,000
Plant and equipment	7A	310,785	68,561
Intangibles	7B	-	67,859
<b>Total non-current assets</b>		<b>2,510,785</b>	<b>2,086,420</b>
<b>Total assets</b>		<b>4,866,095</b>	<b>4,200,511</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade payables	8A	18,654	10,016
Other payables	8B	163,386	168,686
Employee provisions	9A	83,684	47,333
Deferred income		1,088,669	1,191,517
<b>Total current liabilities</b>		<b>1,354,393</b>	<b>1,417,552</b>
<b>Non-Current Liabilities</b>			
Employee provisions	9A	23,615	-
		<b>23,615</b>	<b>-</b>
<b>Total liabilities</b>		<b>1,378,008</b>	<b>1,417,552</b>
<b>Net assets</b>		<b>3,488,087</b>	<b>2,782,959</b>
<b>EQUITY</b>			
Revaluation reserve	10A	250,000	-
Retained earnings		3,238,087	2,782,959
<b>Total equity</b>		<b>3,488,087</b>	<b>2,782,959</b>

The above statement should be read in conjunction with the notes.

# Real Estate Employers' Federation

## *Statement of Changes in Equity for the year ended 31 December 2021*

	Revaluation Reserves \$	Retained Earnings \$	Total \$
<b>Balance at 1 January 2020</b>	-	2,575,978	2,575,978
Surplus for the year	-	206,981	206,981
Other comprehensive income	-	-	-
<b>Closing balance at 31 December 2020</b>	-	<b>2,782,959</b>	<b>2,782,959</b>
Surplus for the year	-	338,467	338,467
Other comprehensive income	250,000	-	250,000
Value of net cash assets transferred from REEF South Australia & Northern Territory following the dissolution of their organisation	-	116,661	116,661
<b>Closing balance at 31 December 2021</b>	<b>250,000</b>	<b>3,238,087</b>	<b>3,488,087</b>

The above statement should be read in conjunction with the notes.

# Real Estate Employers' Federation

## *Statement of cash flows* *for the year ended 31 December 2021*

	Note	2021 \$	2020 \$
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Subscriptions received		1,670,578	1,783,089
Government assistance – COVID 19		21,150	63,000
Interest		2,495	9,377
Other		-	5,000
<b>Cash used</b>			
Employees		(818,985)	(788,508)
Suppliers		(588,995)	(374,479)
Interest payments		(310)	-
<b>Net cash provided by operating activities</b>	<b>11A</b>	<b>285,933</b>	<b>697,479</b>
<b>INVESTING ACTIVITIES</b>			
<b>Cash used</b>			
Purchase of plant and equipment		(270,991)	(20,560)
<b>Net cash used in investing activities</b>		<b>(270,991)</b>	<b>(20,560)</b>
<b>Net increase in cash held</b>		<b>14,942</b>	<b>676,919</b>
Cash at the beginning of the financial year		2,104,017	1,427,098
Cash acquired from REEF South Australia & Northern Territory following the dissolution of their organisation		116,661	-
<b>Cash at the end of the financial year</b>	<b>6A</b>	<b>2,235,620</b>	<b>2,104,017</b>

The above statement should be read in conjunction with the notes.

## **Real Estate Employers' Federation**

### ***Index to the notes of the financial statements***

<b>Note 1</b>	<b>Summary of significant accounting policies</b>
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<b>Note 3</b>	<b>Events after the reporting period</b>
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<b>Note 5</b>	<b>Expenses</b>
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# **Real Estate Employers' Federation**

## **Note 1 Summary of significant accounting policies**

### **1.1 Basis of preparation of the financial statements**

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period, and the *Fair Work (Registered Organisation) Act 2009*. For the purpose of preparing the general purpose financial statements, the Real Estate Employers' Federation is a not-for-profit entity.

The financial statements, except for cash flow information, have been prepared using the accrual basis of accounting and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

### **1.2 Comparative amounts**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

### **1.3 Significant accounting judgements and estimates**

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Federation's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2.

### **1.4 New or Amended Australian Accounting Standards and Interpretations adopted**

#### ***Adoption of New Australian Accounting Standard requirements***

The accounting policies adopted are consistent with those of the previous financial year except for the following standards and amendments, which have been adopted for the first time this financial year:

- *AASB 2018-7 - Amendments to Australian Accounting Standards - Definition of Material*

No accounting standard has been adopted earlier than the application date stated in the standard.

#### **Impact on adoption of AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material**

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those

financial statements, which provide financial information about a specific reporting entity.” The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the Federation.

### ***Future Australian Accounting Standards Requirements***

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to future reporting periods that are expected to have a future financial impact on the Federation include:

#### ***AASB 2020-1 — Amendments to Australian Accounting Standards — Classification of Liabilities as Current or Non-current***

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. This Standard applies to annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted.

The Federation does not expect the adoption of this amendment to have an impact on its financial statements.

### **1.5 Acquisition of assets and or liabilities that do not constitute a business combination**

The Federation received \$116,661.10 from the Real Estate Employers’ Federation of South Australia & Northern Territory (REEFSA/NT), being an organisation, which was dissolved during 2021. The cash asset are recognised as at the date of transfer.

### **1.6 Current versus non-current classification**

The Federation presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.



A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Federation classifies all other liabilities as non-current.

## **1.7 Revenue**

The Federation enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, grants, investment income and donations.

The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements.

### ***Revenue generally***

Where the Federation has a contract with a customer, it recognises revenue when or as it transfers control of goods or services to the customer. The Federation only accounts for an arrangement as a contract with a customer if the following criteria are met:

- the arrangement is enforceable; and
- the arrangement contains promises (that are also known as performance obligations) to transfer goods or services to the customer (or to other parties on behalf of the customer) that are sufficiently specific so that it can be determined when the performance obligation has been satisfied.

### ***Membership subscription***

For membership subscription arrangements that meet the criteria to be contracts with customers, revenue is recognised when the promised goods or services transfer to the customer as a member of the Federation.

The entity recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect the Federation's promise to stand ready to provide assistance and support to the member as required. Accrued and prepaid membership income is accounted for at each year end to reflect the above.

For member subscriptions paid annually in advance, the Federation has elected to apply the practical expedient to not adjust the transaction price for the effects of a significant financing component because the period from when the customer pays and the good or services will transfer to the customer will be one year or less.

### ***Interest income***

Interest revenue is recognised on an accrual basis using the effective interest method.

### ***Income of the Union as a Not-for-Profit Entity***

From time to time consideration is received by the Federation to enable the entity to further its objectives. The Federation recognises each of these amounts of consideration as income when the consideration is received because, based on the rights and obligations in each arrangement:

- the arrangements do not meet the criteria to be contracts with customers because either the arrangement is unenforceable or lacks sufficiently specific promises to transfer goods or services to the customer; and
- the Federation's recognition of the cash contribution does not give rise to any related liabilities.

During the year, the Federation received cash consideration from the following arrangements whereby that consideration will be recognised as income upon receipt

- government assistance.

### ***Government grants***

Government grants are not recognised until there is reasonable assurance that the Federation will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the entity should purchase, construct otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in profit or loss in the period in which they become receivable.

### ***Gains from sale of assets***

An item of property, plant and equipment is derecognised upon disposal (which is at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income when the asset is derecognised.

## **1.8 Employee benefits**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required, and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the reporting unit in respect of services provided by employees up to reporting date.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Provision is made for separation and redundancy benefit payments. The Federation recognises a provision for termination as part of a broader restructuring when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. A provision for voluntary termination is recognised when the employee has accepted the offer of termination.

## **1.9 Cash**

Cash is recognised at its nominal amount. Cash and cash equivalents include cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

## **1.10 Financial Instruments**

Financial assets and liabilities are recognised when the Federation becomes a party to the contractual provisions of the instrument.

## **1.11 Financial Assets**

### **Contract assets and receivables**

A contract asset is recognised when the Federation's right to consideration in exchange goods or services that has transferred to the customer when that right is conditioned on the Federation's future performance or some other condition.

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due).

Contract assets and receivables are subject to impairment assessment. Refer to accounting policies on impairment of financial assets below.

### **Initial Recognition and Measurement**

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income, or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Federation's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Federation initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Federation's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Federation commits to purchase or sell the asset.

### **Subsequent Measurement**

For purposes of subsequent measurement, financial assets are classified in five categories:

- (Other) financial assets at amortised cost
- (Other) financial assets at fair value through other comprehensive income
- Investments in equity instruments designated at fair value through other comprehensive income
- (Other) financial assets at fair value through profit or loss
- (Other) financial assets designated at fair value through profit or loss

### **Financial assets at amortised cost**

The Federation measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Federation's financial assets at amortised cost includes trade receivables.

## **Financial assets at fair value through other comprehensive income**

Financial assets at fair value through other comprehensive income include financial assets mandatorily required to be measured at fair value.

### **Derecognition**

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or
- The Federation has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
  - a) the Federation has transferred substantially all the risks and rewards of the asset, or
  - b) the Federation has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Federation has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Federation continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

### **Offsetting**

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### **Impairment**

#### ***Expected credit losses***

Receivables for goods and services, which have 30-day terms, are recognised at the nominal amounts due less any loss allowance due to expected credit losses at each reporting date. A provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment has been established.

#### ***(i) Trade and other receivables***

For trade receivables that do not have a significant financing component, the Federation applies a simplified approach in calculating expected credit losses (ECLs) which requires lifetime expected credit losses to be recognised from initial recognition of the receivables.

Therefore, the Federation does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Federation has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

#### **Debt instruments other than trade receivables**

For all debt instruments other than trade receivables and debt instruments not held at fair value through profit or loss, the Federation recognises an allowance for expected credit losses using the general approach. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Federation expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages:

- Where there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses from possible default events within the next 12-months (a 12-month ECL).
- Where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the debt, irrespective of the timing of the default (a lifetime ECL).

The Federation considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the Federation may also consider a financial asset to be in default when internal or external information indicates that the Federation is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### **1.12 Financial Liabilities**

#### **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, at amortised cost or at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The Federation's financial liabilities include trade and other payables.

#### **Subsequent measurement**

##### **Financial liabilities at fair value through profit or loss (including designated)**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.



Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in AASB 9 *Financial Instruments* are satisfied.

#### **Financial liabilities at amortised cost**

After initial recognition, trade payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

#### **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

### **1.13 Contingent liabilities and contingent assets**

Contingent liabilities and contingent assets are not recognised in the statement of financial position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

### **1.14 Property, plant and equipment**

#### ***Asset Recognition Threshold***

Purchases of buildings, plant and equipment are recognised initially at cost in the statement of financial position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

#### ***Revaluations - Strata Buildings***

Following initial recognition at cost, strata buildings are carried at fair value. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class.

### ***Depreciation***

Depreciable plant and equipment are written-off to their estimated residual values over their estimated useful life using, in all cases, the diminishing value method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2021	2020
Plant and equipment	1 to 5 years	1 to 5 years

### ***Derecognition***

An item of buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

## **1.15 Intangibles**

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful life. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. The useful life of the Federation's intangible assets is:

	2021	2020
Intangibles	1 to 5 years	1 to 5 years

### ***Derecognition***

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit and loss when the asset is derecognised.

### **1.16 Impairment of non-financial assets**

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated, and an impairment adjustment made if the asset's recoverable amount is less than the carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the company were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

### **1.17 Fair value measurement**

The Federation measures financial instruments, such as, financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, and non-financial assets such as buildings, at fair value at each balance sheet date.

Fair value is 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 fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Federation. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Federation uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Federation determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as strata property. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the Federation has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

### **1.18 Taxation**

The Company is exempt from income tax under section 23 (h) of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

### **1.19 Going concern**

The Federation is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis.

## **Note 2: Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below:

### ***Estimation of useful lives of assets***

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

### ***Coronavirus (COVID-19) pandemic***

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Federation based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Federation operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

## **Note 3: Events after the reporting period**

The Impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially positive for the company up to 31 December 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided. No other matter or circumstance has arisen since 31 December 2021 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

	2021 \$	2020 \$
<b>Note 4: Revenue and Income</b>		
<b>Note 4A: Capitation fees and other revenue from another reporting unit</b>		
Capitation fees	-	-
Capitation fees	-	-
<b>Subtotal capitation fees</b>	-	-
<b>Other revenue from another reporting unit:</b>		
Other revenue	-	-
<b>Subtotal other revenue from another reporting unit</b>	-	-
<b>Total capitation fees and other revenue from another reporting unit</b>	-	-
<b>Note 4B: Levies</b>		
Levies	-	-
<b>Total levies</b>	-	-
<b>Note 4C: Investment income</b>		
Interest Deposit with Bank	2,495	8,248
<b>Total investment income</b>	<b>2,495</b>	<b>8,248</b>
<b>Note 4D: Grants or donations</b>		
Grants	-	-
Donations	-	-
<b>Total grants or donations</b>	-	-
<b>Note 4E: Revenue from recovery of wages activity</b>		
Amounts recovered from employers in respect of wages	-	-
Interest received on recovered money	-	-
<b>Total revenue from recovery of wages activity</b>	-	-
<b>Note 4F: Government assistance – COVID 19</b>		
ATO cash flow booster	100,000	-
Job keeper allowance	-	63,000
<b>Total revenue from government assistance</b>	<b>100,000</b>	<b>63,000</b>



2021	2020
\$	\$

## Note 5 Expenses

### Note 5A: Employee expenses

#### Holders of office:

Wages and salaries	-	-
Superannuation	-	-
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	-	-
<b>Subtotal employee expenses holders of office</b>	<b>-</b>	<b>-</b>

#### Employees other than office holders:

Wages and salaries	739,117	715,177
Superannuation	69,904	68,760
Leave and other entitlements	76,620	26,779
Separation and redundancies	-	-
Other employee expenses	10,098	6,096
<b>Subtotal employee expenses employees other than office holders</b>	<b>895,739</b>	<b>816,812</b>
<b>Total employee expenses</b>	<b>895,739</b>	<b>816,812</b>

### Note 5B: Capitation fees and other expense to another reporting unit

#### Capitation fees

Capitation fees	-	-
<b>Subtotal capitation fees</b>	<b>-</b>	<b>-</b>

#### Other expense to another reporting unit

Other expense	-	-
<b>Subtotal other expense to another reporting unit</b>	<b>-</b>	<b>-</b>

#### Total capitation fees and other expense to another reporting unit

-	-
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### Note 5C: Affiliation fees

Affiliation fees	-	-
<b>Total affiliation fees</b>	<b>-</b>	<b>-</b>

	2021 \$	2020 \$
<b>Note 5D: Grants or donations</b>		
<i>Grants:</i>		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
<i>Donations:</i>		
Total expensed that were \$1,000 or less	-	182
Total expensed that exceeded \$1,000	-	-
<b>Total grants or donations</b>	<b>-</b>	<b>182</b>

**Note 5E: Administration expenses**

Total paid to employers for payroll deductions of membership subscriptions	-	-
Compulsory levies	-	-
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	35,903	16,061
Employer's Guide	37,134	47,813
Printing, postage and stationery	18,319	24,275
Marketing expenses	28,558	39,604
Information communications technology	109,756	98,982
Property expenses	20,494	21,692
Other admin expenses	233,789	168,505
<b>Total administration expenses</b>	<b>483,953</b>	<b>416,932</b>

**Note 5F: Depreciation and amortisation**

<b>Depreciation</b>		
Strata Building	-	-
Plant and equipment	15,828	17,410
<b>Total depreciation</b>	<b>15,828</b>	<b>17,410</b>
<b>Amortisation</b>		
Intangibles	-	-
<b>Total amortisation</b>	<b>-</b>	<b>-</b>
<b>Total depreciation and amortisation</b>	<b>15,828</b>	<b>17,410</b>

**Note 5G: Legal costs**

<b>Litigation</b>		
Other legal costs	52,136	74,819
<b>Total legal costs</b>	<b>52,136</b>	<b>74,819</b>

	2021 \$	2020 \$
<b>Note 5H: Loss from disposal of assets</b>		
Plant and equipment	12,939	3,638
Intangibles	67,859	-
<b>Total net loss from disposal of assets</b>	<b>80,798</b>	<b>3,638</b>

**Note 6: Current Assets**

**Note 6A: Cash and cash equivalents**

Cash at bank	1,230,725	1,799,207
Cash on hand	150	150
Short term deposits	1,004,745	304,660
<b>Total cash and cash equivalents</b>	<b>2,235,620</b>	<b>2,104,017</b>

**Note 6B: Trade and other receivables**

Receivables from other reporting units	-	-
<b>Total receivables from other reporting units</b>	<b>-</b>	<b>-</b>
Less allowance for expected credit losses	-	-
<b>Total allowance for expected credit losses</b>	<b>-</b>	<b>-</b>
<b>Net receivable from other reporting units</b>	<b>-</b>	<b>-</b>
<b>Other receivables:</b>		
Other	78,850	-
<b>Total other receivables</b>	<b>78,850</b>	<b>-</b>
<b>Total trade and other receivables (net)</b>	<b>78,850</b>	<b>-</b>

**Note 6C: Other current assets**

Prepayments	40,840	10,074
<b>Total other current assets</b>	<b>40,840</b>	<b>10,074</b>

	2021	2020
	\$	\$

**Note 7: Non-current Assets**

**Note 7A: Property, plant and equipment**

	Strata Property \$	Plant and Equipment \$	Total \$
<b>2021</b>			
Property, plant and equipment			
Carrying amount	2,200,000	349,237	2,549,237
Accumulated depreciation	-	(38,452)	(38,452)
<b>Total property, plant and equipment</b>	<b>2,200,000</b>	<b>310,785</b>	<b>2,510,785</b>

**Reconciliation of opening and closing balances of property, plant and equipment**

Net value at 1 January 2021	1,950,000	68,561	2,018,561
Additions	-	270,990	270,990
Revaluations	250,000	-	250,000
Depreciation expense	-	(15,828)	(15,828)
Disposal	-	(12,938)	(12,938)
<b>Net book value 31 December 2021</b>	<b>2,200,000</b>	<b>310,785</b>	<b>2,510,785</b>

**2020**

Property, plant and equipment			
Carrying amount	1 1,950,000	349,237	19,237,427
Accumulated depreciation	-	(83,866)	(83,866)
<b>Total property, plant and equipment</b>	<b>1,950,000</b>	<b>68,561</b>	<b>2,018,561</b>

**Reconciliation of opening and closing balances of property, plant and equipment**

Net book value at 1 January 2020	1,950,000	69,048	2,019,048
Additions	-	20,561	20,561
Depreciation expense	-	(17,410)	(17,410)
Disposal		(3,638)	(3,638)
<b>Net book value 31 December 2020</b>	<b>1,950,000</b>	<b>68,561</b>	<b>2,018,561</b>

The revalued strata buildings consist of Suite 6.06, 97-99 Market Street, Sydney. Management determined that these constitute one class of asset under AASB 13 *Fair Value Measurement*, based on the nature, characteristics and risks of the property.

Fair value of the strata building was determined by using market comparable method. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for the difference in the nature, location or condition of the specific property. As at the date of revaluation, 28 September 2021, the property's fair values are based on valuations performed by Gunning Real Estate, an accredited independent valuer.

	2021 \$	2020 \$
<b>Note 7B: Intangibles</b>		
Computer software at cost		
Purchased	67,859	67,859
Disposal	(67,859)	-
Accumulated amortisation	-	-
<b>Total intangibles</b>	<b>-</b>	<b>67,859</b>

**Reconciliation of opening and closing balances of intangibles**

Net book value at 1 January	67,859	67,859
Purchased	-	-
Disposal	(67,859)	-
<b>Net book value at 31 December</b>	<b>-</b>	<b>67,859</b>

**Note 8 Current Liabilities**

**Note 8A: Trade payables**

Trade creditors and accruals	18,654	10,016
Payables to other reporting units	-	-
<b>Total trade payables</b>	<b>18,654</b>	<b>10,016</b>

Settlement is usually made within 30 days.

**Note 8B: Other payables**

Superannuation	24,741	23,111
PAYG	39,745	36,497
Legal costs	-	-
Goods and services tax	97,088	109,078
Fringe benefit tax	1,812	-
Payable to employers for making payroll deductions of membership subscriptions	-	-
<b>Total other payables</b>	<b>163,386</b>	<b>168,686</b>

Settlement is usually made within 30 days.

**Note 9: Provisions**

**Note 9A: Employee provisions**

**Office holders:**

Annual leave	-	-
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
<b>Subtotal employee provisions - office holders</b>	<b>-</b>	<b>-</b>

	2021	2020
	\$	\$
<b>Note 9A: Employee provisions (continued)</b>		
<b>Employees other than office holders</b>		
Annual leave	83,684	47,333
Long service leave	23,615	-
Separations and redundancies	-	-
Other	-	-
<b>Subtotal employee provisions – employees other than office holders</b>	<b>107,299</b>	<b>47,333</b>
Current	83,684	47,333
Non-current	23,615	-
<b>Total employee provisions</b>	<b>107,298</b>	<b>47,333</b>
<b>Note 10: Equity</b>		
<b>Note 10A: Reserves</b>		
<b>Asset revaluation reserve</b>		
Balance as at start of the year	-	-
Building revaluation increment	250,000	-
Transferred out of reserve	-	-
<b>Balance as at end of the year</b>	<b>250,000</b>	<b>-</b>
<b>Note 10B: General Funds</b>		
Balance as at start of the year	-	-
Transferred to general fund	-	-
Transferred out of general fund	-	-
<b>Balance as at end of the year</b>	<b>-</b>	<b>-</b>
<b>Note 11: Cash Flow</b>		
<b>Note 11A: Cash flow reconciliation</b>		
<b>Reconciliation of cash and cash equivalents as per balance sheet to cash flow statement:</b>		
<b>Cash and cash equivalents as per:</b>		
Cash flow statement	2,235,620	2,104,017
Balance sheet	2,235,620	2,104,017
<b>Difference</b>	<b>-</b>	<b>-</b>

	2021 \$	2020 \$
<b>Reconciliation of surplus to net cash from operating activities</b>		
Surplus for the year	338,467	206,981
<b>Adjustments for non-cash items</b>		
Depreciation	15,828	17,410
Charges to provisions	76,620	26,779
Loss on disposal of plant and equipment	80,798	3,637
<b>Cash Flow in operating activities but not in operating surplus</b>		
Payment out of provision	(16,654)	(8,683)
<b>Changes in assets/liabilities</b>		
Decrease in receivables and other assets	(109,616)	84,090
Increase/(decrease) in trade and other payables	3,338	50,064
Increase in deferred income	(102,848)	317,201
<b>Net cash from operating activities</b>	<b>285,933</b>	<b>697,479</b>

#### **Note 12: Contingent Liabilities, Assets and Commitments**

The company had no contingent liabilities as at 31 December 2021 and 2020.

#### **Note 13: Remuneration of Auditors**

##### **Value of the services provided**

Financial statement audit services	4,000	4,000
Other services – Audit FBT return	500	500
– Accounting assistance	5,000	5,000
<b>Total remuneration of auditors</b>	<b>9,500</b>	<b>9,500</b>

#### **Note 14: Financial Instruments**

Financial risk management entails devising strategies to manage potential adverse financial outcomes associated with financial instruments.

The committee of management is responsible for monitoring and managing the Federation's compliance with its risk management strategy. The committee's overall risk management strategy is to assist the Federation in meeting its financial targets while minimising potential adverse effects on financial performance.

Risk management policies are approved and reviewed by the committee on a regular basis. These include credit risk policies and future cash flow requirements. The main risks the Federation is

exposed to through its financial instruments are credit risk, liquidity risk and market risk relating to interest rate risk and other price risk.

There have been no substantive changes in the types of risks the Federation is exposed to, how these risks arise, or the committee's objectives, policies and processes for managing or measuring the risks from the previous period.

#### **(a) Credit risk**

Exposure to credit risk relating to financial assets arises from the potential non-performance by counter parties of contract obligations that could lead to a financial loss to the Federation. The Federation does not have any material credit risk exposures as its major source of revenue is the receipt of membership fees.

The maximum exposure to credit risk by class of recognised financial assets at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Statement of Financial Position and notes to the financial statements.

The Federation does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the reporting unit.

On a geographical basis, the Federation's trade and other receivables are all based in Australia.

The following table details the Federation's other receivables exposed to credit risk. Amounts are considered 'past due' when the debt has not been settled, within the terms and conditions agreed between the Federation and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Federation.

Ageing of financial assets that were past due but not impaired for 31 December 2021

	Within trading terms: 0-30days \$	31 to 60 days \$	61 to 90 days \$	90+ days \$	Total \$
Other receivables	78,850	-	-	-	78,850
Receivables from other reporting unit	-	-	-	-	-
<b>Total</b>	<b>78,850</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>78,850</b>



Ageing of financial assets that were past due but not impaired for 31 December 2020

	Within trading terms: 0-30days \$	31 to 60 days \$	61 to 90 days \$	90+ days \$	Total \$
Other receivables	-	-	-	-	-
Receivables from other reporting unit	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**(b) Liquidity risk**

Liquidity risk arises from the possibility that the Federation might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Federation manages risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financial activities;
- monitoring credit facilities; and
- maintaining a reputable credit risk profile.

**(c) Interest rate risk**

The Federation is not exposed to any significant interest rate risk.

**Note 14A: Categories of Financial Instruments**

The following is an analysis of Financial Assets and Financial Liabilities included in the Statement of Financial Position as at 31 December 2021

	2021 \$	2020 \$
<b>Financial Assets</b>		
<b>Fair value through profit or loss:</b>		
Cash at bank	1,230,725	1,799,207
Short term deposits	1,004,745	304,660
Other receivables	78,850	-
<b>Carrying amount of financial assets</b>	<b>2,314,320</b>	<b>2,103,867</b>
<b>Financial liabilities</b>		
<b>Fair value through profit or loss:</b>		
Trade and other payables	182,040	178,702
<b>Carrying amount of financial liabilities</b>	<b>182,040</b>	<b>178,702</b>

## Note 15: Fair Value Measurements

Fair value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair value may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair values is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the company. Most of these instruments, which are carried at amortised cost (ie accounts receivables, are to be held until maturity and therefore the fair value figures calculated bear little relevance to the company.

The fair values disclosed above have been determined based on the following methodologies:

- (i) Cash on hand, accounts receivable and other debtors, and accounts payable and other payables are short-term instruments in nature whose carrying amount is equivalent to fair value.
- (ii) Fair values are determined using a discounted cash flow model incorporating current commercial borrowing rates. The fair values of fixed rate debt will differ to the carrying amounts.

The following table contains the carrying amounts and related fair values for the Federation's financial assets and liabilities:

	31 December 2021		31 December 2020	
	Carrying value	Fair value	Carrying value	Fair value
	\$	\$	\$	\$
<b>Financial Assets</b>				
Cash and cash equivalent	2,235,620	2,235,620	2,104,017	2,104,017
Other receivable	78,850	78,850	-	-
<b>Total financial Assets</b>	<b>2,314,470</b>	<b>2,314,470</b>	<b>2,104,017</b>	<b>2,104,107</b>
<b>Financial Liabilities</b>				
Accounts payable	18,654	18,654	10,016	10,016
Other payables	163,386	163,386	168,686	168,686
<b>Total Financial liabilities</b>	<b>182,040</b>	<b>182,040</b>	<b>178,702</b>	<b>178,702</b>

The fair values disclosed in the above table have been determined based on the following methodologies:

- (i) Cash and cash equivalents, accounts receivable and other debtors and accounts payable and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for annual leave, which is outside the scope of AASB 9.

### **Fair Value Hierarchy**

AASB 13: Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of the three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

**Level 1** Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

**Level 2** Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3** Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Financial and Non-financial assets and liabilities that are measured at fair value hierarchy are as follows:

#### **Assets measured at fair value**

	<b>Note</b>	<b>2021 Date of Valuation</b>	<b>2021 Level 2</b>	<b>2020 Level 2</b>
Strata Property at Suite 606, 97-99 Bathurst Street, Sydney NSW	<b>7</b>	28/9/2021	2,200,000	
Strata Property at Suite 606, 97-99 Bathurst Street, Sydney NSW	<b>7</b>	6/11/2018		1,950,000

The Federation does not have any other assets or liabilities that are recorded using a fair value technique.

**Note 16: Section 272 Fair Work (Registered Organisations) Act 2009**

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of members is drawn to the provisions of subsections (1) to (3) of section 272, which reads as follows:

Information to be provided to members or Commissioner:

- 1) A member of a reporting unit, or the Commissioner, may apply to the Federation for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- 2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- 3) A reporting unit must comply with an application made under subsection (1).

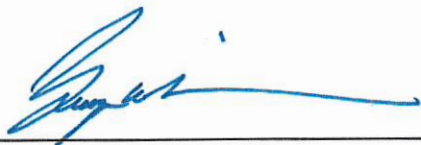
## Real Estate Employers' Federation

### *Officer declaration statement*

I, Bryan Wilcox, being the Chief Executive Officer of the Real Estate Employers' Federation, declare that the following activities did not occur during the reporting period ending 31 December 2021.

The reporting unit did not:

- agree to provide financial support to another reporting unit to ensure they continue as a going concern
- pay a penalty imposed under the RO Act or the Fair Work Act 2009
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- provide cash flows to another reporting unit and/or controlled entity
- receive cash flows from another reporting units and/or controlled entity
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit



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**Bryan Joseph Wilcox**  
**Chief Executive Officer**  
**Dated: 27 February 2022**