

2 March 2016



Mr Derek Lynch
President
Real Estate Employers' Federation of South Australia and the Northern Territory
arvin@reefsant.org.au

CC: Ascensio Accountants, Natale Rugari by email: admin@ascensio.com.au

Dear Mr Lynch,

**Real Estate Employers' Federation of South Australia and the Northern Territory
Financial Report for the year ended 30 September 2015 - [FR2015/360]**

I acknowledge receipt of the financial report of the Real Estate Employers' Federation of South Australia and the Northern Territory. The documents were lodged with the Fair Work Commission on 29 February 2016.

The financial report has now been filed.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 30 September 2016 may be subject to an advanced compliance review.

I make the following comments to assist you when you next prepare a financial report. You are not required to take any further action in respect of the report lodged. The FWC will confirm these concerns have been addressed prior to filing next year's report.

Timescale requirements

As you are aware, an organisation is required under the RO Act to undertake certain steps in accordance with specified timelines. Information about these timeline requirements can be found on the FWC website. In particular, I draw your attention to Financial reporting process and timelines which explains the timeline requirements, and Diagrammatic summary of financial reporting timelines which sets out the timeline requirements in diagrammatical form.

I note that the following timescale requirements were not met:

Documents must be lodged with the FWC within 14 days of General Meeting

Section 268 of the RO Act requires that the full report and the designated officer's certificate are required to be lodged with the FWC within 14 days of the meeting of members. The Designated Officer's Certificate indicates that this meeting occurred on 3 December 2015. If this is correct the full report should have been lodged with the FWC by 17 December 2015.

The full report was lodged on 29 February 2016.

If these dates are correct, the branch should have applied for an extension of time to lodge the required reports and the Designated Officer's Certificate in accordance with section 268 of the RO Act. This issue was raised in last year's filing letter.

Please note that in future financial years if the branch cannot lodge on time, a written request for an extension of time, signed by a relevant officer, including any reason for the delay, must be made prior to the required date of lodgement.

Employees

I note that the report states in the Statement of Comprehensive Income and the related parties note (note 5) that the CEO and the Executive Officer both receive a retainer and that no remuneration was paid to officers. Further, I note that the Operating Report states that the organisation has 0 employees.

However the Comprehensive Income Statement also includes an amount of \$7,429 for superannuation. This would seem to indicate that the organisation has had or does have an employee.

If this is the case, the organisation must break down employee expenses and provisions as required by the Reporting Guidelines (even if the figures are NIL) and current employees must be identified in the operating report. However, if it does not have an employee, the organisation may wish to consider whether this line item is appropriately identified in the report.

Disclosure of payables in respect of legal costs

Reporting Guideline 20(b) requires a payable in relation to legal costs to be disclosed by litigation and by other legal matters. Reporting Guideline 21 states that if the activities identified in item 20 have not occurred in the reporting period, a statement to this effect must be included in the GPFR. I note that for litigation and other legal matters no such disclosure has been made.

Please ensure that this appears in next year's report even if the amount is NIL.

Disclosure of expenses in respect of legal costs

The report discloses in the Statement of Comprehensive Income a legal cost of \$2,386. Note 4 in the financial statements provides a breakdown of legal costs between *litigation* and *other legal matters*. For 2015, both *litigation* and *other legal matters* are reported as \$0, however note 4 does disclose *other legal matters* cost of \$2,386 for 2014.

This may be an error in the notes, or it may be that the organisation has disclosed this expense on a cash basis within the statement of comprehensive income.

Please ensure that in future reports all disclosures are based upon the accruals basis of accounting and accurately reflect the information on the face of the statements.

Reporting Requirements

On the FWC website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The FWC recommends reporting units use this model as it will assist in ensuring compliance with the RO Act, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

Kind regards



CATHERINE BEBBINGTON
Regulatory Compliance Branch

FAIR WORK COMMISSION

Tel: 03 8656 4698

Fax: 03 9655 0410

catherine.bebbington@fwc.gov.au

www.fwc.gov.au

11 Exhibition Street
Melbourne VIC 3000
GPO Box 1994
Melbourne VIC 3001

Email : orgs@fwc.gov.au
Internet : www.fwc.gov.au

General Manager
Fair Work Commission
Regulatory Compliance Branch
GPO Box 1994
MELBOURNE VIC 3001

**RE: Lodgment of Financial Documents
Fair Work (Registered Organisation) Act 2009 (the RO Act)**

Please find attached the Real Estate Employers' Federation of South Australia and the Northern Territory (REEF SA/NT) financial report for its financial year, 1st October 2014 to 30th September 2015.

The following documents are attached:

- Notice of AGM to members
- Designated Officer's Certificate
- Financial Report for the year ended 30 September 2015
- Committee of Management Statement (incorporated in the Financial Report)
- Executive Committee Minutes for 5 November 2015

Should you require further information please contact the undersigned on don@reefsant.org.au or 0408 370 032.

Yours sincerely



Don Tepper
Executive Officer

29/02/2016

Don Tepper

From: REEF ALERT <don@reefsant.org.au>
Sent: Friday, 6 November 2015 3:14 PM
To: Don Tepper
Subject: AGM NOTIFICATION

If you're having any difficulty seeing the contents of this email, please view the [online version](#).
Your email program or Internet Service Provider may prevent successful delivery of our emails.



FRIDAY 6TH NOVEMBER 2015

AGM NOTICE FOR REEF SA/NT
DEAR REEF SA/NT MEMBERS

The Real Estate Employers' Federation SA/NT **ANNUAL GENERAL MEETING** for Members will be held on **Thursday 3rd December 2015, 11:00 am, REI House 249 Greenhill Road Dulwich SA 5065**. The meeting will go for about 30 to 45 minutes followed by a light lunch.

DOWNLOAD ATTACHMENTS TO THIS NEWSLETTER:

1. **Notice of AGM & Agenda** and to be used as an email/fax back form of attendance or apology.
 2. **Proxy form** - if you are not attending please consider authorising a proxy and to do this you may consider a Board Member as your proxy (Board Members' details attached)
 3. **Financial Report** setting out the auditor's report for the REEF financial year 1/10/14 to 31/9/15
 4. **Board Members'** details
- Please come if you can to ensure a quorum
 - Also Arvin Bisbal and Don Tepper will be giving short interesting updates of where we are at with the Fair Work Commission reviewing the Real Estate Industry Award and how the union is trying to make some very adverse changes for employers to the award.

Kind regards

Don Tepper

-  [AGM & AGENDA NOTIFICATION via newsletter 2015.pdf](#)
-  [PROXY FORM created 6 November 2015.pdf](#)
-  [Financial Report signed copy 2015.pdf](#)
-  [BOARD MEMBERS PHOTO 2014-2015.pdf](#)



**Real Estate Employers' Federation of
South Australia and the Northern Territory**

REI House 249 Greenhill Road Dulwich SA 5085

www.reefsant.org.au

Arvin Bisbal
CEO

Direct: 08 8366 4310

Mobile: 0433 390 393

Fax: 08 8366 4309

Email: arvin@reefsant.org.au

Don Tepper
Executive Officer

Direct: 08 8366 4310

Mobile: 0408 370 032

Fax: 08 8366 4309

Email: don@reefsant.org.au

The information in this email may be confidential and/or legally privileged. If you are not the intended recipient, access to it is unauthorised and any disclosure, copying, distribution or action taken or omitted to be taken in reliance on it is prohibited and may be unlawful. The information contained in this email or attachments is not legal advice. The author of this email does not invite reliance upon, nor accept responsibility for, the information in this email. Precautions have been taken to ensure that the information in this email is accurate. However, the author does not guarantee, and accepts no legal liability whatsoever arising from or connected to, the accuracy, reliability, currency or completeness of any material contained in this email or in any attachment.

If you wish to unsubscribe from our newsletters, [click here](#)



**Real Estate Employers' Federation of South Australia and the Northern
Territory
ABN 25 834 475 718**

**Designated Officer's Certificate
For the year ended 30 September 2015**

I, Derek Lynch, being the President of the Real Estate Employers' Federation of South Australia and the Northern Territory (REEF SA/NT) certify:

- That the documents lodged herewith are copies of the full report, referred to in section 268 of Fair Work (Registered Organisation) Act 2009; and
- That the full report, was provided to the REEF SA/NT Board on the 5 November 2015 and the 'Committee of Management Statement' was approved and signed; and
- That the full report, was provided to members on 6 November 2015 immediately after the Board meeting; and
- That the full report was presented to a meeting of members (Annual General Meeting) of the reporting unit on 3 December 2015, in accordance with section 266 of the Fair Work (Registered Organisation) Act 2009.

Signed this 29th day of February 2016

A handwritten signature in black ink, appearing to read "Derek Lynch", written over a horizontal line.

Derek Lynch (President)

**REAL ESTATE EMPLOYERS FEDERATION OF SOUTH AUSTRALIA
AND THE NORTHERN TERRITORY**

ABN 25 834 475 715

FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2015

**REAL ESTATE EMPLOYERS FEDERATION OF SOUTH AUSTRALIA
AND THE NORTHERN TERRITORY**

CONTENTS

	.Page
Operating Report	1
Committee of Management Statement	3
Statement of Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Accumulated Funds/(Losses)	6
Statement of Cash Flows	7
Notes to and forming part of the Accounts	8
Independent Audit Report	13

REAL ESTATE EMPLOYERS FEDERATION OF SOUTH AUSTRALIA AND THE NORTHERN TERRITORY

OPERATING REPORT

The Committee of Management for the purposes of the Fair Work (Registered Organisations) Act 2009, presents its operating report of the Real Estate Employers Federation of South Australia and the Northern Territory for the financial year ended 30 September 2015

The Real Estate Employers Federation of South Australia and the Northern Territory (REEF SA/NT) is a 'not for profit' entity, and a registered organisation under Fair Work Act (2009).

Review of the State's Principal Activities

The principal activities of the Federation during the financial year were: Maintain proper industrial relation practices within the Real Estate Industry. This has been done primarily by way of industrial awards; enquiry service; newsletters; training; tribunal/court representation; and employment agreements.

Significant Changes in Principal Activities

There were no significant changes in the nature of the Federation's principal activities during the financial year.

Results of Principal Activities

During the financial year the Federation continued to protect/improve the members interests, maintain professional development and training for its members.

REEF SA/NT's principal activities resulted in a surplus for the financial year of **\$7,030.15**

Significant Changes in Financial Affairs

There were no significant changes in the financial affairs of the Federation during the financial year.

The Right of Members to Resign

All members of the Federation have the right to resign from the Federation in accordance with Rule 4A "Resignation" of the Association Rules and Section 174(1) of the Fair Work(Registered Organisations) Act 2009).

In accordance with section 174(1) of the Fair Work (Registered Organisations) Act 2009 a member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a branch of the organisation.

State Officers or Members who are Trustees of a Superannuation Entity

No officer or member of the Federation holds a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such position is that they are an officer or member of an organisation.

Other Relevant Information

The Federation is not aware of any other relevant information.

REAL ESTATE EMPLOYERS FEDERATION OF SOUTH AUSTRALIA
AND THE NORTHERN TERRITORY

OPERATING REPORT (cont'd)

Prescribed Information Required Under the Fair Work (Registered Organisations)
Regulations 2009

- (a) The number of persons who were recorded in the register of members on 30 September 2015 was 296 (282 Financial; 14 Un-financial)
- (b) The number of persons who were employees of the reporting unit on 30 September 2015 was 0.
- (c) The following persons were members of the Committee of Management (REEFSA/NT Board), during the year ended 30th September 2015:

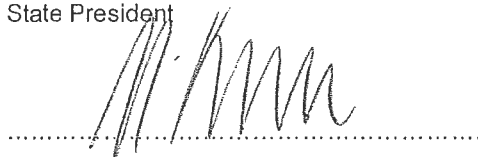
POSITION	NAME	PERIOD
President	Mr Derek Lynch	21 January 2015 – 30 September 2015
Deputy President	Mrs Nella Kikianis	21 January 2015 – 30 September 2015
Board Member	Mr Paul Stanton	1 October 2014 – 30 September 2015
Board Member	Ms Emma Slape	18 December 2014 – 30 September 2015
Board Member	Mr Mark Burns	18 December 2014 – 30 September 2015
Board Member	Mr Andrew Harvey	18 December 2014 – 30 September 2015
Board Member	Ms Samantha Ireland	18 December 2014 – 30 September 2015
Board Member	Ms Suzannah Toop	18 December 2014 – 30 September 2015
Board Member	Mr John Druit	1 October 2014 – 06 October 2014

Signed in accordance with a resolution of the Real Estate Employers Federation of South Australia and the Northern Territory



Derek Lynch

State President



Nella Kikianis

Deputy President

5th November 2015

**REAL ESTATE EMPLOYERS FEDERATION OF SOUTH AUSTRALIA
AND THE NORTHERN TERRITORY**

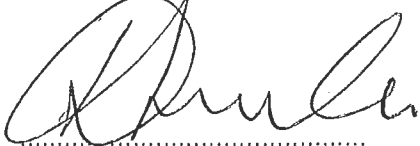
COMMITTEE OF MANAGEMENT'S STATEMENT

On 5th November 2015 the Committee of Management of Real Estate Employers Federation of South Australia and the Northern Territory passed the following resolution in relation to the general purpose financial report (GPFR) of the Federation for the year ended 30 September 2015.

The Committee declares in relation to the GPFR that in its opinion:

- (a) the financial report and notes comply with the Australian Accounting Standards.
- (b) the financial report and notes comply with the reporting guidelines of the General Manager;
- (c) the financial report and notes give a true and fair view of the financial performance, financial position and cash flows of the Federation for the financial year ended 30 September 2015;
- (d) there are reasonable grounds to believe that the Federation will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year ended 30 September 2015 and since the end of the financial year:
 - (i) meetings of the Federation committee of management were held in accordance with the rules of the organisation; and
 - (ii) the financial affairs of the Federation have been managed in accordance with the rules of the organisation; and
 - (iii) the financial records of the Federation have been kept and maintained in accordance with the RO Act; and
 - (iv) no information has been sought in any request by a member of the Federation or General Manager duly made under Section 272 of the RO Act has been provided to the member or General Manager; and
 - (v) no orders for inspection of financial records have been made by Fair Work Commission under section 273 of the RO Act.
- (f) during the financial year ended 30 September 2015 the Federation did not participate in any recovery of wages activity

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



Derek Lynch - President

5th November 2015

REAL ESTATE EMPLOYERS FEDERATION OF SOUTH AUSTRALIA
AND THE NORTHERN TERRITORY

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2015

		2015	2014
Income	Note		
Interest received		3,796	4,242
New Memberships		14,770	9,071
Membership Renewals		156,905	151,276
Training Income		3,988	4,410
Employment Reg Agreement Fee		1,090	6,905
OH & S Manuals		1,500	2,333
H R Manuals		1,200	2,700
Seminars		201	-
Total income		<u>183,248</u>	<u>181,138</u>
Expenses			
Audit fees	4	700	700
Bank Fees And Charges		66	75
Book Keeper		2,420	5,000
Capitation Fees		-	-
Compulsory Levies		-	-
Computer expenses		165	-
Consultants (Award Review)		10,035	-
Depreciation		884	992
Grants or Donations		-	-
Industrial Costs (Office-holder)		-	89,224
Insurance		3,236	4,881
Internet Web Site		7,321	11,860
Legal fees		2,386	-
Conference & Meeting Expenses		1,901	1,859
Office Equipment		2,780	395
Penalties – via RO Act or RO Regulations		-	-
Photocopying		700	1,200
Postage & courier		633	774
Printing & stationery		1,274	1,569
Rent		7,250	6,000
Secretarial (Office-holder)		34,099	36,931
Secretarial (Non Office-holder)		378	-
Software		307	-
Staff training		1,725	7,044
CEO Retainer		84,327	-
EO Retainer		39,517	-
Subscriptions		2,605	3,925
Sundry		82	55
Superannuation		7,429	-
Telephone		1,374	2,537
Travel, accom & conference		6,539	2,298
Total expenses		<u>176,218</u>	<u>187,134</u>
Profit from ordinary activities		<u>7,030</u>	<u>(5,996)</u>

REAL ESTATE EMPLOYERS FEDERATION OF SOUTH AUSTRALIA
AND THE NORTHERN TERRITORY

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2015
(cont'd)

Net profit attributable to the Federation	7,030	(5,996)
Total changes in equity of the Federation	7,030	(5,996)
Opening retained profits	111,494	117,490
Net profit attributable to the Federation	7,030	(5,996)
Closing retained profits	118,524	111,494

REAL ESTATE EMPLOYERS FEDERATION OF SOUTH AUSTRALIA
AND THE NORTHERN TERRITORY

DETAILED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2015

Current Assets

Cash Assets

Cash At Bank S A	20,210	12,893
Bank SA Online Access	7,524	
Cash float	200	18
	<u>27,935</u>	<u>12,911</u>

Receivables

Trade Debtors	451	55
	<u>451</u>	<u>55</u>

Current Tax Assets

GST clearing	3,848	5,288
	<u>3,848</u>	<u>5,288</u>

Other

Bank SA term deposit	83,944	102,667
	<u>83,944</u>	<u>102,667</u>

Total Current Assets	116,178	120,921
-----------------------------	----------------	----------------

Non-Current Assets

Property, Plant and Equipment

Office equipment	10,186	10,186
Less accumulated depreciation	(6,650)	(5,766)
Total Non-Current Assets	3,536	4,420

Total Assets	119,714	125,341
---------------------	----------------	----------------

Current Liabilities

Payables

Trade creditors	13,847	
Sundry Creditors	1,190	
Total Current Liabilities	1,190	13,847

Total Liabilities	1,190	13,847
--------------------------	--------------	---------------

Net Assets	118,524	111,494
-------------------	----------------	----------------

Members' Funds

Accumulated surplus (deficit)	118,524	111,494
Total Members' Funds	118,524	111,494

The above statement should be read in conjunction with the notes

**REAL ESTATE EMPLOYERS FEDERATION OF SOUTH AUSTRALIA
AND THE NORTHERN TERRITORY**

**STATEMENT OF CHANGES IN ACCUMULATED FUNDS (LOSSES)
FOR THE YEAR ENDED 30 SEPTEMBER 2015**

	Accumulated Funds (Losses) \$
Balance at 30 September 2013	117,490
Net Surplus (Deficit) for the year	(5,996)
Total comprehensive income for the year	<u>(5,996)</u>
Balance at 30 September 2014	<u>111,494</u>
Net Surplus (Deficit) for the year	7,030
Total comprehensive income for the year	<u>7,030</u>
Balance at 30 September 2015	<u>118,524</u>

The above statement should be read in conjunction with the notes

REAL ESTATE EMPLOYERS FEDERATION OF SOUTH AUSTRALIA
AND THE NORTHERN TERRITORY

STATEMENT OF CASH FLOWS FOR THE
YEAR ENDED 30 SEPTEMBER 2015

	2015	2014
	\$	\$
Cash Flow From Operating Activities		
Receipts from customers	179,056	176,841
Payments to Suppliers and employees	-186,551	-184,443
Interest received	3,795	4,242
Net cash provided by (used in) operating activities (note 2)	<u>-3,699</u>	<u>-3,360</u>
Cash Flow From Investing Activities		
Payment for:		
Payments for property, plant and equipment	<u> </u>	<u>-2,039</u>
Net cash provided by (used in) investing activities	<u> </u>	<u>-2,039</u>
Net increase (decrease) in cash held	-3,699	-5,399
Cash at the beginning of the year	115,578	120,977
Cash at the end of the year (note 1)	<u>111,878</u>	<u>115,578</u>

Note 1. Reconciliation Of Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.

Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

Cash At Bank S A	20,210	12,893
Bank SA Online Access	7,524	
Cash float	200	18
Bank SA term deposit	<u>83,944</u>	<u>102,667</u>
	<u>111,878</u>	<u>115,578</u>

Note 2. Reconciliation Of Net Cash Provided By/Used In Operating Activities To Net Profit

Operating profit (loss) after tax	7,030	-5,996
Depreciation	884	992
Changes in assets and liabilities net of effects of purchases and disposals of controlled entities:		
(Increase) decrease in trade and term debtors	-396	-55
Increase (decrease) in trade creditors and accruals	-12,657	2,380
Increase (decrease) in sundry provisions	<u>1,439</u>	<u>-681</u>
Net cash provided by (used in) operating activities	<u>-3,699</u>	<u>-3,360</u>

The above statement should be read in conjunction with the notes

REAL ESTATE EMPLOYERS FEDERATION OF SOUTH AUSTRALIA AND THE NORTHERN TERRITORY

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2015

1. SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the *Fair Work (Registered Organisations) Act 2009*. For the purpose of preparing the general purpose financial statements, the Real Estate Employers Federation of South Australia and Northern Territory is a not-for-profit entity.

The financial report is for the Real Estate Employers Federation of South Australia and Northern Territory. The Real Estate Employers Federation of South Australia and Northern Territory (REEF SA/NT) is an organisation registered under the RO Act.

The financial report has been prepared on an accrual basis and in accordance with historical cost. 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.

The following is a summary of the significant accounting policies adopted by the Federation in the preparation of the financial report.

- a) (i) **Revenue**
Members Subscription income has been brought to account on an accrual basis during the course of the year.
- (ii) **Expenditure**
Expenses represent amounts paid directly by the REEF SA/NT for operational costs.
- (iii) **Employee Entitlements**
Provision for employee benefits in the form of Long Service Leave and Accrued Annual Leave have been made for the estimated accrued entitlements of all employees on the basis of their terms of employment in the financial report of the National Council.
- (iv) **Property, Plant and Equipment**
Depreciation, using the diminishing value method, has been provided for in the Accounts on all Non-Current Assets, so as to allocate their cost over their estimated remaining useful life.
- (v) **Income Tax**
No provision for income tax is necessary, as Trade Unions are exempt from income tax under Section 50-15 of the Income Tax Assessment Act 1997.
- (vi) **Goods and Services Tax (GST)**
Revenues and expenses are recognised net of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or part of an item of the expense. Receivables and payables on the statement of financial position are shown inclusive of GST.

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

Cash flows are included in the statement of cash flows on a gross basis.

**REAL ESTATE EMPLOYERS FEDERATION OF SOUTH AUSTRALIA
AND THE NORTHERN TERRITORY**

**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2015
(Cont'd)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

b) Going concern basis of accounting

The financial report has been prepared on the basis that the Federation is a going concern, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Committee of Management believes it is appropriate to adopt the going concern basis for preparing the report on the grounds that the net asset position of REEF SA/NT is positive and the forecast results of future operations are not expected to exhaust cash reserves.

c) Adoption of New Australian Accounting Standard requirements

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

The accounting policies adopted are consistent with those of the previous financial year and have not been impacted by any new standards adopted in the current financial year.

d) Future Australian Accounting Standard requirements

There have been no accounting standards issued prior to the sign off date, but not yet effective, which will have a material impact on the financial report in future periods.

2. ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The Federation makes estimates and assumptions concerning the future. The resulting accounting estimates by definition seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

(b) Critical judgments in applying the Federation's accounting principles

There are no critical judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

**REAL ESTATE EMPLOYERS FEDERATION OF SOUTH AUSTRALIA
AND THE NORTHERN TERRITORY**

**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2015
(Cont'd)**

**3. INFORMATION TO BE PROVIDED TO MEMBERS OR THE GENERAL MANAGER
OF FAIR WORK COMMISSION**

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of Section 272 of Fair Work (Registered Organisations) Act 2009 which read as follows:

- 1) A member of a reporting unit, or the General Manager of Fair Work Commission, may apply to the reporting unit 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)

	2015	2014
	\$	\$
4. PROFESSIONAL SERVICES		
Auditors - Auditing the financial report	700	700
- Other Services	-	-
Legal Costs		
Litigation	-	-
Other Legal Matters	-	2,386
	700	3,086

5. RELATED PARTIES

- (a) No amount of remuneration was paid to officers during the financial year.
- (b) No amount was paid during the financial year to a superannuation plan in respect of elected full time officials.
A fee for retention of service (retainers) were paid to officers as follows:

Chief Executive Office	\$84,327
Executive Officer	\$39,517
- (c) There have been no other transactions between the officers and the Union other than those relating to their membership of the Union and the reimbursement by the Union in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which it is reasonable to expect would have been adopted by parties at arm's length.

**REAL ESTATE EMPLOYERS FEDERATION OF SOUTH AUSTRALIA
AND THE NORTHERN TERRITORY**

**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2015
(Cont'd)**

6. FINANCIAL RISK MANAGEMENT

General objectives, policies and processes

The Federation is exposed to risks that arise from its use of financial instruments. This note describes the Federation's objectives, policies and processes for managing those risks and the methods used to measure them.

There have been no substantive changes in the Federation's exposure to financial instrument risk, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Federation's financial instruments consist mainly of deposits with banks and receivables.

Credit Risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Federation incurring in a financial loss. This usually occurs when debtors fail to settle their obligations owing to the association.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provision for doubtful debts.

Liquidity Risk

Liquidity risk is the risk that the Federation may encounter difficulties raising funds to meet commitments associated with financial instruments. The association is not significantly exposed to this risk; at 30 September 2015 it had \$120,921.00 of cash and cash equivalents to meet these obligations as the fall due. Financial liabilities at 30 September 2014 totalled \$13,847.00.

The Federation manages liquidity risk by monitoring cash flows.

Market Risk

Market risk arises from the use of interest bearing, tradable financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because the changes in interest rates (interest rate risk) or other market factors (other price risk).

Interest Rate Risk

The Federation's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and liabilities are summarised as per the financials.

7. SUBSEQUENT EVENTS

There were no events that occurred after 30 September 2015, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Federation.

**REAL ESTATE EMPLOYERS FEDERATION OF SOUTH AUSTRALIA
AND THE NORTHERN TERRITORY**

**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2015
(Cont'd)**

8. CONTINGENT LIABILITIES, ASSETS AND COMMITMENTS

None to report.

9. ADDITIONAL INFORMATION

The registered office and principal place of business is:

REI House
249 Greenhill Road
Dulwich SA 5065

INDEPENDENT AUDITOR'S REPORT

To the members of
the Real Estate Employers Federation of South Australia and Northern Territory

Report on the Financial Report

We have audited the accompanying financial report of Real Estate Employers Federation of South Australia and Northern Territory, which comprises the statement of financial position as at 30 September 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and committee of management's statement.

Committee of Management and the Executive Officer's Responsibility for the Financial Report

The Committee of Management and the Executive Officer are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Fair Work (Registered Organisation) Act 2009* and is appropriate to meet the needs of the members.

The Committee of Management and the Executive Officer's responsibility also includes such internal control as they determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Fair Work (Registered Organisation) Act 2009*. We confirm that the independence declaration required, which has been given to the Committee of Management of Real Estate Employers Federation of South Australia and Northern Territory, would be in the same terms if given to the Committee of Management as at the time of this auditor's report.

Opinion

In our opinion:

- (a) the general purpose financial report of Real Estate Employers Federation of South Australia and Northern Territory is in accordance with the *Fair Work (Registered Organisation) Act 2009*, including:
 - (i) presents fairly the entity's financial position as at 30 September 2015 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards to the extent described in Note 1, and the *Fair Work (Registered Organisation) Act 2009*.
- (b) management's use of the going concern basis of accounting in the preparation of the financial report of Real Estate Employers Federation of South Australia and Northern Territory is appropriate.

Auditor's qualification

We confirm that Natale Rugari:

- (a) is an approved auditor;
- (b) is a person who is a member of CPA Australia; and
- (c) holds a current Public Practice Certificate.

Ascensio Accountants

Natale Rugari

NATALE RUGARI
Principal, Registered Company Auditor

North Adelaide, 5th November 2015