



Australian Government
Registered Organisations Commission

14 January 2020

Ms Samantha Forde
President
Real Estate Employers' Federation of South Australia and the Northern Territory

By e-mail: arvin@reefsant.org.au

c.c. eo@reefsant.org.au

Dear Ms Forde

**Real Estate Employers' Federation of South Australia and the Northern Territory
Financial Report for the year ended 30 June 2019 - FR2019/276**

I acknowledge receipt of the financial report for the year ended 30 June 2019 for the Real Estate Employers' Federation of South Australia and the Northern Territory (**the reporting unit**). The financial report was lodged with the Registered Organisations Commission (**ROC**) on 23 December 2019.

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

Whilst the 2019 report has been filed the following should be addressed in the preparation of the next financial report.

1. General purpose financial report (GPFR)

New Australian Accounting Standards

Australian Accounting Standard *AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors* paragraph 28 requires that the entity disclose new Australian Accounting Standards adopted during the period. *AASB 9 Financial Instruments* was required to be implemented for reporting periods beginning on or after 1 January 2018 yet this accounting standard has not been addressed in Note 1 to the GPFR and it is not evident that the reporting unit has implemented this accounting standard.

This should be discussed with your auditor.

Disclosure of accounting policies

Australian Accounting Standard *AASB 101 Presentation of Financial Statements* paragraph 117 states:

An entity shall disclose in the summary of significant accounting policies:

- (a) the measurement basis (or bases) used in preparing the financial statements; and
- (b) the other accounting policies used that are relevant to an understanding of the financial statements.

Employee entitlements are considered to be a significant item for the reporting entity. Therefore, in accordance with AASB 101, the accounting policy in respect to employee entitlements should be reflected in Note 1 'Summary of Significant Accounting Policies'.

Reporting guideline activities – not disclosed

Item 21 of the reporting guidelines states that if any activity described within items 10-20 of the reporting guidelines has not occurred in the reporting period, a statement to this effect must be included in the GPFR or in an officer's declaration statement.

The notes/officer's declaration statement contained nil activity information for all prescribed reporting guideline categories except the following:

- Item 13(e) – receive revenue from undertaking recovery of wages activity

Nil disclosures disclosed more than once

The **officer's declaration statement (ODS)** provides reporting units with an option to disclose nil activities not reported elsewhere within the financial report.

Reporting guideline 21 states that if any activity described within items 10-20 of the reporting guidelines has not occurred in the reporting period, a statement to this effect must be included in the financial statements, the notes **or** in an ODS. Nil activities should be disclosed only **once**.

I note that the reporting unit's ODS includes the following items for which there was already a disclosure in the body of the notes.

- Item 14(i) – incur expenses due to holding a meeting as required under the rules of the organisation – is disclosed in both the officer's declaration statement and the Statement of Comprehensive Income

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 9603 0707 or by email at ken.morgan@roc.gov.au

Yours faithfully



KEN MORGAN
Financial Reporting Specialist
Registered Organisations Commission

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


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

Certificate by Prescribed Designated Officer¹

Certificate for the year ended 30 09 2019

I SAMANTHA FORDE being the BOARD PRESIDENT of the REAL ESTATE EMPLOYERS FEDERATION OF SOUTH AUSTRALIA AND THE NORTHERN TERRITORY certify:

- that the documents lodged herewith are copies of the full report for the REAL ESTATE EMPLOYERS FEDERATION OF SOUTH AUSTRALIA AND THE NORTHERN TERRITORY for the period ended 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 14 11 2019; and
- that the full report was presented to a *general meeting of members*² of the reporting unit on 12 12 2019 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer: 

Name of prescribed designated officer: SAMANTHA FORDE

Title of prescribed designated officer: BOARD PRESIDENT

Dated: 19/12/2019

¹ Regulation 162 of the *Fair Work (Registered Organisations) Regulations 2009* defines a 'prescribed designated officer' of a reporting unit for the purposes of s.268(c) as:

(a) the secretary; or

(b) an officer of the organisation other than the secretary who is authorised by the organisation or by the rules of the organisation to sign the certificate mentioned in that paragraph.

² Adjust certificate as appropriate to reflect the facts.

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

Officer Declaration Statement

I, SAMANTHA FORDE, being the BOARD PRESIDENT of the REAL ESTATE EMPLOYERS FEDERATION OF SOUTH AUSTRALIA AND THE NORTHERN TERRITORY, declare that the following activities did not occur during the reporting period ending 30 09 2019.

The reporting unit did not:

- agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- incur expenses due to holding a meeting as required under the rules of the organisation
- have a receivable with other reporting unit(s)
- have a payable to an employer for that employer making payroll deductions or membership subscriptions
- have a payable in respect of legal costs relating to litigation
- have a payable in respect of legal costs relating to other legal matters
- 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

Signed by the officer: 

SAMANTHA FORDE – BOARD PRESIDENT

Dated: 19/12/2019

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of Real Estate Employers Federation of South Australia and Northern Territory, which comprises the statement of financial position as at 30 September 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, the Committee of Management Statement, the subsection 255(2A) report and the Officer Declaration Statement.

In my opinion the accompanying financial report of Real Estate Employers Federation of South Australia and Northern Territory, presents fairly, in all material respects the reporting unit's financial position as at 30 September 2019 and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009*.

It is also my opinion that management's use of the going concern basis in the preparation of the financial statements 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.

Other information

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Real Estate Employers Federation of South Australia and Northern Territory operating report but does not include the financial report and my auditor's report thereon.

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 the Committee of Management for the Financial Report

The Committee of Management of the reporting unit are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Fair Work (Registered Organisations) Act 2009*, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee of Management are responsible for assessing the registered entity'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 responsible entities either intends to liquidate the registered entity or to cease operations, or has 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 the 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 this financial report.

A further description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf

This description forms part of my auditor's report.

Declaration by the auditor

I, Natale Rugari, declare that I am approved auditor, a member of CPA Australia and hold a current Public Practice Certificate.



Natale Rugari, Principal

North Adelaide, 14th November 2019

Registration Number AA2017/32(as registered by the RO Commission under the Act)

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

ABN 25 834 475 718

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

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

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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 (RO Act)*, presents its operating report of the Real Estate Employers Federation of South Australia and the Northern Territory for the financial year ended 30 September 2019.

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

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 **\$11,916**

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.

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

OPERATING REPORT (cont'd)

Other Relevant Information

The Federation is not aware of any other relevant information.

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

Number of Members

(a) The number of persons who were recorded in the register of members on 30 September 2019 was 246.

Number of Employees

(b) The number of persons who were employees of the reporting unit on 30 September 2019 was 1 (ONE).

Names of Committee of Management Members and period positions held during the financial year

(c) The name of each person who has been a member of Committee of Management (REEFSA/NT Board), at any time during the reporting period, and the period for which he or she held such a position is as follows:

Name		Period Position Held
Nella Kikianis	President	1/10/2018 to 19/1/2019
Samantha Forde	President	19/1/2019 to 30/9/2019
Samantha Forde	Deputy President	1/10/2018 to 19/1/2019
Emma Slape	Deputy President	19/1/2019 to 30/9/2019
Emma Slape	Board Member	1/10/2018 to 19/1/2019
Suzannah Toop	Board Member	Full term of reporting period
Andrew Harvey	Board Member	Full term of reporting period
Linda Baker	Board Member	Full term of reporting period
Scott Robinson	Board Member	19/1/2019 to 30/9/2019
Mark Lands	Board Member	15/4/2019 to 30/9/2019
Victor Velgush	Board Member	15/4/2019 to 30/9/2019
Patricia Capone	Board Member	1/10/2018 to 18/3/2019
Paul Stanton	Board Member	1/10/2018 to 19/1/2019

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



Samantha Forde
President



Emma Slape
Deputy President

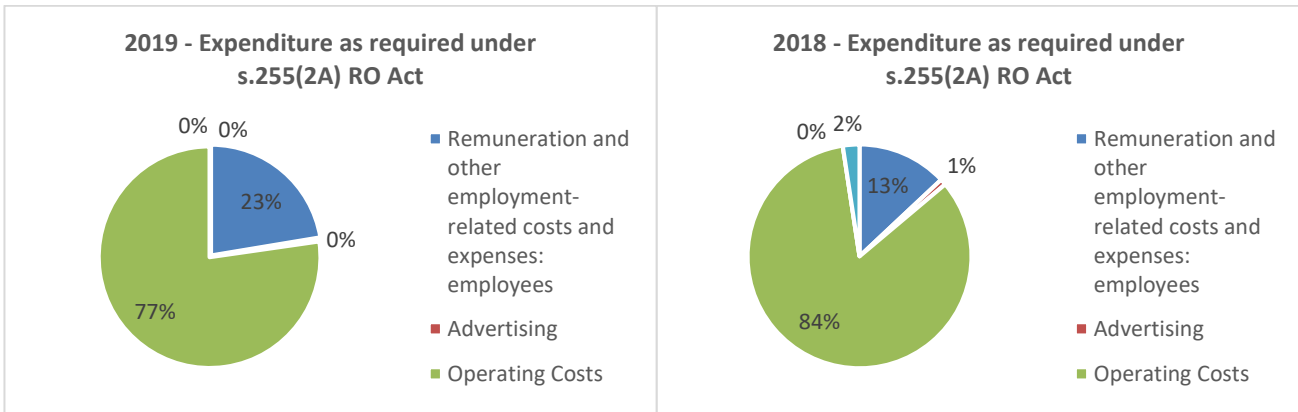
14th November 2019

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

REPORT REQUIRED UNDER S.255(2A)

The Committee of Management, for the purposes of the *Fair Work (Registered Organisations) Act 2009 (RO Act)*, presents its operating report of the Real Estate Employers Federation of South Australia and the Northern Territory for the financial year ended 30 September 2019

	2019	2018
Remuneration and other employment-related costs and expenses: employees	39,001	22,816
Advertising	600	1,528
Operating Costs	134,654	146,949
Donations to Political Parties	-	-
Legal Costs	-	4,217
TOTAL	174,255	175,510



.....
President, Samantha Forde

14th November 2019

REAL ESTATE EMPLOYERS FEDERATION OF SOUTH AUSTRALIA AND THE NORTHERN TERRITORY


COMMITTEE OF MANAGEMENT STATEMENT

On 14th November 2019 the Committee of Management of Real Estate Employers Federation of South Australia and the Northern Territory (REEF SA/NT Board) passed the following resolution in relation to the general-purpose financial report (GPFR) of the Federation for the year ended 30 September 2019.

The Board declares in relation to the GPFR 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 Federation for the financial year to which they relate;
- (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 to which the GPFR relates and since the end of that 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; and
 - (iii) the financial records of the Federation have been kept and maintained in accordance with the RO Act; and
 - (iv) the Federation does not have any branch operations; and
 - (v) no information has been sought in any request by a member of the Federation or Commissioner duly made under Section 272 of the RO Act; and
 - (vi) no orders for inspection of financial records has been made by Fair Work Commission under section 273 of the RO Act.

This declaration is made in accordance with a resolution of the Committee of Management (REEF SA/NT Board):



.....

President – Samantha Forde
14th November 2019

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

**STATEMENT OF COMPREHENSIVE INCOME FOR THE
YEAR ENDED 30 SEPTEMBER 2019**

	Note	2019 \$	2018 \$
INCOME			
New Memberships		16,004	15,774
Membership Renewals		162,080	153,724
Training Income		5,712	452
OH&S Manuals		-	300
HR Manuals		-	2,694
Interest Received		2,375	4,566
Sundry Income			
Sponsorship		-	-
Capitation Fees		-	-
Levies		-	-
Grants and/or Donations		-	-
Membership Contributions		-	-
TOTAL INCOME		<u>186,171</u>	<u>177,511</u>
EXPENDITURE			
Affiliation Fees		-	-
Bank charges		125	110
Capitation fees		-	-
Consideration to employers for payroll deductions		-	-
Compulsory levies		-	-
Computing		1,768	2,175
Conference & meeting expenses		-	1,556
Depreciation		852	1,724
Entertainment		5,226	1,100
Fees/allowances – meeting and conferences		-	-
Grants or donations		-	-
Insurance		6,889	3,349
Internet Web Site		1,656	6,901
Office Equipment		-	-
Marketing		600	1,528
Penalties – via RO Act or RO Regulations		-	-
Photocopying		-	1,000
Postage		-	307
Printing & Stationery		187	480
Professional Services	3	1,200	2,950
Rent	4	11,400	6,500
Software		-	407
Staff Amenities		1,666	-
Employee Expenses – Officers		-	-
Employee Expenses – Other employees		39,001	22,816
IR Consultant Retainer		91,770	92,165
EO Retainer		-	20,045
Subscriptions		2,534	1,015
Sundry		-	102
Training		6,973	5,709
Telephone		629	1,500
Travel & Accommodation		3,561	2,071
TOTAL EXPENDITURE		<u>176,035</u>	<u>175,510</u>
NET SURPLUS/ (DEFICIT)		<u>10,136</u>	<u>2,001</u>
TOTAL COMPREHENSIVE INCOME		<u>10,136</u>	<u>2,001</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 FINANCIAL POSITION
AS AT 30 SEPTEMBER 2019**

	Note	2019 \$	2018 \$
CURRENT ASSETS			
Cash Assets			
Bank SA Cheque Account		41,347	51,092
Cash Float		51	51
Receivables		17,364	2,438
		<u>58,762</u>	<u>53,581</u>
Current Tax Assets			
GST Clearing		3,523	2,220
		<u>3,523</u>	<u>2,220</u>
Other Current Assets			
Bank SA Term Deposit		92,767	90,460
		<u>92,767</u>	<u>90,460</u>
Total Current Assets		<u>155,052</u>	<u>146,261</u>
NON-CURRENT ASSETS			
Plant & Equipment			
Office Equipment	5	14,162	14,162
Less: Accumulated Depreciation		(13,836)	(12,984)
		<u>326</u>	<u>1,178</u>
Total Non-Current Assets		<u>326</u>	<u>1,178</u>
TOTAL ASSETS		<u>155,378</u>	<u>147,439</u>
CURRENT LIABILITIES			
Employee Provisions	6a	3,562	1,474
PAYG Withholding		268	1,870
Trade and other payables	7	4,711	104
Payments in Advance		-	7,290
Total Current Liabilities		<u>8,541</u>	<u>10,738</u>
TOTAL LIABILITIES		<u>8,541</u>	<u>10,738</u>
NET ASSETS (LIABILITIES)		<u>146,837</u>	<u>136,701</u>
MEMBER'S FUNDS			
Accumulated surplus (deficit)		146,837	136,701
TOTAL MEMBER'S FUNDS (LOSSES)		<u>146,837</u>	<u>136,701</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 CHANGES IN ACCUMULATED FUNDS (LOSSES)
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

	Note	Accumulated Funds (Losses) \$
Balance at 30 September 2017		134,700
Net Surplus (Deficit) for the year		2,001
Total comprehensive income for the year		<u>2,001</u>
Balance at 30 September 2018		<u>136,701</u>
Net Surplus (Deficit) for the year		10,136
Total comprehensive income for the year		<u>10,136</u>
Balance at 30 September 2019		<u>146,837</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 2019**

	Note	2019	2018
Cash Flow from Operating Activities			
Receipts from customers		168,870	170,506
Payments to Suppliers and employees		(178,683)	(162,346)
Interest received		<u>2,375</u>	<u>4,566</u>
Net cash provided by (used in) operating activities	9b	<u>(7,438)</u>	<u>12,726</u>
Net increase (decrease) in cash held		(7,438)	12,726
Cash at the beginning of the year		<u>141,603</u>	<u>128,877</u>
Cash at the End of the Year	9a	<u>134,165</u>	<u>141,603</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 2019

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 and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the period, and the *Fair Work (Registered Organisations) Act 2009 (RO Act)*. For the purpose of preparing the general-purpose financial statements, the Real Estate Employers Federation of South Australia and the Northern Territory (REEF SA/NT) is a not-for-profit entity.

The financial report is for the Real Estate Employers Federation of South Australia and the Northern Territory (REEF SA/NT). The Real Estate Employers Federation of South Australia and the Northern Territory (REEF SA/NT) is an organisation registered under the *RO Act*. In accordance with the *RO Act* the Federation is a body corporate and has perpetual succession. By virtue of this method of incorporation, the Federation is not subject to the *Corporations Act 2001*.

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.

Comparative amounts

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

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.

The following is a summary of the significant accounting policies adopted by REEF SA/NT in the preparation of the financial report.

Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Members Subscription income has been brought to account on an accrual basis during the course of the year.

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

**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2019
(Cont'd)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(i) Expenditure

Expenses represent amounts paid directly by the Federation for operational costs. Other operational expenses e.g. salaries which relate to the Federation are paid for by the National Council and are included in the financial report of the National Council only.

(ii) 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.

(iii) Income Tax

No provision for income tax is necessary, as Employer Associations are exempt from income tax under Section 50-15 of the *Income Tax Assessment Act 1997*.

(iv) 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.

(v) Property, Plant & 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.

The depreciation rate used for each class of depreciable asset are:

<u>Class of Asset</u>	<u>Depreciate Rate</u>
Office Equipment	33.33%

(vi) Financial Assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and de-recognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

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

**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2019
(Cont'd)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity dates that the reporting unit has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

Effective interest method

The effective interest method (EIR) is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest rate basis except for debt instruments other than those financial assets that are recognised at fair value through profit or loss.

**REAL ESTATE EMPLOYERS FEDERATION
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**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2019
(Cont'd)**

1. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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.

Future Australian Accounting Standard requirements

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted for the annual reporting period ending 30 September 2019. These are outlined in the table below.

Reference	Title	Summary	Application date of standard	Impact on financial report	Application date
AASB 1058	Income of Not-for-Profit Entities	This standard establishes principles and guidance when accounting for: a. Transactions where the consideration given to acquire an asset is significantly less than its fair value, in order to enable the entity to further its objectives; and b. The receipt of volunteer services.	For financial years commencing on or after 1 January 2019	The Federation is not expected to be materially impacted by this new standard.	1 October 2019
AASB 15	Revenue from contracts with customers	This standard provides a single comprehensive framework for determining whether, how much and when revenue is recognised. The core principle of the standard is that an entity will recognise revenue when control of goods or services is transferred rather than on transfer of risks and rewards as is currently the case under AASB118: Revenue.	For financial years commencing on or after 1 January 2019	The Federation is not expected to be materially impacted by this new standard.	1 October 2019
AASB 16 (issued February 2017)	Leases	This standard eliminates the operating and finance lease classifications for lessees currently accounted for under AASB 117 Leases. It requires the entity to bring most leases onto its balance sheet in a similar way to how existing leases are treated under AASB117. An entity will be required to recognise a lease liability and a right of use of the asset in its balance sheet. There are some exemptions such as leases with a period of 12 months or less and low value leases are exempted.	For financial years commencing on or after 1 January 2019.	The Federation is not expected to be materially impacted by this new standard as it holds no operating leases at year end.	1 October 2019

**REAL ESTATE EMPLOYERS FEDERATION
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**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2019
(Cont'd)**

**2. INFORMATION TO BE PROVIDED TO MEMBERS OR THE GENERAL
MANAGER OF FAIR WORK COMMISSION – SECTION 272**

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 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).

3. PROFESSIONAL SERVICES	2019	2018
Auditors - Auditing the financial report	1,200	1,150
- Other Services	-	-
Legal Costs*		
Litigation	-	-
Other Legal Matters	-	1,800
	<u>1,200</u>	<u>2,950</u>

4. LEASES

The rental of office space occupied by REEF SA/NT at The Warwick, 33 Warwick Street, Walkerville is done on short-term basis and reviewed annually.

Future Minimum Lease payments are as follows:

	\$
Not later than 1 year	7,479
Later than 1 year and not later than 5 years	9,972
Later than 5 years	-

Amounts recognised as an expense in the reporting period are:

	\$
Minimum Lease payments	11,400
Contingent Rents	-
Sublease payments	-

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

**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2019
(Cont'd)**

5. PROPERTY, PLANT & EQUIPMENT

Office Equipment	
Net book Value as at 1 July	1,178
Additions	-
Revaluations	-
Impairments	-
Depreciation Expense	(852)
Disposals	
	<hr/>
Net book Value as at 30 June	326
	<hr/>

6. PROVISIONS **2019** **2018**

6A Employee Provisions

Office Holders

Annual Leave	-	-
Long Service Leave	-	-
Separations and Redundancies	-	-
Other	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

Employees other than Office Holders

Annual Leave	2,831	1,474
Long Service Leave	-	-
Separations and Redundancies	-	-
Other	731	-
	<hr/>	<hr/>
	3,562	1,474
	<hr/>	<hr/>

7. TRADE AND OTHER PAYABLES **2019** **2018**

Trade and other payables	4,711	104
Other payables – legal costs	-	-
Consideration to employers for payroll deductions	-	-
Payables to other reporting units	-	-
	<hr/>	<hr/>
	4,711	104
	<hr/>	<hr/>

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

**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2019
(Cont'd)**

8. RELATED PARTIES

- (a) No amount of remuneration was paid to officers during the financial year.
A fee for retention of service (retainer) was paid to consultants as follows:
Industrial Relations Consultant \$91,770
- (b) No amount was paid during the financial year to a superannuation plan in respect of elected full-time officials.
- (c) Employee Benefits

	2019		2018	
	<u>Non-Office Holders</u>	<u>Office Holders</u>	<u>Non-Office Holders</u>	<u>Office Holders</u>
Benefits				
Wages and Salaries	33,081	-	19,490	-
Superannuation	3,078	-	1,852	-
Leave and other entitlements	-	-	-	-
Separation and redundancies	-	-	-	-
Other Employee Expenses	-	-	-	-
TOTAL	36,159	-	21,342	-

- (d) There have been no other transactions between the officers and the Federation other than those relating to their membership of the Federation and the reimbursement by the Federation 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.

9. CASH FLOW

- (a) For the purposes of the statement of cash flows, cash includes cash on hand and at call deposits with banks and other financial institutions.

Cash Float	51
Cash at bank	134,114
	<u>134,165</u>

- (b) Reconciliation of cash flow from operations with Net Surplus (Deficit)

Net Surplus (Deficit)	10,136
Depreciation	852
Changes in Assets and Liabilities:	
(Increase) decrease in receivables	(14,926)
Increase (decrease) in trade creditors & accruals	4,607
Increase (decrease) in other creditors	(7,290)
Increase (decrease) in employee entitlements	2,088
Increase (decrease) in sundry provisions	(2,727)
CASH FLOW FROM OPERATIONS	<u>(7,438)</u>

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

**NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2019
(Cont'd)**

10. KEY MANAGEMENT PERSONNEL COMPENSATION

Employees Benefits	2019	2018
Short-term Employee Benefits	-	92,165
Post-employment Benefits	-	-
Other Long-term Benefits	-	-
Termination Benefits	-	-
Share-based Payments	-	-
TOTAL	-	92,165

11. FINANCIAL RISK MANAGEMENT

(a) *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. The main risks the Federation is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

The Board members have overall responsibility for the determination of the Federation's risk management objectives and policies.

(b) *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 a financial loss. This usually occurs when debtors fail to settle their obligations owing to the Federation.

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.

There has been no history of default, no amounts are past due and all receivables are likely to be repaid within the expected terms.

(c) *Liquidity risk*

Liquidity risk is the risk that the Federation may encounter difficulties raising funds to meet commitments associated with financial instruments.

The Federation is not significantly exposed to this risk; as at 30 September 2019 it had \$134,705 of cash and cash equivalents to meet these obligations as they fall due. Financial liabilities at 30 September 2019 totaled \$6,583

The Federation manages liquidity risk by monitoring cash flows.

**REAL ESTATE EMPLOYERS FEDERATION
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- (d) *Market risk*
Market risk arises from the use of interest bearing, tradable financial instruments. It is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk) or other market factors (other price risk).
- (e) *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.
- (f) *Other Price Risks*

The Federation does not invest in shares or derivatives therefore it does not expose itself to the fluctuations in price that are inherent in such a market.
- (g) *Foreign Exchange Risk*
The Federation is not directly exposed to foreign exchange rate risk.

11. SUBSEQUENT EVENTS

There were no events that occurred after 30 September 2019, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of REEF SA/NT.

12. CONTINGENT LIABILITIES, ASSETS AND COMMITMENTS

None to report.

13. ADDITIONAL INFORMATION

The registered office and principal place of business of the REEF SA/NT is:

The Warwick
33 Warwick Street
Walkerville SA 5081