



22 January 2021

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

Dear Samantha Forde

Re: – Financial reporting – Real Estate Employers' Federation of South Australia and the Northern Territory – for year ending 30 September 2020 (FR2020/261)

I refer to the financial report of the Real Estate Employers' Federation of South Australia and the Northern Territory in respect of the year ending 30 September 2020. The documents were lodged with the Registered Organisations Commission ('the ROC') on 15 December 2020.

The financial report has been filed. The financial report was filed based on a primary review. This involved confirming whether 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.

You are not required to take any further action in respect of the report lodged. Please note the report for year ending 30 September 2021 may be subject to an advanced compliance review.

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](#).

Yours faithfully

A handwritten signature in black ink that reads "Stephen Kellett".

Stephen Kellett
Financial Reporting
Registered Organisations Commission

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

ABN 25 834 475 718

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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

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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 2020, 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 2020 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.

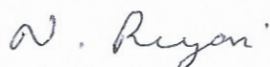
A further description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

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, 12th November 2020

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

**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 2020

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 2020; and
- that the full report was presented to a *general meeting of members*² of the reporting unit on 10 12 2020 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: 15/12/2020

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.

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 2020.

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 **\$35,052**

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 2020 was 208.

Number of Employees

(b) The number of persons who were employees of the reporting unit on 30 September 2020 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
Samantha Forde	President Deputy	Full term of reporting period
Emma Slape	President	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	Full term of reporting period
Mark Lands	Board Member	Full term of reporting period
Victor Velgush	Board Member	Full term of reporting period
Suzannah Toop	Board Member	1/10/2019 to 10/9/2020
Meghan Williams	Board Member	10/9/2020 to 30/9/2020

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



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Samantha Forde

President



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Emma Slape

Deputy President

12th November 2020

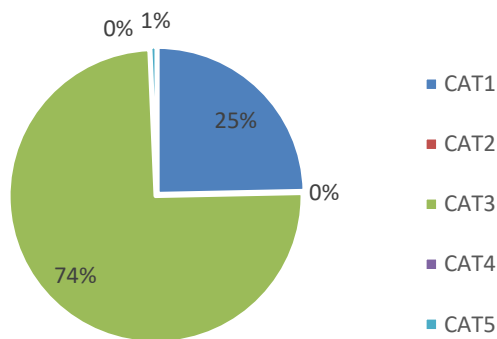
**REAL ESTATE EMPLOYERS FEDERATION
OF SOUTH AUSTRALIA AND THE NORTHERN TERRITORY**

REPORT REQUIRED UNDER S.255(2A)

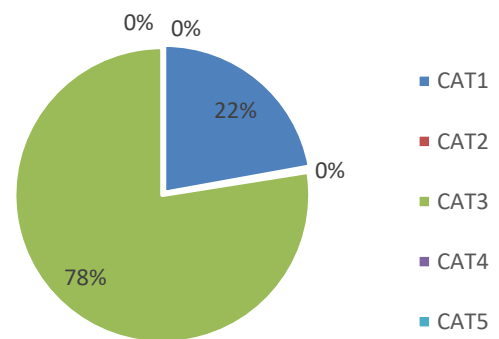
The Committee of Management, for the purposes of the *Fair Work (Registered Organisations) Act 2009 (RO Act)*, presents its operating report of the Real Estate Employers Federation of South Australia and the Northern Territory for the financial year ended 30 September 2020

Category No	Expense Category	2020	2019
CAT1	Remuneration and other employment-related costs and expenses: employees	41,281	39,001
CAT2	Advertising	-	600
CAT3	Operating Costs	124,888	136,434
CAT4	Donations to Political Parties	-	-
CAT5	Legal Costs	1,130	-
TOTAL		167,299	176,035

2020 - Expenditure as required under s.255(2A) RO Act



2019 - Expenditure as required under s.255(2A) RO Act



.....
President, Samantha Forde

12th November 2020

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

COMMITTEE OF MANAGEMENT STATEMENT

On 12th November 2020 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 2020.

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

12th November 2020

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

**STATEMENT OF COMPREHENSIVE INCOME FOR THE
YEAR ENDED 30 SEPTEMBER 2020**

	Note	2020 \$	2019 \$
INCOME			
Revenue from contracts with customers	3		
New Memberships		9,701	16,004
Membership Renewals		144,053	162,080
Sponsorship		10,000	-
Training Income		3,135	5,712
Total Revenue from contract with customers		<u>166,889</u>	<u>183,796</u>
Other Revenue			
Capitation Fees		-	-
Levies		-	-
Grants and/or Donations		-	-
Membership Contributions		-	-
Revenue from recovery of wages activity		-	-
Interest Received		1,462	2,375
Sundry Income		34,000	-
Total Other Revenue		<u>35,462</u>	<u>2,375</u>
TOTAL INCOME		<u>202,351</u>	<u>186,171</u>
EXPENDITURE			
Affiliation Fees		-	-
Bank charges		152	125
Capitation fees		-	-
Consideration to employers for payroll deductions		-	-
Compulsory levies		-	-
Computing		1,994	1,768
Conference & meeting expenses		-	-
Depreciation		2,565	852
Entertainment		119	5,226
Fees/allowances – meeting and conferences		-	-
Grants or donations		-	-
Insurance		3,379	6,889
Internet Web Site		1,176	1,656
Office Equipment		-	-
Marketing		-	600
Penalties – via RO Act or RO Regulations		-	-
Photocopying		-	-
Postage		-	-
Printing & Stationery		262	187
Professional Services	4	2,330	1,200
Rent	5	10,339	11,400
Software		-	-
Staff Amenities		868	1,666
Employee Expenses – Officers		-	-
Employee Expenses – Other employees		41,281	39,001
IR Consultant Retainer		91,770	91,770
EO Retainer		-	-
Subscriptions		2,407	2,534
Sundry		-	-
Training		390	6,973
Telephone		1,203	629
Travel & Accommodation		66	3,561
TOTAL EXPENDITURE		<u>167,299</u>	<u>176,035</u>

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

**STATEMENT OF COMPREHENSIVE INCOME FOR THE
YEAR ENDED 30 SEPTEMBER 2020**

NET SURPLUS/ (DEFICIT)		<u>35,052</u>	<u>10,136</u>
Prior year adjustment	6	(13,827)	-
TOTAL COMPREHENSIVE INCOME		<u>21,225</u>	<u>10,136</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 2020**

	Note	2020 \$	2019 \$
CURRENT ASSETS			
Cash Assets			
Bank SA Cheque Account		75,556	41,347
Cash Float		51	51
Receivables		421	17,364
		<u>76,028</u>	<u>58,762</u>
Current Tax Assets			
GST Clearing		2,748	3,523
		<u>2,748</u>	<u>3,523</u>
Other Current Assets			
Bank SA Term Deposit		95,039	92,767
		<u>95,039</u>	<u>92,767</u>
Total Current Assets		<u>173,815</u>	<u>155,052</u>
NON-CURRENT ASSETS			
Plant & Equipment			
Office Equipment	7	16,401	14,162
Less: Accumulated Depreciation		<u>(16,401)</u>	<u>(13,836)</u>
		<u>-</u>	<u>326</u>
Total Non-Current Assets		<u>-</u>	<u>326</u>
TOTAL ASSETS		<u>173,815</u>	<u>155,378</u>
CURRENT LIABILITIES			
Employee Provisions	8a	4,565	3,562
PAYG Withholding		577	268
Trade and other payables	9	995	4,711
Payments in Advance		<u>-</u>	<u>-</u>
Total Current Liabilities		<u>6,137</u>	<u>8,541</u>
TOTAL LIABILITIES		<u>6,137</u>	<u>8,541</u>
NET ASSETS (LIABILITIES)		<u>168,061</u>	<u>146,837</u>
MEMBER'S FUNDS			
Accumulated surplus (deficit)		168,061	146,837
TOTAL MEMBER'S FUNDS (LOSSES)		<u>168,061</u>	<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 CHANGES IN ACCUMULATED FUNDS (LOSSES)
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	Note	Accumulated Funds (Losses) \$
Balance at 30 September 2018		136,701
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>
Prior Year Adjustments		(13,827)
Net Surplus (Deficit) for the year		35,052
Total comprehensive income for the year		<u>21,225</u>
Balance at 30 September 2020		<u>168,061</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 2020**

	Note	2020	2019
Cash Flow from Operating Activities			
Receipts from customers		217,832	168,870
Payments to Suppliers and employees		(166,746)	(178,683)
Interest received		1,462	2,375
Prior year operating adjustment		(13,827)	-
Net cash provided by (used in) operating activities	10b	<u>38,721</u>	<u>(7,438)</u>
Cash Flow from Investing Activities			
Payment for:			
Property, Plant & Equipment		<u>(2,239)</u>	-
Net cash provided by (used in) operating activities	10b	<u>(2,239)</u>	-
Net increase (decrease) in cash held		36,481	(7,438)
Cash at the beginning of the year		<u>134,165</u>	<u>141,603</u>
Cash at the End of the Year	10a	<u>170,646</u>	<u>134,165</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 2020

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 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.

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 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 2020 (Cont'd)

1.4 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 15 Revenue from Contracts with Customers, which replaces AASB 118 Revenue, and AASB 1058 Income of Not-for-Profit-Entities, which replaces in the income recognition requirements of AASB 1004 Contributions
- AASB 16 Leases and amending standards, which replaces AASB117 Leases.

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

Impact on adoption of AASB 15 Revenue from Contracts with Customers (AASB 15) and AASB 1058 Income of Not-for-Profit Entities (AASB 1058)

AASB 15 Revenue from Contracts with Customers supersedes AASB 111 Construction Contracts, AASB 118 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers.

AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. AASB 15 also includes implementation guidance to assist not-for-profit entities to determine whether particular transactions, or components thereof, are contracts with customers. If a transaction is outside the scope of AASB 15, the recognition and measurement of income arising from the transaction may instead be specified by another Standard, for example AASB 1058 Income of Not-for-Profit Entities.

AASB 1058 replaces the income recognition requirements in AASB 1004 Contributions that had previously applied to REEF SA/NT. AASB 1058 provides a more comprehensive model for accounting for income of not-for-profit entities and specifies that:

- the timing of revenue or income recognition will depend on whether a performance obligation is identified or a liability is recognised;
- not-for-profit lessees can elect to recognise assets, including leases provided at significantly less than fair value, at their fair value; and
- all not-for-profit entities can elect to recognise volunteer services at fair value if the fair value of those services can be reliably measured.

REEF SA/NT adopted AASB 15 and AASB 1058 using the modified retrospective method of adoption, with the date of initial application of 1 July 2019. In accordance with the transition approach, REEF SA/NT recognised the cumulative effect of applying these new standards as an adjustment to opening retained earnings at the date of initial application, i.e., 1 July 2019. Consequently, the comparative information presented has not been restated and continues to be reported under the previous standards on revenue and income recognition. In addition, REEF SA/NT has applied the practical expedient and elected to apply these standards retrospectively only to contracts and transactions that were not completed contracts at the date of initial application, i.e., as at 1 July 2019.

The adoption of AASB 15 and AASB 1058 did not have a material impact on the REEF SA/NT financial statements.

REAL ESTATE EMPLOYERS FEDERATION OF SOUTH AUSTRALIA AND THE NORTHERN TERRITORY

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2020 (Cont'd)

Impact on adoption of AASB 16 Leases (AASB 16)

AASB 16 Leases supersedes AASB 117 Leases, Interpretation 4 Determining whether an Arrangement contains a Lease, Interpretation 115 Operating Leases—Incentives and Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under AASB 16 is substantially unchanged from AASB 117. Lessors will continue to classify leases as either operating or finance leases using similar principles as in AASB 117. Therefore, AASB 16 does not have an impact for leases where REEF SA/NT is the lessor.

REEF SA/NT has adopted AASB 16 using the modified retrospective method of transition, with the date of initial application of 1 July 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. REEF SA/NT elected to use the transition practical expedient to not reassess whether a contract is or contains a lease at 1 July 2019.

Instead, REEF SA/NT applied the standard only to contracts that were previously identified as leases applying AASB 117 and Interpretation 4 at the date of initial application.

Upon adoption of AASB 16, REEF SA/NT applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. Refer to Note 1.14 Leases for the accounting policy beginning 1 July 2019. The standard provides specific transition requirements and practical expedients, which have been applied by REEF SA/NT.

Leases previously classified as finance leases

REEF SA/NT did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under AASB 117). The requirements of AASB 16 were applied to these leases from 1 July 2019.

Leases previously accounted for as operating leases

REEF SA/NT recognises right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases are recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities are recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

REEF SA/NT also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months of the date of initial application

REAL ESTATE EMPLOYERS FEDERATION OF SOUTH AUSTRALIA AND THE NORTHERN TERRITORY

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2020 (Cont'd)

- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

REEF SA/NT does not currently have any lease recognised under AASB 16. There is only one lease, being that of office premises, and it is short-term, hence a right-of-use asset and lease liability have not been recognised.

1.5 Future Australian Accounting Standard requirements

There are no 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 REEF SA/NT.

1.6 Revenue

REEF SA/NT enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, capitation fees, levies, grants, and donations.

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

Revenue from contracts with customers

Where REEF SA/NT has a contract with a customer, REEF SA/NT recognises revenue when or as it transfers control of goods or services to the customer. REEF SA/NT 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 subscriptions

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 REEF SA/NT.

As member subscriptions are paid annually in advance, REEF SA/NT 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.

When a member subsequently purchases additional goods or services from REEF SA/NT at their standalone selling price, REEF SA/NT accounts for those sales as a separate contract with a customer.

REAL ESTATE EMPLOYERS FEDERATION OF SOUTH AUSTRALIA AND THE NORTHERN TERRITORY

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2020 (Cont'd)

1.7 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.

1.8 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.

1.9 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*.

1.10 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.

1.11 Employee Benefits

Provision is made for the liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year have been measured at the amount expected to be paid when the liability is settled, plus related on-costs. Employee entitlements payable later than one year have been measured at the present value of the estimated future cash out flows to be made for those entitlements.

1.12 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 - 100%

REAL ESTATE EMPLOYERS FEDERATION OF SOUTH AUSTRALIA AND THE NORTHERN TERRITORY

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2020 (Cont'd)

1.13 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.

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.

REAL ESTATE EMPLOYERS FEDERATION OF SOUTH AUSTRALIA AND THE NORTHERN TERRITORY

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2020 (Cont'd)

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.

1.14 Leases

The REEF SA/NT assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

REEF SA/NT as a lessee

The REEF SA/NT applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The [reporting unit] recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The REEF SA/NT recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

If ownership of the leased asset transfers to the REEF SA/NT at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

REAL ESTATE EMPLOYERS FEDERATION OF SOUTH AUSTRALIA AND THE NORTHERN TERRITORY

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2020 (Cont'd)

Lease liabilities

At the commencement date of the lease, REEF SA/NT recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by REEF SA/NT and payments of penalties for terminating the lease, if the lease term reflects the REEF SA/NT exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the REEF SA/NT uses the incremental borrowing rate if the implicit lease rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

REEF SA/NT's short-term leases are those that have a lease term of 12 months or less from the commencement. It also applies the lease of low-value assets recognition exemption to leases of property that are below \$15,000 in value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2. SECTION 272 - INFORMATION TO BE PROVIDED TO MEMBERS OR THE COMMISSIONER

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).

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

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2020 (Cont'd)

3. REVENUE

Disaggregation of revenue from contracts with customers

A disaggregation of the REEF SA/NT revenue by type of arrangements is provided on the face of the Statement of comprehensive income.

The following table displays a disaggregation of revenue by timing of transfer of goods and/or services:

Services transferred over time	156,889	183,796
Services transferred at a point in time	10,000	-
	<u>166,889</u>	<u>183,796</u>

4. PROFESSIONAL SERVICES

	2020	2019
Auditors - Auditing the financial report	1,200	1,200
- Other Services	-	-
Legal Costs*		
Litigation	-	-
Other Legal Matters	1,130	1,200
	<u>2,330</u>	<u>1,200</u>

5. RENT

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.

The lease of the office space has been classified as short-term and/or low-value as per the accounting policies disclosed in note 1.4

6. PRIOR YEAR ADJUSTMENTS

An adjustment of has been made to the surplus from prior years resulting in a reduction to the accumulated surplus of \$13,827

This amount relates to invoices for membership renewals raised to past members that were subsequently reversed/credited when the affected members advised of their intention not to renew.

7. PROPERTY, PLANT & EQUIPMENT

Office Equipment

Net book Value as at 1 July	326
Additions	2,239
Revaluations	-
Impairments	-
Depreciation Expense	2,565
Disposals	-
Net book Value as at 30 June	<u>-</u>

**REAL ESTATE EMPLOYERS FEDERATION
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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2020 (Cont'd)

8. PROVISIONS	2020	2019
8A Employee Provisions		
<i>Office Holders</i>		
Annual Leave	-	-
Long Service Leave	-	-
Separations and Redundancies	-	-
Other	-	-
	<hr/>	<hr/>
	-	-
<i>Employees other than Office Holders</i>		
Annual Leave	3,150	2,831
Long Service Leave	-	-
Separations and Redundancies	-	-
Other	1,415	731
	<hr/>	<hr/>
	4,565	3,562
9. TRADE AND OTHER PAYABLES	2020	2019
Trade and other payables	995	4,711
Other payables – legal costs	-	-
Consideration to employers for payroll deductions	-	-
Payables to other reporting units	-	-
	<hr/>	<hr/>
	995	4,711

10. 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

Benefits	2020		2019	
	<u>Non-Office Holders</u>	<u>Office Holders</u>	<u>Non-Office Holders</u>	<u>Office Holders</u>
Wages and Salaries	37,610	-	33,081	-
Superannuation	3,352	-	3,078	-
Leave and other entitlements	319	-	-	-
Separation and redundancies	-	-	-	-
Other Employee Expenses	-	-	-	-
TOTAL	<hr/>	<hr/>	<hr/>	<hr/>
	41,281	-	36,159	-

- (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.

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

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2020 (Cont'd)

11. 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	170,595
	<u>170,646</u>

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

Net Surplus (Deficit)	35,052
Depreciation	2,565
Changes in Assets and Liabilities:	
(Increase) decrease in receivables	16,943
Increase (decrease) in trade creditors & accruals	(3,716)
Increase (decrease) in other creditors	-
Increase (decrease) in employee entitlements	1,003
Increase (decrease) in sundry provisions	700
Prior year Operating Adjustment	(13,827)
	<u>38,721</u>
CASH FLOW FROM OPERATIONS	<u>38,721</u>

12. KEY MANAGEMENT PERSONNEL COMPENSATION

Employees Benefits	2020	2019
Short-term Employee Benefits	-	-
Post-employment Benefits	-	-
Other Long-term Benefits	-	-
Termination Benefits	-	-
Share-based Payments	-	-
TOTAL	<u>-</u>	<u>-</u>

REAL ESTATE EMPLOYERS FEDERATION OF SOUTH AUSTRALIA AND THE NORTHERN TERRITORY

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2020 (Cont'd)

13. 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 2020 it had \$171,067 of cash and cash equivalents to meet these obligations as they fall due. Financial liabilities at 30 September 2020 totaled \$6,137

The Federation manages liquidity risk by monitoring cash flows.

(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).

**REAL ESTATE EMPLOYERS FEDERATION
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NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2020 (Cont'd)

(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.

14. SUBSEQUENT EVENTS

There were no events that occurred after 30 September 2020, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of REEF SA/NT.

15. CONTINGENT LIABILITIES, ASSETS AND COMMITMENTS

None to report.

16. ADDITIONAL INFORMATION

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

The Warwick
33 Warwick Street
Walkerville SA 5081


**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 2020.

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
- have a receivable with other reporting unit(s)
- have a payable to an employer for that employer making payroll deductions of 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: 15/12/2020