

Real Estate Institute of Northern Territory Inc.

# **ANNUAL REPORT AND ACCOUNTS**

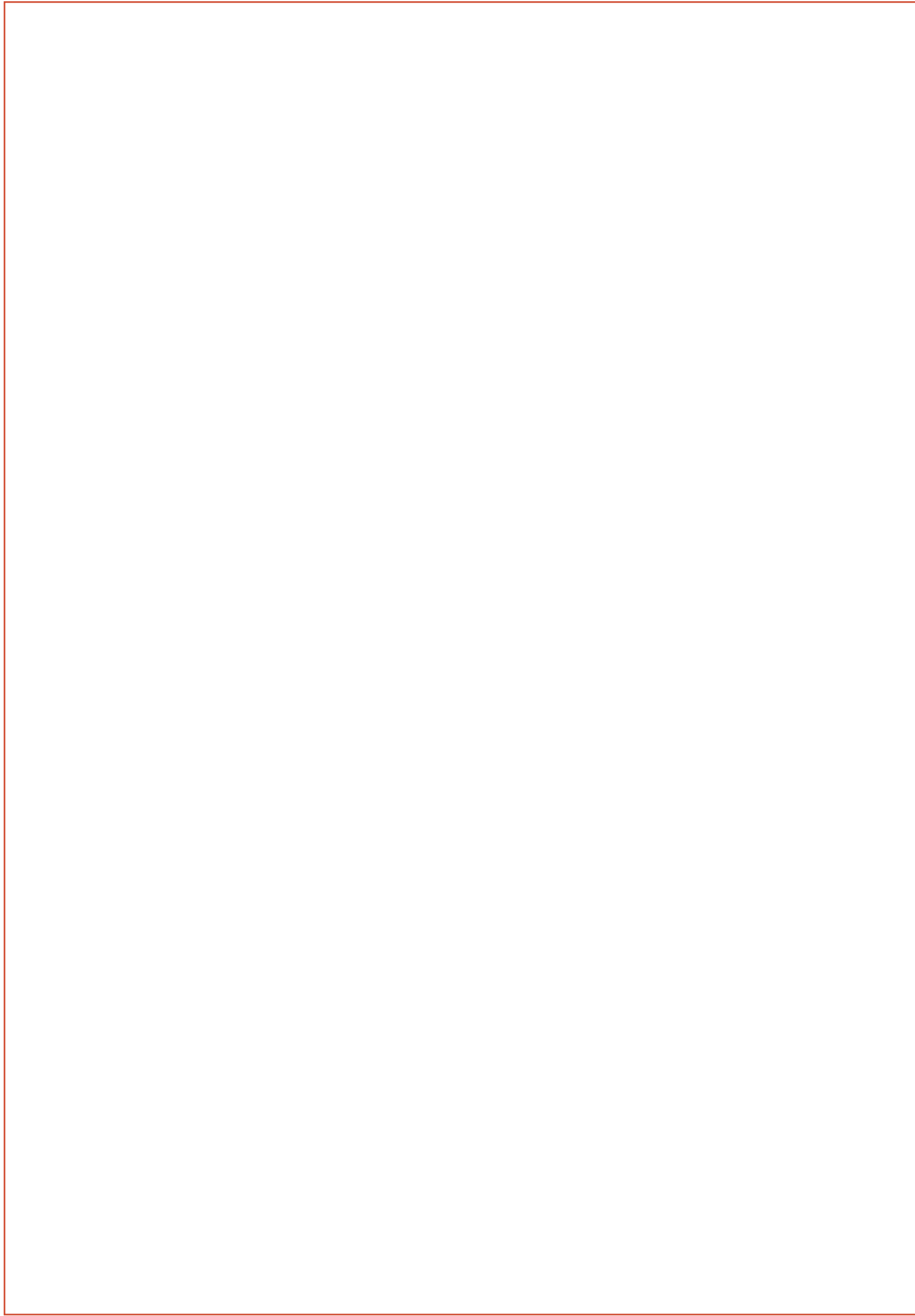
Financial Year ending 31 December 2017.



# REINT

REAL ESTATE INSTITUTE  
OF NORTHERN TERRITORY





# The REINT Board & Team



**PRESIDENT**  
Diane Davis  
Elders Real Estate



**VICE PRESIDENT**  
Carol Need  
Carol Need Real Estate



**TREASURER**  
Jeremy O'Donoghue  
First National O'Donoghues



**SOUTHERN DELEGATE**  
Andrew Doyle  
First National Framptons



Matthew Knight  
Knight Frank NT



Andrew South  
Complete Real Estate



Sascha Smithett  
Real Estate Central



Rebecca O'Shea  
Elders Real Estate



Allison O'Neill  
The Property Shop



Rob Harris  
Ace Body Corporate

## The REINT

**CHIEF EXECUTIVE OFFICER**  
Quentin Kilian

**TRAINING MANAGER**  
Michelle (Mitch) Elton

**STUDENT SERVICES MANAGER**  
Janine Brown

**PROFESSIONAL DEVELOPMENT**  
Tamara Holt

**RECEPTION / PA**  
Christine Simpson

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**AUDITORS**  
Lowrys Accountants

**BANKERS**  
Westpac Banking Corporation

**SOLICITORS**  
HWL Ebsworth

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RTO: 0382

# President's Report

I think, to state the obvious, this past year has not been one of the best we've had in the real estate profession in the Territory. But, we have survived it and we will continue working hard in the knowledge that both the real estate market, and the Northern Territory economy that underpins what we do, is cyclical and as such it will turn - at some stage.

That being said it certainly has not been an unproductive year. On the national front with the REIA we have been working on a few major projects, the most prominent of these being 'The Road To Professionalism'.

## THE ROAD TO PROFESSIONALISM

This is a project being championed by former REIA President and former REINSW President, John Cunningham. The project involves all REI's across Australia and the ultimate aim of the project is to take the real estate 'industry' to the status of a 'profession'. While, on the surface, this might not sound like such a "big deal", it is in fact a huge undertaking on the part of the REI's and the result, when achieved, will have enormous benefit to the real estate profession nationally.

By being recognised as a 'profession' (rather than an industry) it opens up the opportunity for a greater level of self-regulation and control over what we do. It allows us greater latitude in the application of Codes of Ethics and it enables us to put in place national accreditation programs.

At the moment there are few 'professions' recognised in Australia and they include the like of the legal profession, medical and accounting professions. Those of us in real estate know the level of training and professional development that is required to excel in this field, and having real estate recognised as a profession will help to lift our image a great deal.

## NATIONAL TRAINING PACKAGE

Another of the key national initiatives has been the work that the national Training Managers have been doing with Artibus to develop the new national training package.

This is work that has been overseen and endorsed by the National REIA Board and CEO's and will, when completed, be the first time in our history where we have truly national curriculum for real estate training.

The package is due to come in mid-2019 and will be a mixture of core subjects followed by streamed training in the professional area of your choice (Property Management or Sales) coupled with a number of optional subjects, such as auctioneering or asset management or others, that will make up the complete Certificate IV.

The Diploma unit will be expanded to cover more facets of Agency Management and we are looking at introducing a non-compulsory Certificate III aimed at introducing people, particularly Admin staff, to the real estate industry.

## YPN

Last year we kicked off the REINT Young Professionals Network (YPN). The YPN is aimed at real estate practitioners up to (around) 40 years of age.

This group has been very active over the past year and has some exciting professional and social activities planned for throughout 2018.

A YPN is a very important element for our industry as it is this group that are the leaders of tomorrow. The young professionals of today will be the Board Members of the future and the decision makers. So it is important that we foster this group now to ensure there is a real estate profession in the future. I encourage all agencies to get behind the YPN by supporting and promoting their activities and by encouraging your younger staff to participate in the events and, if they're interested, to participate at the Committee level.

### **IN GENERAL**

On the local front we have moved to our new office and separate Training Room. This has been quite a labour of love for Quentin and the team, but all going to plan, we will be here for quite some time. The new offices give a nice fresh environment to work and meet in and the dedicated training room, while losing a little in size, now has new technology including a Zoom Room installed.

We have undertaken lobbying efforts this year on changes to the Agent's Licensing Act, the Residential Tenancy Act, the introduction of a Pet Bond and more recently we have responded strongly in opposition to the Government's proposal to introduce a Land Tax. The Board and the team continue to monitor opportunities to lobby Government on matters of importance to our industry.

In wrapping up I would like to thank Quentin, as our CEO, and his hard working team at the REINT for their efforts this past year. I would also like to thank my fellow Board Directors for giving up their time to serve on the Board.

I encourage you to engage with the REINT team throughout the coming year and let them know the types of Professional Development you would like to see, introduce them to new technologies you have come across or thoughts you have on how we can all continually improve our service delivery to you.

**DIANE DAVIS**

REINT President

# CEO's Report

This year has been a tough one for our profession, with rising stock and falling prices coupled with a rapidly declining population and stalled economy, it hasn't been easy to make a living as a real estate practitioner in the Territory.

But as we all know, this industry is cyclical and it will turn...when is the big question. But we battle on, and that's exactly what we have been doing this past year at the REINT. Our aim is to continue providing you with the best service and products that we can and to continually improve on what we have to offer.

## REINT STAFF

As you would be aware our long time Training Manager, Jock, retired at the end of 2016 and we were thrilled that Mitch Elton agreed to step into the role. Mitch has been working hard this year on streamlining the training material and getting the online training portal active. Mitch has also been heavily involved, as part of the team of national Training Managers, in shaping the new national training curriculum.

With Mitch moving into her new role we had to replace her PD role and we managed to find an amazing talent in Tamara Holt. Many of you know Tamara as she and husband Lenny have been around the Darwin real estate industry for many years.

And I am pleased that our other hard working staff of Janine Brown, or Student Services Manager (who has been with us for over a decade now) and our Receptionist, Christine Simpson remain with the team.

## FORMS LIVE

This year we updated our forms. While this caused a bit of concern with some of our members it was a process that was necessary as the forms, particularly the Tenancy Agreement, were quite old in their content and there a number of legislative changes that had to be incorporated into them. Hopefully the changes that we have incorporated will future-proof them for some time to come.

We also successfully introduced the addition of Docusign to our Forms Live offering this year. This is a big step forward for us and one that has been embraced by our members. In fact, on a per-capita basis, the Northern Territory is the largest users of Docusign from all the States & Territory's linked to the Forms Live system.

We also introduced an online version for our public forms sales. At present this is limited to the Residential Tenancy Agreement, however we plan to include the commercial leases in early 2018. This means that the public can pay for and download the tenancy agreement directly through our website. Apart from the ease of operation, this has reduced the amount we need to print in the office (lower costs) and the foot traffic through the office. As the public form requires a certain amount of data to be included before the form can be completed, we are now the only body collecting data on the private rental market in the Territory. This data, in time, will be extremely valuable to the REINT.

## NEW WEBSITE

Our website, which was built quite some years ago, has reached its end-of-life and we have engaged local design firm, Clickstarter, to build us a new and modern...and certainly more functional...website which is due be launched by April / May 2018.

Unfortunately our current website was built using customised software which became unstable and proved impossible to upgrade. This has led recently to issues with security certificates not being recognised and failure points in our booking system. Our new website will take on a modern design and is being built on the latest version of the Joomla platform which is fully upgradable and expandable to cover all our business needs.

Linked to this we will be launching a new Member Benefits package. This is the same package used by REIV in Victoria. Watch for the launch announcement.

### **OFFICE MOVE**

If anyone on my staff or Board suggests an office move any time in the next decade I will personally injure them! What an exercise this has been. It began back in August 2017 and has taken until February 2018 to complete (almost) and see us in our new office and training room.

Putting aside the trials and tribulations of dealing with Telstra and its offshore 'customer service', it is great to be in the new look office space. We have a fresh, modern look to the business and by separating the training room from the office it has given us more floor space to dedicate to the working area. This has allowed a larger office for the CEO with meeting facilities, a new Board Room and expanded open plan work space for the team.

The new training room (in Unit 2) has the addition of perhaps the most exciting technological advance we have had in many years at the REINT – a Zoom Room. Using Zoom technology and 2 4K cameras we are able to have live video conferencing with up to 100 participants at any time. This will mean that PD sessions can be joined from any computer, Ipad, Tablet or phone, from anywhere! Mitch will be able to do training from the classroom and into offices around the Territory. A lot less travel for our team and when we do travel, a lot more time spent on individual needs for your offices and staff.

### **PD & SOCIAL ACTIVITIES**

Throughout 2017 we provided a broad range of Professional Development and social activities. On the PD front these included Kevin Turner in February; an NTCAT update; a session with the Pool Fencing Authority; the ever popular Breakfast with Brian; Smoke Alarm Compliance; identifying and dealing with Drug Labs; plus Docusign, Forms and Property Condition Reports.

Our Corporate Golf Day was a big hit again (pun intended) this past year with around 140 people turning out to test their skills against the course and network. And the REINT-realestate.com.au Awards night was a huge success. We filled the Convention Centre and everyone enjoyed our guest speaker, Mick Collis.

This year (2018) marks the 20th Anniversary of the REINT awards so we have something special planned to mark the occasion. Watch for notices soon.

We would like to give a very special note of thanks to realestate.com.au for their ongoing support of the REINT and in particular their support of the annual awards.





Overall it has been a busy year for us, but that's what we love. I would like to thank my amazing staff for their support and ideas this year. They are the engine room of the REINT and I am so proud to work with them every day.

I would also like to thank the Board for the time they give up throughout the year and for their guidance.

Now, let's get ready to take the REINT to another level again next year.

**QUENTIN KILIAN**  
Chief Executive Officer





# Southern Delegates Report

The Alice Springs market is showing signs of improvement with increased sale numbers and buyer activity and while RELM median prices figures don't show this, I believe we have seen capital growth in the housing sector however units remain slow to move, particularly those located in the higher density areas of town.

Transaction numbers increased during 2017 with a total of 431 settlements of houses and units compared to 364 in 2016 and 373 in 2015, the biggest increase was in house sales with 289 settling up from 211 in 2016 and 239 in 2015, a direct result of the improve first home buyers scheme. Demand for units remains static with 142 settling in 2017 compared to 153 in 2016 and 134 in 2015.

Median house price fell from \$475,000 to \$467,500 with 78 more houses selling (up 37%) with a significantly higher number of houses below \$450,000 selling due to increased First Home Buyer activity which has held the Median price down.

The unit market was hardest hit with the median price dropping from \$315,000 in December 2016 to \$233,500 in December 2017 however this was impacted by the sale of a number of 1 bedroom and studio units distorting the values. 2017 saw an decrease of 11 transactions, year on year.

2017 saw the sale of vacant land return to our market with 19 blocks at Kilgariff and 21 at the South Edge Estate, prices ranged from \$150,000 and we look forward to increased builder activity that has been missing from our market for a number of years.

There has been little in the way of major projects however the NT Government are working towards a National Indigenous Art Gallery which if it does eventuate should drive growth and employment in the town.

2017 saw a reduced commercial leasing activity however the majority was just the relocation of existing businesses into different tenancies to take advantage of the incentives being offered by some landlords, there has not been the establishment of any new businesses.

The change of Government and change in First Home Buyer incentives to assist with the purchase of existing stock was critical to jump start the Alice Springs market, indications are we are seeing increased buyer activity which should see prices start to rise again after a number of years of contraction in real terms.

We look forward to the continued increased demand for housing and the re-establishment of a residential housing building industry.

Regards

**ANDREW DOYLE**  
Southern Delegate

# Agents Licensing Board Report

## REPORT FROM NORTHERN REGION INDUSTRY REPRESENTATIVE OF THE AGENTS LICENSING BOARD

### 1. Administration of Agents Licensing Act

The Department of Attorney-General and Justice is responsible for the administration of the Agents Licensing Act and Auctioneers Act. The Honourable Natasha Fyles is the Attorney-General and Minister for Justice.

The Agents Licensing Board is responsible for considering applications for the grant of licences and registrations as an agent's representative and for the conduct of Inquiries into applications for disciplinary action against a licensed agent or agent's representative under the Act.

The Board is assisted by the Registrar of Land, Business and Conveyancing Agents and staff of Licensing NT.

### 2. Composition of Agents Licensing Board

The Board is a body corporate established under sections 6 & 7 of the Act and is comprised of the following members:

NAME	POSITION	EXPIRY OF TERM
Mark Thomas	Chairperson	30/10/2020
Gabrielle Martin	Alternate to Mr. Thomas	30/10/2020
Robert Bradshaw	Departmental Representative	At Minister's pleasure
Hannah Clee	Alternate to Mr. Bradshaw	At Minister's pleasure
Lea Aitken	Consumer Representative	13/07/2019
Robert Kendrick	Alternate to Ms. Aitken	13/07/2019
Jo-Anne Pulsford	Industry Representative (Southern Region)	24/08/2018
Carol Need	Alternate to Ms. Pulsford	24/08/2018
Diane Davis	Industry Representative (Northern Region)	02/03/2019
Denise Meeking	Alternate for Ms. Davis	02/03/2019

### 3. Property Agents Licensing Group

The function of Property Agents Licensing is under the Occupational Licensing Unit, Licensing NT. The office is located at Level 3, NAB House, 71 Smith Street, Darwin. Ms Sally Ozolins holds the statutory appointment of Registrar of Land, Business and Conveyancing Agents.

Ms Carolyn Parsell holds the statutory appointment of Deputy Registrar.

#### **4. Section 93 Grants**

- On 7 April 2016, a Funding Agreement was executed between the Agents Licensing Fidelity Guarantee Fund and AIC NT for continued funding for 2 years of the CPC program.
- On 6 March 2017, the Attorney-General and Minister for Justice determined \$26,400 inclusive of GST be paid to the REINT from the Fund for the review and update of residential and commercial documentation provided the REINT to ensure compliance with new federal legislation relating to unfair contract terms and Australian Consumer Law. A Funding Agreement was executed on 11 May 2017 between the Agents Licensing Fidelity Guarantee Fund and REINT.

#### **5. Section 92 Grants**

- On 9 March 2017, a Funding Agreement was executed between the Agents Licensing Board and REINT for continued funding for 2 years to conduct educational courses approved by the Board. The Agreement provides for base funding in 2017 of \$208,811.90 and base funding in 2018 of \$215,076.40.

The Agreement provides for reporting and acquittal requirements.

#### **6. Tenancy Trust Account**

On 29 July 2016, a payment of \$350,000 was made to the Tenancy Trust Account in accordance with the Ministerial Determination for the operation of the Commissioner of Residential Tenancies Office for the financial year 2016/2017.

On 8 December 2016, a payment of \$332,762.41 was made to the Tenancy Trust Account in accordance with the Ministerial Determination for provision of a tenant's advice service for the financial year 2016/2017.

#### **7. Lease of Unit 3, 6 Lindsay Street**

The current lease arrangement details are not currently available.

#### **8. Licences and Registrations**

The total number of licences and registrations as at 14 March 2018:

Real Estate and Business Agents Licences:	344
Registered Agent's Representatives:	525
Conveyancing Agent Licences:	39
Auctioneers Licences:	66

#### **9. Complaints and Applications for Disciplinary Action**

This information is not available at the present time.



## **10. Board Meetings**

In 2017, the Board held meetings in February, May and November.

Meeting dates for 2018 follow – 26 February, 21 May (Alice Springs), 20 August, and 19 November.

As a part of a standing arrangement, the REINT and AIC, NT Division are invited to attend the meeting to raise and discuss matters of mutual concern.

## **11. Board Policies**

No policies were determined since the last report.

### **DIANE DAVIS**

Industry Representative Member (Northern Region)  
Agents Licensing Board

# Treasurer's Report

Dear Members,

With the assistance of the CEO I have prepared an overview of the 2017 Financial Year for the REINT.

This was a very good year for the REINT, not only recording a surplus of \$45,110, but coming to this position from last year's deficit meant a fiscal turn-around of over \$90,000. This is largely due to a substantial pick up in student numbers during the year and some good work on expenditure.

## 2017 FINANCIAL REVIEW

### Income

Income was up by \$21,551 against 2016. The bulk of this being an increase in Grants Funding (\$14,470) which accounted for cost increases, and Education which was up by \$90,056 on the previous year.

Most other key areas of income were similar, however reading this report you will note that there is a major differential in income for the Awards. This is reflected in 2016 we received income for the one-off event of the Australasian Auctioneering completion, which we held in Alice Springs. While the income is reduced, so too are the expenses related to Awards events and as such the lower income is of no concern as it simply returns to normal levels.

Overall the CEO achieved a good result for the REINT turning around the income after a reasonably dismal year in the previous year.

### Expenditure

Expenditure was well controlled throughout the year. As with most other businesses we were faced with rising costs, however the Board took the advice of the CEO and agreed not to increase membership dues, which is the 5th year in a row that we have held back on membership dues increases.

We managed to almost halve the cost of marketing, but through relationships with firms like Channel 10, have actually increased our exposure.

One of the areas where we saw increased expenditure was in Web Design and Web Maintenance. The current website has reached its end-of-life and started to cost us in trying to repair a technology that is now quite old. A decision was made to invest in a new site and we engaged local firm Clickstarter who have built a new, upgradable, up scalable website for us that should ensure it is easier to maintain into the future. The new site will be ready for its public launch by May 2018.

We also reduced our subscriptions costs in 2017. While it is important for us to be linked to the business community through various memberships and subscriptions, we decided to apply a bit of 'tough love' to the organisations and publications that we continued to subscribe to going forward.

### Investments

We continued to pay down our purchase of a 1 percent shareholding in RECON. RECON is the Real Estate Conversation e-mag that you receive (or can receive) in your inbox daily; RECON Jobs; and now a range of online publications globally on real estate and hotels including RECON in the middle east and Asia.

We are not anticipating these shares to pay dividends for some years yet as RECON goes through the early stages of establishment, however it has already reached a profit position on its spreadsheets, which is around 3 years ahead of expectations.

Our inventory of office assets have almost reached their full depreciable value. Over the coming year and next we will look at working with the Fidelity Fund to start replacing technology hardware.

### **Extraordinary Notes**

The surplus would have been increased by a further \$16,000, however we received a late account from our lawyers for unbilled legal retainer fees. While we were very displeased receiving this large account given that it was a billing error by the law firm, we have an obligation to cover it. Therefore a journal entry was made to take this off the surplus in 2017.

Coming up in 2018 we will have a sizeable additional expenditure in taxation payments and payments for preparation to Grant Thornton (a specialist tax firm). After receiving advice for over a decade from our auditing firm that the REINT did not have a tax position, our CEO has discovered that only a portion of REINT income is covered by the Deed of Mutuality and therefore tax free. This has resulted in us engaging Grant Thornton to (a) establish our tax position; (b) prepare tax returns for 5 past years plus the current return, and (c) negotiate with the ATO on payments.

This has resulted in around \$30,000 in costs to Grant Thornton and almost \$40,000 in back and current taxes to the ATO. The upside is that the ATO has agreed to forgo over \$39,000 in interest charges and has agreed to place the REINT on a 2 year payment plan.

This will be a one-off hit to our finances and, while this will put additional stress on our accounts over 2018, now that we have identified and rectified the position going forward it will be a great deal more manageable.

### **Overall**

As Treasurer I am pleased with the fiscal management that our CEO has applied to the REINT accounts and am confident that we are in apposition to meet our accounts as they fall due.

**JEREMY O'DONOGHUE**

Treasurer



REAL ESTATE INSTITUTE OF NORTHERN TERRITORY INC

ABN 15 717 052 155

SPECIAL PURPOSE FINANCIAL REPORT

FOR THE YEAR ENDED

31 DECEMBER 2017

**REAL ESTATE INSTITUTE OF NORTHERN TERRITORY INC**

**SPECIAL PURPOSE FINANCIAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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Director's Declaration

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Balance Sheet

Notes to the Financial Statements

## REAL ESTATE INSTITUTE OF NORTHERN TERRITORY INC

### DIRECTOR'S DECLARATION FOR THE YEAR ENDED 31 DECEMBER 2017

Your Board submit the financial report of the Real Estate Institute of Northern Territory Inc (the Association) for the financial year ended 31 December 2017.

#### Board Members:

The names of Directors during the last financial year and at the date of this report were:

Diane Davis - President	Justin O'Brien (replaced by Robert Harris)
Carol Need - Vice President	Rebecca O'Shea
Jeremy O'Donoghue – Treasurer	Allison O'Neill
Andrew South	Sascha Smithett
Matthew Knight	Andrew Doyle (Southern Delegate)

#### Principal Activities:

The principal activities of the Association are:

1. To facilitate the business transactions and protect and conserve the business interests of real estate and business agents.
2. To secure mutual co-operation and effort in connection with business transactions as between members and also as between members and their principals.
3. To improve the technical and general knowledge of persons engaged in the said professions and with a view thereto to disseminate professional knowledge ; to hold or contribute to or co-operate in the holding of classes; to provide for the delivery of lectures and to secure efficiency on the part of those admitted as members; to teach and approve the Law applicable to the sale, leasing and management of all property, both real and personal; and to co-operate with colleges, institutes and universities for the purpose of lecturing and providing lectures in such subject matter; to conduct seminars and conferences for the purpose of further disseminating the aforesaid professional knowledge; and generally do all that is necessary to establish and improve the technical and general knowledge of those engaged in such property transactions.
4. To foster good relations between members of the Association, other agents and members of the general public to improve the standing of members within the community.
5. To provide for the internal working and management of the Association.
6. To test and settle or to assist members in testing and settling any question – legal or otherwise - which in the opinion of the Board is one of general interest to members; including the protection of members from claims and demands, which in the opinion of the Board are oppressive.
7. To provide for the maintenance of the honour, reputation and status of members.
8. To suspend, remove from membership, or discipline members of the Association in the manner provided for in the constitution.



**REAL ESTATE INSTITUTE OF NORTHERN TERRITORY INC**

**BOARD'S DECLARATION  
FOR THE YEAR ENDED 31 DECEMBER 2017 (Continued)**

**Principal Activities (Continued):**

9. To use the funds of the Association exclusively for the carrying out of its objects.
10. To borrow, or raise, or secure the payment of money in such a manner as the Board thinks fit.
11. To do all such other things as are incidental or conducive to the attainment of its objects.
12. To provide rooms and other facilities for any purpose that the Board may from time to time determine.
13. It is the intention that each and all powers specified in the preceding sub-clauses shall not be limited or restricted by reference to or inference from the terms of any sub-clause or of the main objects as first mentioned.

**Significant Changes:**

No significant changes in the nature of these objectives occurred during the year. It should be noted that the Association is now considered to be a taxable entity under the mutuality principle. During the year the Board sought advice from Grant Thornton in relation to whether or not the Association is a taxable entity. The professional advice from Grant Thornton concluded that the Association is considered to be a taxable entity and therefore will now be required to lodge income tax returns. Income tax returns for the past five years are also required to be lodged with the Australian Taxation Office, the total tax payable in relation to these is likely to be in the vicinity of \$5,500.

**Operating Result**

The surplus of the Association for the year amounted to **\$45,110**; (2016: loss \$90,765).

**Operating Report:**

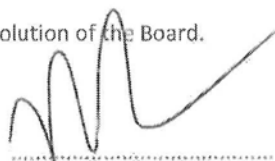
In our opinion: -

- (a) The accompanying financial report, being a special purpose financial report, is drawn up so as to present fairly the state of affairs of the Association as at 31 December 2017 and the results of the Association for the year then ended;
- (b) The accounts of the Association have been properly drawn up and are in accordance with the books of account of the Association; and
- (c) There are reasonable grounds to believe the Association will be able to pay its debts as and when they fall due.

This report has been signed in accordance with a resolution of the Board.



Diane Davis - President  
Date: 23 February 2018



Jeremy O'Donoghue Treasurer  
Date: 23 February 2018



## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF REAL ESTATE INSTITUTE OF NORTHERN TERRITORY INC

SWJR Nominees Pty Ltd  
ABN 49 078 887 171  
Cnr Coonawarra & Hook Roads  
PO Box 36394, Winnellie NT 0821  
Tel: 08 8947 2200  
Fax: 08 8947 1146  
lowrys.accountants@lowrys.com.au

### Report on the Audit of the Financial Report

#### Opinion

We have audited the accompanying financial report of Real Estate Institute of Northern Territory Inc (the Association) which comprises the Director's Declaration, the income and expenditure statement for the year ended 31 December 2017, the statement of financial position as at 31 December 2017 and a summary of significant accounting policies and other explanatory notes.

In our opinion, the financial report of the Association is in accordance with the *Northern Territory of Australia Associations Act*, including:

- (a) giving a true and fair view of the Association's financial position as at 31 December 2017 and its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the financial reporting requirements of the *Northern Territory of Australia Associations Act*.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Association 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 our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

#### *Basis of Accounting and Restriction on Distribution*

Without modifying our opinion, we draw attention to Notes 1 to the financial statements, which describe the basis of accounting. The financial report has been prepared to assist Real Estate Institute of Northern Territory Inc to meet the reporting requirements of the *Northern Territory of Australia Associations Act*. As a result, the financial report may not be suitable for another purpose.

#### Responsibilities of Management and Directors for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and for such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Association'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 management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Directors are responsible for overseeing the Association's financial reporting process.

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF REAL ESTATE INSTITUTE OF NORTHERN TERRITORY INC (Continued)**

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

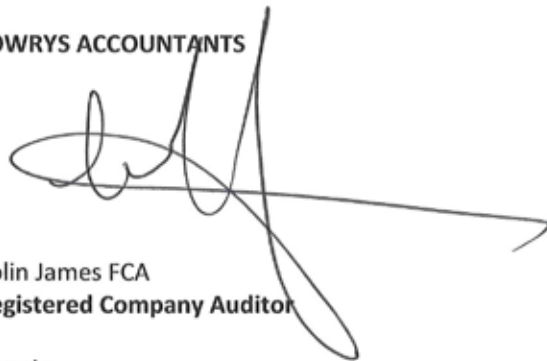
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 our 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](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf)

This description forms part of our audit report.

**LOWRYS ACCOUNTANTS**

A handwritten signature in black ink, appearing to be 'Colin James', written over the company name 'LOWRYS ACCOUNTANTS'.

Colin James FCA  
**Registered Company Auditor**

Darwin  
23 February 2018

**REAL ESTATE INSTITUTE OF NORTHERN TERRITORY INC**

**INCOME AND EXPENDITURE STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017 \$	2016 \$
<b>Income</b>		
Grants and Funding	274,056	259,586
Education	309,377	219,321
Membership Income	167,847	163,114
Product Sales	117,145	105,678
Industry Awards	78,773	175,773
Interest Income	2,109	3,656
Other Income	6,291	6,919
<b>Total income</b>	<b>955,598</b>	<b>934,047</b>
<b>Expenses</b>		
Accounting and Bookkeeping	27,690	15,780
Advertising and Promotion	8,760	15,451
Audit	4,500	4,900
Bank Charges	5,007	5,284
Cleaning	4,425	4,827
Board Meetings	1,591	2,281
Depreciation	3,778	5,825
Donations	-	1,640
Equipment Expenses	37,681	45,044
Freight	298	67
General Office Expenses	2,778	4,799
Insurance	11,271	10,588
Fringe Benefit Tax	5,508	5,332
Legal Fees	33,388	31,455
Low Cost Assets	272	1,166
Motor Vehicle – Fuel	925	6,339
Postage	1,126	943
Security System Monitoring	662	1,010
Stationery Purchases	3,274	4,352
Subscriptions	6,623	19,233
Social Functions	31,347	41,227
Telephone / Internet / Fax	8,233	12,667
Web Design	44,396	12,634
Orders Received	5,311	4,802
Course Expenses	41,671	32,337
Premise Expenses	49,310	58,685
Real Estate Institute of Australia	18,376	14,522
Industry Awards	81,169	160,731
Travel Expenses	52,856	50,593
Employment Expenses	418,262	450,298
<b>Total Expenditure</b>	<b>910,488</b>	<b>1,024,812</b>
<b>Surplus / (Deficit) for the year</b>	<b>45,110</b>	<b>(90,765)</b>

*The income and expenditure statement is to be read in conjunction with the notes to the financial statements*



REAL ESTATE INSTITUTE OF NORTHERN TERRITORY INC

BALANCE SHEET  
31 DECEMBER 2017

	Note	2017 \$	2016 \$
<b>Current Assets</b>			
Cash	2	309,631	264,179
Accounts Receivable		37,574	29,956
Inventory		3,943	5,411
Recon Shares		6,500	500
<b>Total Current Assets</b>		<b>357,648</b>	<b>300,046</b>
<b>Non-Current Assets</b>			
Property, Plant and Equipment	3	9,254	13,032
<b>Total Non-Current Assets</b>		<b>9,254</b>	<b>13,032</b>
<b>Total Assets</b>		<b>366,902</b>	<b>313,078</b>
<b>Current Liabilities</b>			
Accounts Payable	4	31,279	25,056
Employee Entitlements	5	72,521	72,664
FBT Provision		-	(3,999)
GST Liability		-	(1,818)
Unknown Membership Receipt		-	3,183
<b>Total Current Liabilities</b>		<b>103,800</b>	<b>95,086</b>
<b>Non-Current Liabilities</b>		-	-
<b>Total Liabilities</b>		<b>103,800</b>	<b>95,086</b>
<b>Net Assets</b>		<b>263,102</b>	<b>217,992</b>
<b>Accumulated Funds</b>			
Balance at beginning of the year		217,992	308,757
Surplus / (Deficit) for the year		45,110	(90,765)
<b>Balance at the end of the year</b>		<b>263,102</b>	<b>217,992</b>

*The balance sheet is to be read in conjunction with the notes to the financial statements.*

## REAL ESTATE INSTITUTE OF NORTHERN TERRITORY INC

### NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

#### Note 1 – Statement of Accounting Policies

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the *Northern Territory of Australia Associations Act*. The Board has determined that the Association is not a reporting entity.

The financial report has been prepared on an accruals basis based on historic costs and does not take into account changing money values or, except where specifically stated, current valuations of non-current assets. The financial report of the Association has been prepared on a going concern basis.

The following material accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

##### a. Revenue

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts or rebates.

Grant revenue is recognised in the income and expenditure statement when the Association obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the Association and the amount of the grant can be measured reliably.

Product sale is recognised at the point of sale, when it is probable that the economic benefit will flow to the Association and revenue can be reliably measured.

Service fee is recognised when services are rendered.

Membership fee is recognised when it is received or when the right to receive payment is established.

Interest income is recognised when accrued.

Other revenue is recognised when it is received or when the right to receive payment is established

##### b. Taxation

The Association is considered to be a taxable entity under the mutuality principle.

##### c. Cash

Cash includes cash on hand, deposits held at call with banks, and other short term highly liquid investments with original maturities of three months or less.

##### d. Accounts Receivables

Accounts receivables include amount due from members, trainees and well as amounts receivable from sponsors. Receivables are expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

**REAL ESTATE INSTITUTE OF NORTHERN TERRITORY INC**

**NOTES TO THE FINANCIAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**e. Property, Plant and Equipment**

All items of property, plant and equipment, with a value greater than or equal to \$5,000 are considered to be capital items. These items or property, plant and equipment are recorded at cost less, where applicable any accumulated depreciation

Property, plant and equipment are depreciated on a straight line basis commencing from the time the asset is held ready for use.

At the end of reporting period, the Board reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have been impaired. If such indication exists, an impairment test is carried out on the assets by comparing the recoverable amount of the asset, being the higher of the asset's fair value less cost of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised in the income and expense statement.

**f. Accounts Payables**

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Association during the reporting period that remain unpaid. The balance is recognised as current liability with the amounts normally paid within 30 days of recognition liability.

**g. Employee Entitlements**

Provision is made for the liability of employee entitlements arising from services rendered to balance date for those employees for whom the Association is responsible. These benefits include wages and salaries. Sick leave is non-vesting and has not been provided for. Employee entitlements have been measured at their nominal amount.

REAL ESTATE INSTITUTE OF NORTHERN TERRITORY INC

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017 (Continued)

	2017 \$	2016 \$
<b>Note 2 Cash</b>		
Westpac Cash Reserve Account	290,241	253,217
Westpac Cheque Account	16,803	8,312
Westpac Future Funds Account	2,087	2,080
Undeposited Funds	-	70
Petty Cash	500	500
	<b>309,631</b>	<b>264,179</b>
<b>Note 3 Property, Plant and Equipment</b>		
Office Furniture and Equipment – At Cost	98,124	98,124
Less: Accumulated Depreciation	(88,870)	(85,092)
	<b>9,254</b>	<b>13,032</b>
<b>Note 4 Accounts Payable</b>		
Trade Creditors	27,923	17,211
American Express Corporate	3,356	4,198
Superannuation Payable	-	2,668
PAYG Withholding	-	465
Voluntary Withholdings	-	514
	<b>31,279</b>	<b>25,056</b>
<b>Note 5 Employee Entitlements</b>		
Annual Leave	17,213	22,099
Long Service Leave	55,308	50,565
	<b>72,521</b>	<b>72,664</b>

**Note 6 – Events after the reporting period**

The Association has been notified by Grant Thornton that the total cost of preparing and lodging the past 5 year's income tax returns is \$25,000. This amount has not been brought to account in the 2017 financial statements, however has formed part of the 2018 budget.





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