

ANNUAL REPORT 2008/2009



The Real Estate Institute
of Queensland



This financial report covers The Real Estate Institute of Queensland Limited. The financial report is presented in the Australian currency.

The Real Estate Institute of Queensland Limited is a company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

The Real Estate Institute of Queensland Limited
21 Turbo Drive
Coorparoo Qld 4151

A description of the nature of the Institute's operations and its principal activities is included in the directors' report on pages 3 to 4. This report is not part of the financial report.

The financial report was authorised for issue by the directors on 22 September 2009. The Institute has the power to amend and reissue the financial report.



Statutory Report of the Board of Directors

The Board of Directors of The Real Estate Institute of Queensland Limited (the Institute) have pleasure in presenting the financial accounts of the Institute for the year ended 30 June 2009.

- a. Directors during the whole of the financial year and up to the date of this report:
P. D. Bennett, D. A. Duffy, P. M. Evatt, K. R. Jackson, A. M. Lindsay, P. J. McGrath, D. L. Molloy, J. C. O'Brien and B. A. Stewart.
- b. The principal activities of the Institute during the financial year were the representation of, and the provision of services to, the real estate agents' profession. No significant change in the nature of these activities occurred during the year.
- c. The net profit/(loss) of the Institute for the financial year after providing for income tax was \$(372,608), 2008: \$1,837,446.
- d. The Institute does not have share capital, therefore no dividend has been paid or recommended during the year.
- e. No significant change occurred in the state of affairs of the Institute during the financial year.
- f. No matters or circumstances have arisen since the end of the financial year that significantly affected or may significantly affect the operations of the Institute, the results of those operations, or the state of affairs of the Institute in subsequent financial years.
- g. There are no planned developments in the operations of the Institute that are likely to affect the results in the subsequent financial year.
- h. The particulars of the meetings attended, qualifications, experience and special responsibilities, if any, of each director are as follows:

Director	Meetings attended	Special responsibilities	Qualifications	Experience
P. D. Bennett	11	Director/ Chairperson from 1/7/09.	Licensed real estate agent, MAICD.	Director since 27/10/99. 34 years in real estate industry.
D. A. Duffy	11	Director	Licensed real estate agent, JP (CDec), MAICD.	Director since 1/1/08. 23 years in real estate industry.
P. M. Evatt	10	Director	Master of Org. Psychology, B of App. Sc. (Psychology), Dip AICD, FAICD, Dip Of Psychology.	Director since 1/1/06. 33 years in senior government and business roles.
K. R. Jackson	10	Director	Licensed real estate agent and auctioneer.	Director 1993 to 2001. Director since 1/1/04. 43 years in real estate industry.
A. M. Lindsay	11	Director/ Chairperson Risk Management Committee	Licensed real estate agent and auctioneer, B.Educ., Dip Teach, Dip Bus Man., MAICD.	Director since 23/10/01. 25 years in real estate industry.

Director	Meetings attended	Special responsibilities	Qualifications	Experience
P. J. McGrath	11	Director/ Chairperson To 30/6/09.	Licensed real estate agent, MAICD.	Director 1990 to 1995/1999. Director since 21/3/01. 30 years in real estate industry.
D. L. Molloy	11	Managing Director	B. Econ., GAICD, FAIM.	Director since 1/1/07. Joined staff of REIQ 1994 Appointed to Chief Executive Officer 1/1/07.
J. C. O'Brien	9	Director/Risk Management Committee	Licensed real estate agent, Assoc Dip Real Estate Valuation.	Director since 2/8/07. 21 years in real estate industry.
B. A. Stewart	10	Director/Risk Management Committee	MBA, Barrister-at-Law, Cert of Teaching.	Director since 1/1/06. 33 years senior government and business roles.


All Directors were eligible to attend 11 meetings.

- i. During the financial year, the Institute paid a premium of \$34,385 to insure all past, present and future directors and certain officers of the company. Details of all directors during the year who are covered by the insurance policy are listed in Note 29. The liabilities insured include costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the company.
- j. Since 30 June 2009 no director has received or become entitled to receive, during or since the financial year, a benefit (other than a remuneration benefit included in note 29(b) of the financial statements) because of a contract made by the Institute or a related entity with the director, a firm of which the director is a member or a company in which the director has a substantial financial interest.
- k. No dividends are paid in accordance with the Constitution of The Real Estate Institute of Queensland Limited.
- l. The Institute is not subject to significant environmental regulation in respect of its normal trading activities.
- m. The Company Secretary is Mrs E M MacKenzie who was appointed on 1 November 2006. Mrs MacKenzie was a staff member of the Institute from 1991 to 1997. She rejoined the Institute's staff on 31 August 1998 and since August 2002 has held the position of Executive Assistant to the Chief Executive Officer.
- n. A copy of the Auditor's independence declaration as required under section 307c of the Corporations Act 2001 is set out on page 5.

This report is made in accordance with a resolution of the directors.



P. D. Bennett – Chairperson



D. L. Molloy – Managing Director

Dated this twenty-second day of September 2009.

PricewaterhouseCoopers
ABN 52 780 433 757

Riverside Centre
123 Eagle Street
BRISBANE QLD 4000
GPO Box 150
BRISBANE QLD 4001
DX 77 Brisbane
Australia
Telephone +61 7 3257 5000
Facsimile +61 7 3257 5999

Auditor's Independence Declaration

As lead auditor for the audit of The Real Estate Institute of Queensland Limited for the year ended 30 June 2009, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of The Real Estate Institute of Queensland Limited during the period.



T A Mahony
Partner
PricewaterhouseCoopers

Brisbane
22 September 2009

Income Statement for the year ended 30 June 2009

	Note	2009 \$	2008 \$
Revenue from continuing operations	4	11,450,825	15,565,034
Finance Costs		(9,418)	(10,474)
Conference, Seminar and Training Course Expenses		(1,742,900)	(2,137,673)
Cost of Sales		(265,959)	(349,295)
Depreciation and Amortisation Expenses		(376,639)	(347,464)
Employment Related Expenses		(4,668,967)	(4,741,316)
Insurance		(73,852)	(74,483)
Impairment of Available-for-sale assets		(278,746)	-
Postage and Courier Expenses		(208,756)	(258,751)
Professional Fees		(131,634)	(339,966)
Property, Plant and Equipment Operating Expenses		(740,166)	(750,653)
Public Awareness Campaign		(175,090)	(247,515)
Publication Expenses		(1,830,321)	(2,348,224)
REIA Expenses		(229,679)	(223,721)
Share of Net Loss of Associates accounted for using the Equity Method	14	-	(8,850)
Other		(1,028,134)	(1,293,957)
(Loss)/Profit before Income Tax Expense		(309,436)	2,432,692
Income Tax Benefit/Expense	7	(63,172)	(595,246)
(Loss)/Profit for the year		(372,608)	1,837,446

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



Balance Sheet as at 30 June 2009

	Note	2009 \$	2008 \$
Current Assets			
Cash	10	11,353,756	12,030,727
Receivables	11	670,113	790,573
Inventories	12	118,440	151,890
Other	13	424,320	195,280
Total Current Assets		12,566,629	13,168,470
Non-Current Assets			
Investment Property	15	2,350,000	2,350,000
Available-for-sale Financial Assets	16	499,431	595,931
Property, Plant and Equipment	17	10,345,268	10,212,494
Total Non-Current Assets		13,194,699	13,158,425
Total Assets		25,761,328	26,326,895
Current Liabilities			
Payables	18	624,124	948,893
Interest Bearing Liabilities	19	81,002	42,463
Provisions	20	258,333	202,964
Tax Liability	21	-	41,478
Other	22	1,257,396	1,265,095
Total Current Liabilities		2,220,855	2,500,893
Non-Current Liabilities			
Interest Bearing Liabilities	23	25,663	75,121
Provisions	24	28,181	66,005
Deferred Tax Liability	25	1,143,480	1,101,799
Total Non-Current Liabilities		1,197,324	1,242,925
Total Liabilities		3,418,179	3,743,818
Net Assets		22,343,149	22,583,077
Equity			
Asset Revaluation Reserve	26	5,130,245	5,108,860
Available for Sale Reserve	27	-	(111,295)
Accumulated Funds	8	17,212,904	17,585,512
Total Members' Funds	9	22,343,149	22,583,077

The above balance sheet should be read in conjunction with the accompanying notes.

Statement of Recognised Income & Expense for the Year Ended 30 June 2009

	2009 \$	2008 \$
Gain on revaluation of land and buildings net of tax	-	4,245,495
Changes in the fair value of available-for-sale financial assets net of tax	-	(226,929)
Net income recognised directly in equity	-	4,018,566
Profit/(loss) for the year	(372,608)	1,837,446
Total recognised income and expense for the year	(372,608)	5,856,012

The above statement of recognised income and expense should be read in conjunction with the accompanying notes.



Cash Flow Statement for the Year Ended 30 June 2009

	Note	2009 \$	2008 \$
Cash Flow from Operating Activities			
Receipts from Customers and Members (Inclusive of GST)		11,207,825	14,049,502
Payment to Suppliers and Employees (Inclusive of GST)		(11,770,559)	(13,874,552)
Interest and Bill Discounts Received		610,119	827,914
Interest and Other Costs of Finance Paid		(9,418)	(10,474)
Income Tax Paid		(254,505)	(180,163)
Other Operating Receipts (Inclusive of GST)		339,386	370,023
Net Cash inflow (outflow) from Operating Activities	28	122,848	1,182,250
Cash Flow from Investing Activities			
Payments for Investments		(23,254)	(147,605)
Payment for Property, Plant and Equipment		(743,133)	(148,732)
Proceeds from Sale of Investments		-	96,723
Proceeds from Sale of Equipment		13,377	-
Net Cash inflow (outflow) from Investing Activities		(753,010)	(199,614)
Cash Flow from Financing Activities			
Reduction of Financing Debt		(46,809)	(30,854)
Net Cash (outflow) inflow from Financing Activities		(46,809)	(30,854)
Net Increase in Cash held		(676,971)	951,782
Cash at beginning of financial year		12,030,727	11,078,945
Cash at end of financial year	10	11,353,756	12,030,727

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

Notes to and Forming Part of the Accounts

Note 1: Summary of Significant Accounting Policies

This general purpose financial report is prepared in accordance with the historical cost convention, as modified by the revaluation of available-for-sale financial assets, certain classes of property, plant and equipment and investment property. The accounting policies have been consistently applied, unless otherwise stated. Comparative information is reclassified where appropriate to enhance comparability.

a. Basis of Preparation

The general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Corporations Act 2001.

Compliance with IFRS

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements and notes of The Real Estate Institute of Queensland Limited comply with International Financial Reporting Standards (IFRS).

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Institute's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

b. Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity. Income tax is calculated using the "principle of mutuality".

c. Estimated useful life

Fixed assets including buildings but excluding freehold land are depreciated over their estimated useful lives, on either a straight line or diminishing value basis, from the time the asset is held ready for use. The expected useful lives are as follows:

Buildings	40 Years
Plant, Equipment and Fixtures	4-20 Years

Estimates of remaining useful lives are made on a regular basis for all assets.

d. Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash flows from other assets.

e. Inventories

Inventories are valued at the lower of cost and net realisable value.

f. Employee benefits

Provision is made in respect of the Institute's liability for salaries and wages, annual leave and long service leave at balance date.



Notes to and Forming Part of the Accounts

Note 1: Summary of Significant Accounting Policies (cont.)

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date, are recognised in other current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

g. Long service leave

Long service leave is measured as the present value of expected future payments to be made for services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates on national government guaranteed securities with terms to maturity that match, as closely as possible, the estimated cash outflows.

h. Superannuation

Contributions are made by the Institute to employee superannuation funds and are charged as expenses in the income statement when incurred.

i. Accounting basis

The Institute adopts an accrual basis of accounting.

j. Cash

For the purposes of the cash flow statement, cash includes deposits at call that are readily convertible to cash on hand and are subject to an insignificant risk of change of value, net of outstanding bank overdrafts.

k. Investments in Associates and other financial assets

Investments in associates are accounted for at cost. Such investments include both investments in shares issued by the associates and other interests that in substance form part of the Institute's investment in the associates. These include investments in the form of interest-free loans which have no fixed repayment terms and which have been provided to associates as an additional source of long term capital. Trade amounts receivable from associates in the normal course of business and other amounts advanced on commercial terms and conditions are included in receivables.

l. Listed and unlisted securities

The Institute classifies its investments as available-for-sale. Available-for-sale financial assets comprise principally of marketable equity securities. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. Changes in the fair value of investments classified as available-for-sale are recognised in equity.

Recognition and Derecognition

Regular purchases and sales of financial assets are recognised on trade-date - the date on which the company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit and loss are initially recognised at fair value and transaction costs are expensed in the income statement.

When securities classified as available-for-sale are sold, accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities.

Subsequent Measurement

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within other income or expenses in the period in which they arise. Dividend income from financial assets at fair value through profit and loss is recognised in the income statement as part of revenue from continuing operations when the company's right to receive payments is established.

The Institute assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in value of a security below its cost is considered an indicator that the securities may be impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments classified as available-for-sale are not reversed through the income statement.

m. Fair value estimation

The fair value of financial instruments traded in active markets, such as available-for-sale securities, is based on quoted market prices at the balance sheet date.

Notes to and Forming Part of the Accounts

Note 1: Summary of Significant Accounting Policies (cont.)

n. Property, plant and equipment

The recoverable amount of an asset is the net amount expected to be recovered through the net cash inflows and outflows arising from its continued use and subsequent disposal.

Where the carrying amount of a non-current asset is greater than its recoverable amount, the asset is re-valued to its recoverable amount.

Where net cash inflows are derived from a group of assets working together, recoverable amount is determined on the basis of the relevant group of assets. To the extent that a revaluation decrement reverses a revaluation increment previously credited to, and still included in the balance of, the asset revaluation reserve, the decrement is debited directly to the reserve. Otherwise the decrement is recognised as an expense in the income statement in the reporting period in which the recoverable amount write down occurs.

The expected net cash flows included in determining recoverable amounts on non-current assets are not discounted to their present values.

o. Revaluation of non-current assets

Subsequent to initial recognition as assets, land and buildings, including those classified as investment properties, are measured at fair value being the amounts which the assets could be exchanged between willing parties in an arm's length transaction. Revaluations are made with sufficient regularity to ensure that the carrying amount of each piece of land and each building does not differ materially from its fair value at the reporting date. Annual assessments are made by the directors, supplemented by independent assessments at least every three years.

Revaluation increments are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in net profit or loss, the increment is recognised immediately as revenue in net profit or loss.

Revaluation decrements are recognised immediately as expenses in net profit or loss, except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are debited directly to the asset revaluation reserve.

Revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

Potential capital gains tax is not taken into account in determining revaluation amounts unless it is expected that a liability for such tax will crystallise.

Revaluations do not result in the carrying value of land or buildings exceeding their recoverable amount.

p. Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset are transferred to the Institute are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expenses for the period.

Other operating lease payments are charged to the income statement in the periods in which they are incurred as this represents the pattern of benefits derived from the leased assets.

q. Revenue Recognition

Revenue is recognised for the major business activities as follows:

(i) Training Course Sales

Revenue for training courses is recognised at the date on which the course commences. Amounts received in advance of the period to which they relate are recorded as prepaid income in Note 22.

(ii) Advertising Sales

Revenue is recognised at the closing date for acceptance of bookings for each publication.

(iii) Interest

Revenue on term deposits is recognised in the income statement when receivable. Interest on income securities and other fixed interest securities is recognised when paid.

(iv) Membership Subscriptions

Revenue is recognised for existing members at the amounts receivable over the six month period to which the membership subscription relates. Amounts received in advance of the period to which they relate are recorded as prepaid income in Note 22. Revenue is recognised for new members on acceptance of membership application.

(v) Dividends

Dividends are recognised as revenue when the right to receive payment is established.

All other revenue is recorded when products and services have been dispatched or provided to a customer and the associated risks have passed to the customer.



Notes to and Forming Part of the Accounts

Note 1: Summary of Significant Accounting Policies (cont.)

r. Trade debtors

All trade debtors are recognised at the amounts receivable as they are due for settlement no more than 30 days from date of statement. Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised where some doubt as to collection exists.

s. Investment Property

The investment property was initially recorded at cost. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefits in excess of the originally assessed performance of the asset will flow to the entity. Subsequent to initial recognition as an asset, the investment property is revalued to fair value. Changes in fair value are recorded in the income statement. The investment property is maintained at a high standard and, as permitted by accounting standards, the property is not depreciated.

Rental revenue from the leasing of the investment property is recognised in the income statement in the periods in which it is receivable, as this represents the pattern of service rendered through the provision of the property.

t. Trade creditors

Trade Creditors represent liabilities for goods and services provided to the economic entity prior to the end of the financial year and are usually paid within 30 days of recognition. These amounts are unsecured.

u. Interest bearing liabilities

Interest bearing liabilities are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is paid at the time it becomes due and is recorded in the income statement at this time.

v. Web site expenses

Costs incurred in building and enhancing the Institute's web sites are charged as expenses as incurred, except where they result in an enhancement of future economic benefits and recognised as an asset.

w. Repairs and maintenance

Repairs and maintenance costs are charged as expenses, when incurred, to the income statement.

x. Acquisition of assets

The purchase method of accounting is used for all acquisitions of assets regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given up or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition.

y. Provisions

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date.

z. New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2009 reporting periods. The Institute's assessment of the impact of these new standards and interpretations is set out below.

- (i) AASB 8 Operating Segments and AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8 (effective 1 January 2009)

AASB 8 will result in a significant change in the approach to segment reporting, as it requires adoption of a 'management approach' to reporting on the financial performance. The information being reported will be based on what the key decision makers use internally for evaluating segment performance and deciding how to allocate resources to operating segments. The Institute will adopt AASB 8 from 1 July 2009. Application of AASB 8 may result in different segments, segment results and different types of information being reported in the segment note in the financial statements.

- (ii) AASB 101 Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101

A revised AASB 101 was issued in September 2007 and is applicable for annual reporting periods beginning on or after 1 January 2009. It requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in equity, but will not affect any of the amounts recognised in the financial statements. If an entity has made a prior period adjustment or has reclassified items in the financial statements, it will need to disclose a third balance sheet (statement of financial position), this one being as at the beginning of the comparative period. The Institute will apply the revised standard from 1/07/2009.

Notes to and Forming Part of the Accounts

Note 2: Financial Risk Management

The Institute's activities expose it to a variety of financial risks; credit risk, liquidity risk, cash flow interest rate risk and price risk. The Institute's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Institute. The Institute uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate risks and aging analysis for credit risk.

Risk management is carried out by the Risk Management Committee and Senior Management under policies approved by the Board of Directors. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as interest rate and credit risks and investing excess liquidity.

The Institute holds the following financial instruments

	2009	2008
Financial Assets		
Cash and cash equivalents	11,353,756	12,030,727
Trade and other receivables	670,113	790,573
Available-for-sale financial assets	499,431	595,931
	12,523,300	13,417,231
Financial Liabilities		
Trade and other liabilities	624,124	948,893
Other financial liabilities	106,665	117,584
	730,789	1,066,477

(a) Market Risk

(i) Price Risk

The Institute is exposed to equity securities price risk. This arises from investments held by the Institute and classified on the balance sheet as available-for-sale.

The majority of the Institute's investments are publicly traded and are included in the ASX 200 Index.

The table below summarises the impact of increases/decreases on the Institute's post tax profit for the year and on equity. The analysis is based on the assumption that the equity indexes had increased/decreased by 15% (2008: 10%) with all other variables held constant and all of the Institute's equity instruments moved according to the historical correlation with the index.

Index	Impact on post tax profit		Impact on Equity	
	2009	2008	2009	2008
ASX 200	-	-	85,496	56,087

The price risk for the unlisted securities is immaterial in terms of possible impact on profit and loss or total equity. It has therefore not been included in the sensitivity analysis.

To manage its price risk arising from investments in equity securities, the Institute diversifies its portfolio.

Diversification of the portfolio is executed in accordance with the limits set by the Institute in the risk management and investment strategies.



Notes to and Forming Part of the Accounts

(ii) Cash flow and fair value interest rate risk

The Institute does not have short or long term borrowings which are subject to impacts from changes in the interest rates and consequentially has no exposure to any associated rate risk.

The Institute holds term deposits at cost which are subject to impacts from changes in the market interest rate. The Institute manages its exposure by investing in short to medium term term deposits. Before entering into a term deposit the Institute monitors current market interest rates to determine the impact of fixing the interest rate. The investment in term deposits is maintained in accordance with the Institute's investment policy.

(b) Credit Risk

The credit risk on financial assets of the Institute which has been recognised on the balance sheet is generally the carrying amount, net of any provision for doubtful debts.

Term deposits are carried on the balance sheet at the face value of the deposit.

The Institute has no significant concentrations of credit risk. The Institute has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history.

The Institute has policies that limit the amount of credit exposure to any one financial institution

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to historical information about default rates.

	2009	2008
Trade Receivables		
Counter parties without external credit rating		
Group 1	22,372	70,533
Group 2	403,188	514,087
Group 3	21,685	46,637
Group 4	29,481	25,310
	476,726	656,567

Group 1 - new customers (less than 6 months).

Group 2 - existing customers (more than 6 months) with no defaults in the past.

Group 3 - existing customers (more than 6 months) with some defaults in the past. All defaults were fully recovered.

Group 4 - existing and past customers (more than 6 months) with defaults. Some are expected to be recovered.

(c) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close-out market positions.

The Institute manages liquidity risks by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Due to the nature of the underlying business, the Institute aims at maintaining flexibility in funding by keeping committed credit lines available with a variety of counterparties. Surplus funds are generally only invested in instruments that are tradeable in highly liquid markets.

The tables below analyse the Institute's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date.

Notes to and Forming Part of the Accounts

Note 2: Financial Risk Management (continued)

As at 30 June 2009

	Less than 6 months	6-12 months	Between and 2 years	Between 2 and 3 years	Total Contractual Cash Flows	Carrying Amount (Liabilities)
Non Interest Bearing	624,124	-	-	-	624,124	624,124
Fixed Rate	40,209	46,186	28,203	-	114,598	106,665
	664,333	46,186	28,203	-	738,722	730,789

As at 30 June 2008

	Less than 6 months	6-12 months	Between and 2 years	Between 2 and 3 years	Total Contractual Cash Flows	Carrying Amount (Liabilities)
Non Interest Bearing	948,893	-	-	-	948,893	948,893
Fixed Rate	32,924	16,988	77,974	-	127,886	117,584
	981,817	16,988	77,974	-	1,076,779	1,066,477

(d) Fair Value Estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as available-for-sale securities) is based on quoted market prices at the reporting date.

The fair value of financial instruments that are not traded in an active market is determined using company quoted unit value for the reporting date.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the weighted average interest rate implicit in the financial instrument.

Note 3: Critical Accounting Estimates and Judgements

Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Institute makes estimates and assumptions concerning the future. The resulting estimates will, by definition, seldom equal the related actual results. The estimate and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

Estimated impairment of property, plant and equipment:

The Institute tests annually whether property, plant and equipment has suffered any impairment, in accordance with the accounting policy stated in note 1(d). The recoverable amounts of cash-generating units have been determined based on market value.

Although the directors do not believe additional financial impacts which may be recognised in subsequent periods are likely to be significant, it was not possible to accurately determine these at the time of issuing the financial report.



Notes to and Forming Part of the Accounts

	Note	2009 \$	2008 \$
Impairment of available-for-sale financial assets:			
The Institute follows the guidance of AASB 139 Financial Instruments: Recognition and Measurement on determining when available-for-sale financial asset are impaired. This determination requires significant judgement. In making this judgement, the Institute evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost and the financial health of and near term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flows.			
Note 4: Revenue			
(a)	Revenue from Operating Activities		
	Sale of Goods	6,510,261	8,584,321
	Sale of Services	4,043,908	4,797,919
		10,554,169	13,382,240
(b)	Revenue from Outside the Operating Activities		
	Gain on disposal of investment in Associate	-	51,496
	Net Gain on revaluation of investment property	-	1,050,000
	Net Gain on disposal of investments	-	56,724
	Interest and Dividends	696,601	842,968
	Rental from Townsville Investment Property	200,055	181,606
		896,656	2,182,794
	Revenue from continuing operations	11,450,825	15,565,034
Note 5: Expenses			
	Cost of Sales	265,959	349,295
	Depreciation		
	Buildings	49,865	58,561
	Plant and Equipment	293,402	253,920
	Total Depreciation	343,267	312,481
	Amortisation of Leased Assets	33,372	34,983
	Rental Expenses relating to Operating Leases	321,222	278,686
	Bad Debts	18,201	4,766
	Net Loss on disposal of Property, Plant and Equipment	24,113	492
	Finance Costs		
	Interest and finance charges paid	9,418	10,474
	Impairment loss on available-for-sale assets	278,746	-

Notes to and Forming Part of the Accounts

Note 6: Segment Information

Business Segments

The entity is organised into the following divisions by product and service type.

Retail Sales

The sale of real estate agency requisites, principally contract forms, agency forms, electronic forms software and impressions, diaries and signage.

Business Services

The publication of real estate magazines.

Professional Services

The development and delivery of licensing training and specialised industry programs.

Membership

Provision of member services including professional publications, information services, member website.

Corporate Policy and Administration

Includes corporate governance, industry representation, policy development and investment management.

Geographical Segments

The Institute operates predominantly in one industry and one geographical area being the state of Queensland.

PRIMARY REPORTING - BUSINESS SEGMENTS

2009	Retail Sales	Business Services	Professional Development	Membership	Corporate Policy & Administration	Consolidated
Total Sales Revenue	1,104,124	1,906,107	5,497,154	2,006,861	2,380	10,516,626
Other Revenue	-	-	-	-	934,199	934,199
Total Segment Revenue	1,104,124	1,906,107	5,497,154	2,006,861	936,579	11,450,825
Segment Result	90,019	50,315	(35,970)	176,904	(590,704)	(309,436)
Income Tax Expense						(63,172)
Net Profit						(372,608)
Unallocated Assets						25,868,021
Total Assets						25,868,021
Unallocated Liabilities						3,524,872
Total Liabilities						3,524,872
Acquisitions of property, plant and equipment & other non- current assets						547,630
Depreciation and amortisation Expenses	71,932	14,319	209,101	75,640	5,647	376,639



Notes to and Forming Part of the Accounts

2008	Retail Sales	Business Services	Professional Development	Membership	Corporate Policy & Administration	Consolidated
Total Sales Revenue	1,252,842	2,450,483	7,244,277	2,434,638	-	13,382,240
Other Revenue	-	-	-	-	2,182,794	2,182,794
Total Segment Revenue	1,252,842	2,450,483	7,244,277	2,434,638	2,182,794	15,565,034
Segment Result	205,857	138,114	1,139,375	199,267	750,079	2,432,692
Income Tax Expense						(595,246)
Net Profit						1,837,446
Unallocated Assets						26,501,169
Total Assets						26,501,169
Unallocated Liabilities						3,910,892
Total Liabilities						3,910,892
Acquisitions of property, plant and equipment & other non- current assets						373,315
Depreciation and amortisation Expenses	86,780	18,381	178,091	56,894	7,318	347,464

2009
\$

2008
\$

Note 7: Income Tax Expense

(a) Income tax Expense		
Current Tax	106	250,690
Deferred Tax	63,066	344,556
	63,172	595,246
Income Tax Expense is attributable to profit from continuing operations	63,172	595,246
Deferred income tax expense included in income tax expense comprises:		
(Increase) in deferred tax assets	67,581	(14,585)
Increase in deferred tax liabilities	(4,515)	359,141
	63,066	344,556

Notes to and Forming Part of the Accounts

Note 7: Income Tax Expense (cont.)	2009	2008
	\$	\$
(b) Numerical reconciliation of income tax expense to prima facie tax payable.		
(Loss)/Profit from continuing operations before income tax expense	309,436	2,432,692
Tax at the Australian tax rate of 30% (2008 - 30%)	(92,831)	729,808
Tax effect amounts which are not deductible (taxable) in calculating taxable income:		
Net mutual (income)/expenses	133,873	(155,624)
Non deductible investment	-	358
Legal Expenses	48	520
Entertainment	8,458	5,340
Depreciation of Buildings	14,959	17,568
Tax deferred investment income	(1,229)	(1,145)
	63,278	596,825
Under provision in prior years	(106)	(1,579)
Income tax expense	63,172	595,246
(c) Amounts recognised directly in equity		
Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss but directly debited or credited to equity		
Net deferred tax debited (credited) directly to equity	(21,385)	527,446
Note 8: Accumulated Funds		
Retained Profits at the beginning of financial year	17,585,512	15,748,066
Net (Loss)/Profit attributable to Members	(372,608)	1,837,446
Accumulated Funds	17,212,904	17,585,512
Note 9: Equity		
Total member funds at beginning of financial year	22,583,077	16,727,065
Increase in Asset Revaluation Reserve	21,385	4,245,495
Increase/(decrease) in Available-for-sale Reserve	111,295	(226,929)
Total changes in member funds recognised in the Income Statement	(372,608)	1,837,446
Total member funds at reporting date	22,343,149	22,583,077
Note 10: Cash		
On Hand	1,200	1,250
Bank Balance	952,556	1,152,896
Term Deposits at cost	10,400,000	10,876,581
	11,353,756	12,030,727

The above figures are reconciled to cash at end of the financial year as shown in the cash flow statement.



Notes to and Forming Part of the Accounts

	2009 \$	2008 \$
(a) The bank balance has an average interest rate of 3.91%. (2008 - 5.14%)		
(b) The term deposits have an average interest rate of 4.91%. (2008 - 7.05%)		
(c) Reconciliation to cash at the end of the year		
The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:		
Balance as above	11,353,756	12,030,727
Balance as per statement of cash flows	11,353,756	12,030,727

Note 11: Receivables

Trade Debtors	491,726	671,567
Less Provision for Doubtful Debts	15,000	15,000
	476,726	656,567
Other Debtors	192,987	133,606
Deposits	400	400
	670,113	790,573

(a) Impaired trade receivables

As at 30 June 2009 current trade receivables of the Institute with a nominal value of \$29,481 (2008 \$25,310) were impaired. The amount of the provision was \$15,000 (2008: \$15,000). The individually impaired receivables mainly relate to customers which are in unexpectedly difficult economic situations. It was assessed that a portion of the receivables is expected to be recovered.

3 - 6 months	1,214	3,772
Over 6 months	28,267	21,538
	29,481	25,310

(b) Past due but not impaired

As at 30 June 2009 trade receivables of \$201,945 (2008: \$366,490) were past due but not impaired. These relate to a number of customers for whom there is no recent default history.

Up to 3 months	197,362	354,129
3 - 6 months	4,583	12,361
	201,945	366,490

(c) Other receivables

These amounts generally arise from transactions outside the usual operating activities of the Institute.

(d) Fair value and credit risk

Due to the short-term nature of the receivables, their carrying amount is assumed to appropriate their fair value. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivable mentioned above.

Note 12: Inventories

Stationery (at cost)	103,382	136,194
Textbook (at cost)	12,947	13,795
Paper Supplies (at cost)	4,111	3,901
	120,440	153,890
Less Provision for Obsolete Stock	2,000	2,000
	118,440	151,890

Notes to and Forming Part of the Accounts

	2009 \$	2008 \$
Note 13: Other Current Assets		
Tax Refund 2008/2009	202,552	-
Prepaid Expenses	221,768	195,280
	424,320	195,280
Note 14: Investments in Associates		
Investments in associates are accounted for using the equity method.		
(a) Carrying amounts		
Name of Company	Principal Activity	Ownership Interest
		2009 2008
		2009 2008
		\$ \$
REIQ Staff Superannuation Fund Pty Ltd	Superannuation	100 100
		- -
		- -
(b) Movements in carrying amounts		
Carrying amount at the beginning of financial year		- 1
Acquisition of Shares		- 5
Loss on deregistration of REIQ Staff Superannuation		- (1)
Share of (Loss) after income tax		- (8,850)
Funds advanced		- 19,752
Funds received		- (62,403)
Impairment of Investment in APL		- -
Gain on disposal of Investment in APL		- 51,496
Carrying amount at end of financial year		- -
(c) Share of associates' profits or losses		
Loss before income tax		- (8,850)
Income tax expense		- -
Loss after income tax		- (8,850)
Note 15: Investment Property		
Closing balance at 30 June	2,350,000	2,350,000
Movements		
Opening balance as at 1 July	2,350,000	1,300,000
Revaluation as at 30 June 2008	-	1,050,000
Closing balance 30 June	2,350,000	2,350,000
Amounts recognised in profit and loss for investment property		
Rental Income	200,055	181,606
Direct Operating Expenses	(58,900)	(53,319)
	141,155	128,287



Notes to and Forming Part of the Accounts

	2009 \$	2008 \$
(a) Leasing arrangements		
The investment property is leased to tenants under long term operating leases with rentals payable monthly. Minimum lease payments receivable on the lease of the investment property are as follows.		
Minimum lease payments under non-cancellable operating leases of investment properties not recognised in the financial statements are receivable as follows:		
Within one year	214,256	131,116
Later than 1 year but not older than 5 years	142,293	102,300
	356,549	233,416

Note 16: Available-for-sale financial assets

At the beginning of year	595,931	799,858
Purchases	23,254	160,257
Disposals	-	(40,000)
Revaluation surplus/(deficit) transferred to equity	(119,754)	(324,184)
	499,431	595,931
Listed securities:		
Equity securities	442,527	505,569
Trusts	30,943	55,302
	473,470	560,871
Unlisted securities:		
Trusts	25,961	35,060
	25,961	35,060
	499,431	595,931

(a) Listed Securities

The equity securities are entitled to dividends at the discretion of the directors of the companies in which the investments are held.

The trusts are entitled to a distribution at the discretion of the directors of the Responsible Entity.

(b) Unlisted securities

The trusts are entitled to a distribution at the discretion of the directors of the Responsible Entity.

Note 17: Property, Plant and Equipment

						2008
	Land	Buildings	Property Plant & Equipment	Furniture & Fixtures	Leased Plant & Equipment	Total
Opening net book amount 1/7/07	2,040,000	2,138,196	785,101	196,012	157,631	5,316,940
Disposals	-	(64)	(327)	(101)	-	(492)
Additions	-	34,145	320,035	19,135	-	373,315
Appreciation	4,960,000	-	-	-	-	4,960,000
Write Down	-	(89,805)	-	-	-	(89,805)
Depreciation/Amortisation	-	(82,476)	(208,252)	(21,753)	(34,983)	(347,464)
Closing net book amount 30/6/08	7,000,000	1,999,996	896,557	193,293	122,648	10,212,494
At 30 June 2008						
Cost or fair value	7,000,000	1,999,996	2,241,374	550,399	194,201	11,985,970
Accumulated depreciation	-	-	(1,344,817)	(357,106)	(71,553)	(1,773,476)
Net book amount	7,000,000	1,999,996	896,557	193,293	122,648	10,212,494

Notes to and Forming Part of the Accounts

Note 17: Property, Plant and Equipment (continued)

						2009
	Land	Buildings	Property Plant & Equipment	Furniture & Fixtures	Leased Plant & Equipment	Total
Opening net book amount 1/7/08	7,000,000	1,999,996	896,557	193,293	122,648	10,212,494
Disposals	-	-	(20,446)	(3,484)	(14,287)	(38,217)
Additions	-	-	455,612	56,129	35,889	547,630
Depreciation/Amortisation	-	(70,499)	(248,354)	(24,414)	(33,372)	(376,639)
Closing net book amount 30/6/09	7,000,000	1,929,497	1,083,369	221,524	110,878	10,345,268
At 30 June 2009						
Cost or fair value	7,000,000	1,999,996	2,651,010	598,837	187,926	12,437,769
Accumulated depreciation	-	(70,499)	(1,567,641)	(377,313)	(77,048)	(2,092,501)
Net book amount	7,000,000	1,929,497	1,083,369	221,524	110,878	10,345,268

	2009 \$	2008 \$
(a) Carrying amounts that would have been recognised if land and buildings were stated at cost. If freehold land and buildings were stated on the historical cost basis, the amounts would be as follows:		
Freehold Land		
Cost	1,190,000	1,190,000
Accumulated depreciation	-	-
Net book amount	1,190,000	1,190,000
Buildings		
Cost	2,302,904	2,302,904
Accumulated depreciation	(380,841)	(300,561)
Net book amount	1,922,063	2,002,343



Notes to and Forming Part of the Accounts

	Note	2009 \$	2008 \$
Note 18: Payables (Current)			
Unsecured:			
Trade and Other Creditors		381,830	748,269
Accrued Expenses		242,294	200,624
		624,124	948,893
Note 19: Interest Bearing Liabilities (Current)			
Secured:			
Lease Liability	32	81,002	42,463
Note 20: Provisions (Current)			
Long Service Leave		258,333	202,964
Note 21: Tax Liability (Current)			
Tax Liability 2007/2008		-	41,478
Note 22: Other Current Liabilities			
Annual Leave		249,227	293,841
Prepaid Income		1,008,169	971,254
		1,257,396	1,265,095
Note 23: Interest Bearing Liabilities (Non-Current)			
Secured:			
Lease Liability	32	25,663	75,121
Note 24: Provisions (Non-Current)			
Long Service Leave		17,431	44,420
Site Restoration		10,750	21,585
		28,181	66,005

Movements

Movements in each class of provision during the financial year, other than employee benefits, are set out below.

Non-Current

Carrying amount at start of year	21,585	21,585
(Credited) to the income statement	(10,835)	-
Carrying amount at end of year	10,750	21,585

Notes to and Forming Part of the Accounts

	2009 \$	2008 \$
Note 25: Deferred Tax Liabilities (Non-Current)		
The balance comprises temporary differences attributable to:		
Amounts recognised in profit or loss		
Doubtful debts	(1,755)	(1,890)
Inventories	(206)	(185)
Finance leases	493	639
Accrued expenses	(2,773)	(2,917)
Employee benefits	(62,682)	(75,773)
Property, plant and equipment	(21,738)	(30,996)
Accrued Interest	45,663	-
Tax Losses	(5,058)	-
Investment property	328,593	328,593
	<u>280,537</u>	<u>217,471</u>
The balance comprises temporary differences attributable to:		
Amounts recognised directly in equity		
Revaluation of property, plant and equipment	862,943	932,026
Available for sale financial assets	-	(47,698)
	<u>862,943</u>	<u>884,328</u>
	<u>1,143,480</u>	<u>1,101,799</u>
Movements		
Opening balance at 1 July	1,101,799	229,797
Credited (Charged) to the income statement	63,066	344,556
Credited to equity	(21,385)	527,446
Closing balance 30 June	<u>1,143,480</u>	<u>1,101,799</u>
Deferred tax liabilities to be settled after more than 12 months	1,153,272	1,106,791
Deferred tax assets to be recovered within 12 months	(9,792)	(4,992)
	<u>1,143,480</u>	<u>1,101,799</u>
Note 26: Reserves		
Asset Revaluation	5,108,860	5,108,860
Movements		
Asset Revaluation Reserve		
Balance 1 July	5,108,860	863,365
Revaluation as at 30 June 2008		4,870,196
Deferred tax liability	21,385	(624,701)
Balance 30 June	<u>5,130,245</u>	<u>5,108,860</u>

Asset Revaluation Reserve: The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets, as described in Accounting Policy Note 1(o).



Notes to and Forming Part of the Accounts

Note 27: Available-for-sale Reserve	2009	2008
	\$	\$
Available-for-sale Reserve	-	(111,295)
Movements		
Available-for-sale Reserve		
Balance 1 July	(111,295)	115,634
Disposals	-	(59,414)
Decrement/Increment on value of Investment Portfolio 30 June	(119,754)	(264,770)
Deferred tax liability	(47,697)	97,255
Impairment on available-for-sale assets	278,746	-
Balance 30 June	-	(111,295)

Available-for-sale Reserve: The available-for-sale reserve is used to record increments and decrements on the fair value of the investment portfolio, as described in Accounting Policy Note 1(l)

Note 28: Reconciliation of Net Cash Provided by Operating Activities to Operating Profit (Loss) after Income Tax

Operating Profit after Income Tax	(372,608)	1,837,446
Non-cash Flows in Operating Profit:		
Amortisation: Building	49,864	58,561
Amortisation: Leased Assets	33,372	34,983
Depreciation	293,402	253,920
Impairment of Investment in Associate	-	(51,496)
Impairment of available-for-sale assets	278,746	-
Net loss/(gain) on Sale of Non-Current Assets	24,113	(56,322)
Site restoration adjustment	(10,835)	-
Share of net loss of Associate	-	8,850
Deferred tax expenses	15,369	344,556
Gain on revaluation of asset	-	(1,050,000)
Changes in Assets and Liabilities:		
(Decrease) in Creditors	(93,376)	(277,845)
Decrease in Receivables	120,411	93,796
Increase/(Decrease) in Other Current Liabilities	36,915	(58,920)
(Increase) in Other Current Assets	(25,711)	(36,731)
Decrease in Inventories	33,450	7,915
(Decrease)/Increase in Provisions for Employee Entitlements	(16,234)	21,841
(Decrease)/Increase in Taxation	(244,030)	51,696
Cash Flow From Operating Activities	122,848	1,182,250

Notes to and Forming Part of the Accounts

Note 29: Key management personnel disclosures

(a) Directors

The names of persons who were directors of The Real Estate Institute of Queensland Ltd. at any time during the financial year are as follows:

- i Chairman - non-executive
P. J. McGrath to 30/6/09.
P. D. Bennett from 1/7/09.
- ii Executive director
D. L. Molloy, Managing Director
- iii Non-executive directors
D. A. Duffy
P. M. Evatt
K. R. Jackson
A. M. Lindsay
J. C. O'Brien
B. A. Stewart

(b) Other key management personnel

The following persons also had authority and responsibility for planning, directing and controlling the activities of The Real Estate Institute of Queensland Ltd., directly or indirectly, during the financial year:

Name	Position
D. L. Molloy	Chief Executive Officer
S. L. Gray	Executive Manager Professional Services to 31/5/09
I. J. Murray	Executive Manager Member Services
L. D. Foster	Executive Manager Marketplace Strategy
K. D. James	Financial Controller

(c) Key management personnel compensation

	2009	2008
	\$	\$
Short-term employee benefits	696,807	695,542
Long-term employee benefits	375,952	455,827
Termination benefits	59,950	119,084
	1,132,709	1,270,453



Notes to and Forming Part of the Accounts

Note 30: Related parties

(a) Key management personnel

Disclosures relating to key management personnel are set out in note 29.

(b) Transactions with related parties

All directors (and/or their related entities), other than P. M. Evatt, D. L. Molloy and B. A. Stewart, made payments to the Institute for a range of membership services on normal commercial terms and conditions, including stationery purchases and training course fees. The aggregate amount was:

Membership services	\$6,350
Aggregate amounts payable by directors (and their related entities) at 30 June 2009:	
Current assets	\$1,752

All directors (and/or their related entities), other than P. M. Evatt, D. L. Molloy and B. A. Stewart, made payments to the Institute for membership subscriptions. All the transactions were within a normal employee or member relationship on terms and conditions no more favourable than those which it is reasonable to expect would have been adopted if dealing with the directors or their related entities at arm's length in the same circumstances.

During the year, the Institute paid a premium on normal commercial terms and conditions to insure certain officers of the company. The directors of the company covered by the insurance policy include all the directors named above. The liabilities insured include costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the company.

(c) Wholly Owned Entities

The Real Estate Institute of Queensland Limited has a 100% share holding in REIQ Staff Superannuation Pty Ltd and Australian Property Locator Pty Ltd. These companies are dormant companies and as their value is immaterial, they have not been consolidated with The Real Estate Institute of Queensland Limited.

Australian Property Locator Pty Ltd was deregistered on 9 January 2008.

Notes to and Forming Part of the Accounts

	Note	2009 \$	2008 \$
Note 31: Remuneration of Auditors PricewaterhouseCoopers			
Audit		23,700	23,150
Other		11,406	16,160
		35,106	39,310

Note 32: Leasing Commitments

(a) FINANCE LEASES

The Institute leases various plant and equipment with a carrying amount of \$110,878 (2008 - \$122,648) under finance leases expiring within three years.

Payable:

- not later than one year		86,395	49,912
- later than one year but not later than five years		28,203	77,974
Minimum lease payments		114,598	127,886
Less Future Finance Charges		7,933	10,302
LEASE LIABILITY		106,665	117,584

Representing lease liabilities

Current	19	81,002	42,463
Non-current	23	25,663	75,121
		106,665	117,584

The weighted average interest rate implicit in the leases is 7.79%. (2008 - 7.8%)

(b) OPERATING LEASES

The Institute leases various offices under non-cancellable operating leases expiring within one to three years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

Payable:

- not later than one year		246,073	252,936
- later than one year but not later than five years		461,555	200,207
		707,628	453,143



Notes to and Forming Part of the Accounts

	Note	2009 \$	2008 \$
Note 33: Employee Entitlements			
Employee entitlement liabilities			
Accrued wages and salaries (included in accrued expenses: note 18)		22,581	19,499
Annual leave entitlements	22	249,227	293,841
Provision for employee entitlements			
Current	20	258,333	202,964
Non-current	24	17,431	44,420
		547,572	560,724
		70	76
The average number of employees for year		70	76

Note 34: Contingencies

Based on assessment, the directors have determined that there are no contingent assets or liabilities that need to be brought to account as at 30 June 2009.

Note 35: Valuation

The basis of valuation of investment property, land and buildings is fair value being the amounts for which the asset could be exchanged between willing parties in an arm's length transaction. The investment property, land and buildings were revalued at 30 June 2008. The valuation for Turbo Drive, Brisbane was performed by Mr Colin E Davison AAPI CPV, Director of Herron Todd White and Registered Valuer 2328. The valuation for the Townsville investment property was performed by Mr Michael Walsh AAPI CPV, of Herron Todd White and Registered Valuer 2851.

Note 36: Franking Credits

	2009 \$	2008 \$
Franking credits available for subsequent financial years based on tax rate of 30%	3,390,021	3,380,674
	3,390,021	3,380,674

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

- (a) franking credits that will arise from payment of the current tax liability
- (b) franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date, and
- (c) franking credits that may be prevented from being distributed in subsequent financial years.

Notes to and Forming Part of the Accounts

Directors' Declaration

In the directors' opinion

- (a) the financial statements and notes set out on pages 6 to 31 are in accordance with the Corporations Act 2001, including:
 - (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the company's financial position as at 30 June 2009 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



P. D. Bennett
CHAIRPERSON



D. L. Molloy
MANAGING DIRECTOR

Dated this twenty-second day of September 2009.

Independent auditor's report to the members of The Real Estate Institute of Queensland Limited

Report on the financial report

We have audited the accompanying financial report of The Real Estate Institute of Queensland (the company), which comprises the balance sheet as at 30 June 2009, and the income statement, statement of recognised income and expense and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion:

- (a) the financial report of The Real Estate Institute of Queensland Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2009 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the financial report and notes also comply with International Financial Reporting Standards as disclosed in Note 1.



PricewaterhouseCoopers



T A Mahony
Partner

Brisbane
22 September 2009

ANNUAL
REPORT
2008/2009



The Real Estate Institute
of Queensland

Real Estate House, 21 Turbo Drive, Coorparoo Qld 4151

PO Box 1555, Coorparoo DC Qld 4151

Telephone: (07) 3249 7347 Fax: (07) 3249 6211

Email: reiq@reiq.com.au www.reiq.com.au

ABN 49 009 661 287