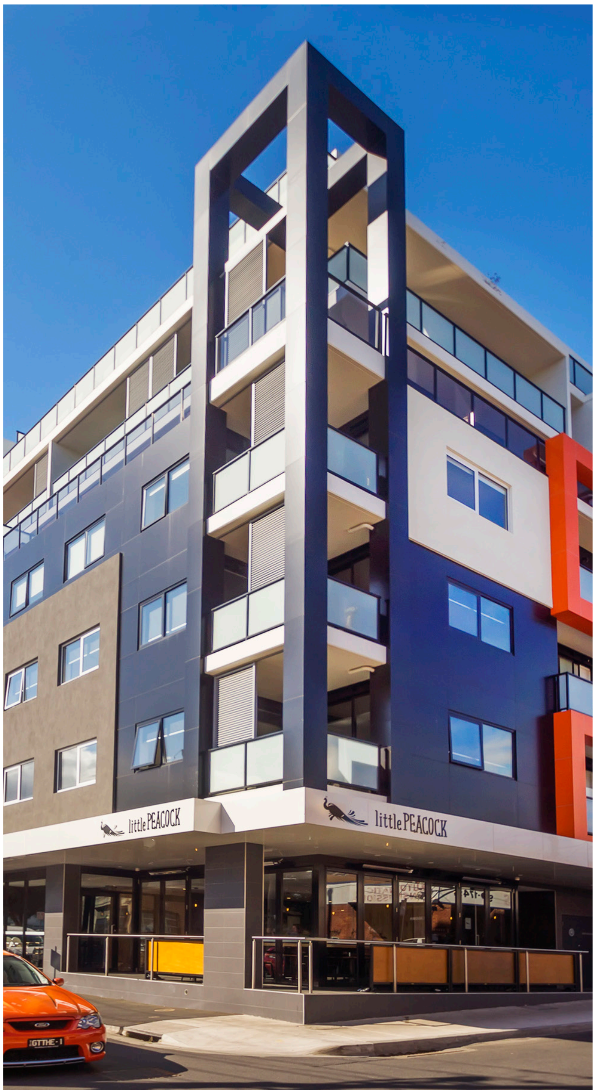
REIV THE STANDARD FOR SUCCESS

REAL ESTATE INSTITUTE OF VICTORIA LTD

ANNUAL REPORT 2015-16

Including the Audited Consolidated Financial Statements for the year ended 30 June 2016.



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YEAR IN REVIEW
Joseph Walton, President

I am pleased to deliver this annual report on behalf of the REIV Board of Directors for the year ending 30 June, 2016. The past year has been demanding and fulfilling, across many aspects of the Institute.

Following an extended tenure of 16 years heading the REIV, our CEO Enzo Raimondo stepped down from the role in mid-2016.

As the REIV's longest serving CEO, Enzo's contribution to the Institute is clear and is one deserving of gratitude from members.

I would like to thank Enzo for his significant contribution to both the REIV and the real estate industry. Under his leadership, the REIV has strengthened its public profile and expanded its suite of membership products and services.

The work that Enzo completed leaves us with a strong platform on which to build.

Former President Geoff White assumed the role of acting CEO in mid-2016. Well known to many, Geoff moved into the role extremely well credentialed, having been involved with the REIV for more than 30 years – a period within which he has served as President on two occasions.

As the financial year drew to a close, the REIV was commencing a comprehensive recruitment process to appoint the next CEO for our organisation.

There's also been significant advocacy efforts undertaken by the REIV over the year, as the Victorian Government embarks on wide-ranging legislative reviews. It is, in fact, the biggest scrutiny of property legislation in our state's history - led by reviews of both the Residential Tenancies Act (RTA) and Consumer Property Law (CPL).

The REIV has responded to six issues papers associated with the RTA review and a further three issues papers in the CPL review. An options paper on the CPL is due to be released in late 2016, while the RTA paper is expected late 2016 or early in 2017. We have consulted widely with our committees and chapters as well as individual members for both of these reviews and appreciate your valuable input.

Comprehensive consultation with members was also undertaken on the proposed new price quoting legislation and we worked closely with the Government on the drafting of this new Bill. This new legislation is likely to be in place early to mid-2017.

Finally, the REIV sought member feedback on apartment design and minimum standards before submitting a policy document to Government late last year. A final draft of the Victorian apartment design standards (VADS) was released by Government for consultation in mid-2016.

Much of our time and effort also contributed to a high-profile campaign on the issue of negative gearing in the lead-up to this year's federal election – highlighting the importance of the retention of this vital Government policy.

I'd like to thank REIV member agencies who supported various initiatives of this important campaign.

The REIV will continue to work with the Victorian and Federal Governments to ensure our members' interests are well represented and heard.

While 2015-16 saw changes at CEO level, it also signified a period of change for the Board. I would like to formally acknowledge the efforts of long-serving Board members Richard Earle, Ian McDonald and Frank Hellier.

Richard, a highly regarded agent and director at Jellis Craig, has extensive industry experience and has been a significant contributor and valuable member of the Board for the past nine years.

A former REIV President, Ian has been involved in real estate since the 1960s, and continues to have a high-profile within the industry. He has served on the Board for three years and remains actively involved through his agency in western Victoria.

Similarly, Frank Hellier is a long-standing REIV member and contributor to committees, the Realestateview.com.au Board and Members Council. He has a high profile in the bayside suburbs, originally through his own well-established agency and now through Barry Plant, and has also been a major contributor to the Board.

Richard, Ian and Frank left the Board in 2016, and their involvement over many years has contributed greatly to the REIV's success. On behalf of all REIV members, I would like to publicly thank these and all directors who - along with the management team – have worked tirelessly on behalf of members in 2015-16.

JOSEPH WALTON
President

OVERVIEW
Geoff White, Acting CEO

The REIV's annual report provides members with important information on the Institute's performance and progress over the past year.

The REIV remains in a stable fiscal position. The asset base of the REIV continues to increase, with total assets of $21 million in the 2015-16 financial year.

The REIV's cashflow position has also improved by $700,000 to $2.7 million.

Alongside the Andrews Government, the REIV has delivered solid progress on price quoting with an amendment to the Estate Agents Act currently before Parliament.

While it has been a challenging year in the advocacy sector, the REIV has delivered a great deal of other work within our organisation.

Advancing the professionalism of the industry remains a key function of the Institute with a greater focus on continuous professional development for members.

CPD is a key point of difference in an increasingly competitive marketplace and is essential for agents to ensure they continue to advance within the industry and comply with legislative changes.

The REIV CPD program recognises both formal and informal learning opportunities and has been expanded to include interactive online webinars, delivering engaging content in an accessible format.

We had an impressive line-up of international and local keynote speakers at our two-day conference in September last year, including North America's number one broker, Dolly Lenz. Other keynote speakers included respected agents and mentors John McGrath and Tom Panos.

The Australasian Auctioneers Championships were held alongside the conference and it was outstanding to see Victorian auctioneer Harry Li triumph over interstate and New Zealand competitors.

Harry was the first Victorian to win the title in 10 years after consistently placing in both state and national competitions for many years. Congratulations also to Victorian Senior Auctioneer of the Year, Tom Roberts.

Both Tom and Harry are among 15 Victorian agents who have received a new accolade for auctioneers who have excelled in their field. The Master Auctioneers title recognises some of the state's best auctioneers and sets a new benchmark for best practice auctioneering.

Meanwhile, the REIV has also invested in improving our online processes, enabling members and students to register for events and training online. Enhanced user-functionality also allows members to renew their membership, print tax invoices and check how many CPD points they've accrued over the year.

More broadly, it was pleasing to see the real estate market bounce back in the June quarter - after two successive quarters of moderation - with solid increases in metropolitan Melbourne for both houses and apartments (3.6 and 2.3 per cent respectively).

Regional Victoria also experienced moderate house price growth, up 0.9 percent to a median of $347,000.

While the market has yet to reach the remarkable heights of 2015, the property sector in Victoria remains solid with a low level of stock on market driving solid house price growth across the state.

In closing, I'd like to acknowledge long-standing REIV member Valda Walsh, awarded a Member (AM) in the General Division of the Order of Australia. The honour recognises Valda's extensive contribution to both the real estate industry and the community.

The REIV looks forward to the coming year and building on the excellent work being undertaken across our organisation. My sincere thanks goes out to our very capable and dedicated team in helping to achieve our important goals and objectives.

GEOFF WHITE
Acting Chief Executive Officer

2015-16 HIGHLIGHTS

Member briefing

Statewide roadshow

The REIV has provided informative roadshows to agents across regional Victoria this year.

The roadshow tour saw then President Geoff White, former CEO Enzo Raimondo and Communications and Policy Manager, Paul Bird, provide comprehensive briefing sessions in a number of regional centres.

The team delivered details on a range of topics including the proposed new pricing framework, changes to the legislative environment, market-related information and member opportunities - including changes to member services such as PDOL and VicForms.

Submissions to Government

Review of Residential Tenancies Act (RTA)

The review of the Residential Tenancies Act 1997 (RTA) is a critical part of the Victorian Government's broader Plan for Fairer Safer Housing. It will ensure that regulation of Victoria's rental sector is appropriate to meet the needs and expectations of tenants and landlords, now and into the future.

The review examines how well Victoria's rental laws work in the modern rental market, and aims to balance the rights and responsibilities of tenants and landlords.

The REIV has provided extensive input to the review over the 2015-16 year, gathering input from members and responding to all six issues papers. Furthermore, regular meetings have been undertaken with Consumer Affairs Victoria and senior Victorian Government representatives on key issues.

It is expected that the REIV will take part in a specially-convened Stakeholder Reference Group and respond to options paper in late 2016.

Review of Consumer Property Law (CPL)

This comprehensive review encompasses the Estate Agents Act 1980, Sale of Land Act 1962, Owners Corporation Act 2006 and Conveyances Act 2006.

The review follows an announcement by the Victorian Government to update legislation governing the conduct and regulation of estate agents, conveyancers and owners' corporation managers. The Sale of Land Act and the Estate Agents Act have been in place for 52 years and 35 years respectively while the Conveyancers Act and Owners Corporations Act are close to a decade old.

The REIV has responded to three issues papers in the CPL review with an options paper is expected in the coming months.

New Estate Agents Amendment (Underquoting) Bill 2016

The Victorian Government announced proposed new price quoting legislation earlier this year.

The REIV has been heavily involved in drafting the new legislation in conjunction with the Government, following consultation with members.

The Bill is now being finalised and is due to be presented to Parliament in late 2016, with a potential date for implementation in 2017.

REIV Annual Conference and Awards

The REIV Annual Conference in late 2015 drew speakers from around Australia and the globe to present on key aspects of the property sector.

A highlight of the two-day event was a range of industry-specific breakout sessions, providing attendees with insights and strategies across sales, technology, and modern management practices.

The annual REIV Awards attracted more than 1,000 agents from across Victoria, vying for recognition in numerous real estate sectors including sales, auctioneering, commercial and industrial , as well as property management.

The independently-judged awards are among the state's most prized real estate awards and this year drew a large number of entries across all categories.

The conference and awards are held annually at Crown in central Melbourne.

Home Buyers Seminar

The REIV partnered with Bendigo Bank to help first time buyers get a foothold on the property ladder. The REIV Home Buyers Seminar in November 2015 provided consumers with a comprehensive overview of the Victorian property market as well as valuable tips and insights from property, legal and financial experts.

The free seminar was designed to help first time buyers enter the market at a price they can afford. Held at the Richmond Town Hall, the free seminar attracted more than 100 attendees.

Auctioneering Championships

In 2015-16 the REIV hosted the Australasian Auctioneering Championships in Melbourne.

The annual event tests the top auctioneers from across Australia and New Zealand, on their knowledge of best practice and legislation as well as their performance in a simulated auction that includes complex bidding sequences and questions from the audience.

The event was won in 2015-16 by Victorian Harry Li, who outpointed other contestants to win the coveted title.

MEMBER REPRESENTATION

Elected Chapter & Division Committees as at 30 June 2016

CHAPTER COMMITTEES

AUCTION

Butera, Adrian (Chair)
Banitsiotis, Luke
de Fegely, Phil
Laws, Neil
Li, Harry (Vice Chair)
Lynch, Mark
Musat, Phil
Tyrell, Jeremy
Way, Cameron
White, Geoff

BUSINESS BROKERS

Badawi, Amin
Dabab, Jamal
Danaher, Colleen (Chair)
Hurst, Robert
Kimpton, Catherine (Vice Chair)
Latessa, Tony
Lee, Kevin

BUYERS AGENTS

Corser, Bernard
Easterbrook, Kim
Errichiello, Mark
James, Ian (Chair)
Opie, Melissa
Spencer, Janet
Van Pamelen, Eddie

COMMERCIAL & INDUSTRIAL

Foster, Benjamin
Hoath, Matthew
Lethlean, Gavan
Mitchell, Tim (Vice Chair)
Regan, Simon
Simpson, Richard (Chair)
Thomson, Wendy
Vautin, Julian

OWNERS CORPORATION

Costello, Damian
Mermelstein, Norman
Nardella, Michael (Chair)
Ross, John (Vice Chair)
Yoewart, Kate

RURAL

Addison, Matthew (Vice Chair)
Newton, Andrew (Chair)
Stringer, John

PROPERTY MANAGEMENT

Aldouby, Sabina
Calnan, Leah
Karvouniaris, Zac (Chair)
Koutoumas, Rose
Lyon, Sophie
Stewart, Josie
Tobolov, Gina (Vice Chair)

VALUATION

Berryman, Ray
Brady, Patrick
Derzekos, Jim
Evans, Paul
Simpson, Darrell
Tamblyn, Sam (Chair)
Valmorbida, Julian

YOUNG AGENTS

Caine, Jacob
Georgiou, Thomas
James-Thursfield, Courtney (Chair)
O'Donoghue, Thomas
Taylor, Samantha
Williams, Brant (Vice Chair)

SALES

Earle, Richard
Ewart, Chris
Heavyside, Tim (Chair)
Joske, Adam
Lloyd, Tamara
Maher, Leigh (Vice Chair)
Meehan, Andrew
Milton, Travis

MEMBER REPRESENTATION

Elected Chapter & Division Committees as at 30 June 2016

DIVISION COMMITTEES

BENDIGO

Bowles, Matt
Dyett, Noel
Hinton, Bradley
Keating, John
Maher, Tom
McIvor, Jacinta
Murphy, Andrew (Vice Chair)
Webster, Craig (Chair)

GEELONG

Davison, Samantha (Chair)
Reynolds, Renee (Vice Chair)

GOULBURN VALLEY

Blake, Michael (Chair)

MORNINGTON PENINSULA

Crowder, Geoff (Chair)

MURRAY ALPINE

Gray, Gerard (Chair)

NORTH EASTERN

Maher, Leigh (Chair)

OTWAYS

Ludeman, Bruce (Chair)

SOUTHERN

James, Ian (Vice Chair)
James-Thursfield, Courtney (Chair)

APPOINTMENTS & HEARINGS

As at 30 June 2016

PRESIDENTIAL APPOINTMENTS

RENTAL DETERMINATIONS

Rental determinations made this financial year - 21

MISCELLANEOUS APPOINTMENTS

Miscellaneous appointments in 2015-16 - 57

COMPLAINTS & DISPUTES

MEDIATIONS

Mediations held in 2015-16 - Two

PANEL HEARINGS

Panel Hearings held in 2015-16 - Nil

PUBLIC COMPLAINTS

OPENED

Public complaints opened in the 2015-16 financial year - 59

CLOSED (NO PAPERWORK RECEIVED)

Public complaints closed in the 2015-16 financial year - 217

SOTHERTONS L.L.P.
CHARTERED ACCOUNTANTS

THE REAL ESTATE INSTITUTE OF VICTORIA LTD
ABN 81 004 210 897

Audited Financial Statements for the year ended 30 June 2016

PrimeGlobal

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The Real Estate Institute of Victoria
Directors' report
30 June 2016

The directors present their report, together with the financial statements on the consolidated entity (referred to hereafter as the 'consolidated entity'), consisting of The Real Estate Institute of Victoria (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled for the year ended 30 June 2016.

Directors

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Joseph Walton
Ian McDonald
Richard Earle
Frank Hellier
Gavan Lethlean
Andrew Logie-Smith
Michael Blake
Leah Calnan
Geoffrey White (granted a leave of absence)
Sam Tamblyn (appointed 22 February 2016)
Richard Simpson (appointed 1 October 2015)
Cameron Way (appointed 1 October 2015)
Neville Sanders (resigned 30 September 2015)
John Grabyn (resigned 30 September 2015)

Operating results

The Profit (Loss) of the consolidated entity for the financial year after providing for income tax and non-controlling interests amounted to ($277,153) (2015: $1,012,520).

Significant changes in state of affairs

No significant changes in the company's state of affairs occurred during the financial year.

Objectives

• Promote a positive perception of the real estate generally, the REIV and its Members;

• Ensure the REIV is perceived as the pre-eminent real estate training and educational organisation in Victoria by Members and the public;

• Represent the interests of the profession to Governments and the media;

• Improve the skills and training of Members through Continuing Professional Development;

• Support the development of the national property portal and PropertyData database owned by the profession.

Long term Objectives

• To lead and represent the real estate industry and to advance the professionalism of its members;

• To have effective control of the national data service and to protect and control industry generated data;

• To increase membership and Member satisfaction through the development and delivery of Member needs;

• To ensure best practice governance, administration and management.

Strategy for achieving the objectives

• Advocating REIV position on state licensing and training provider;

• Stakeholder Research Project;

• Educating the public about real estate and provide support to Members through media and branded content;

• Proactive management of National Licensing implications;

• Review, uphold and be seen to uphold standards of membership;

• Developing REIV-Owned business school qualifications and training materials;

• Seeking strategic partners for members and commercial activities.

Principal activities

During the financial year the principal continuing activities of the consolidated entity consisted of:

• The provision of an organisation to protect and promote the mutual interest of its Members;

• To provide services of benefit to Members;

• To provide quality educational and administrative services;

• Advice on real estate issues to the Governments and members of the public.

Information on directors

Name:	Joseph Walton
Title:	Mr
Qualifications:	CEA (REIV)
Experience and expertise:	Mr Walton is a fully licensed Estate Agent and has been actively involved in real estate activities since 2001. Joseph is a Director of Melbourne based commercial agency Allard Shelton Pty Ltd and became a Director of the REIV in 2014. Prior to being elected to the board of directors, Joseph has served several Institute Committees and has been an active member of the REIV since 2008.
Special responsibilities:	Director
Name:	Ian McDonald
Title:	Mr
Qualifications:	FREI, CEA (REIV), FAPI.
Experience and expertise:	Mr McDonald is a licensed estate agent and has been actively engaged in real estate activities since 1966. He is the Officer in Effective Control and a Director of Arbee Real Estate (Vic) Pty Ltd, Bacchus Marsh. Mr McDonald became an REIV Director in 2013 and has served on various Institute Committees.
Special responsibilities:	Director
Name:	Geoffrey White
Title:	Mr
Qualifications:	FREI, CEA (REIV)
Experience and expertise:	Mr White is a Licensed Estate Agent and holds a qualification in Business Studies. He has been involved in real estate activities since 1985. He was a Director of the REIV from 1999 to 2007; REIV President in 2003-2004 and 2015-2016 and has served on various Institute Committees. Mr White became a Director of the REIV again in 2014.

Special responsibilities:	Director
Name:	Leah Calnan
Title:	Ms
Qualifications:	CEA (REIV)
Experience and expertise:	Ms Calnan is a licensed estate agent and has been actively involved in real estate activities since 1995; is Officer in Effective Control / Director of Metro Property Management Pty Ltd. She became a Director of the REIV in 2014 and has served on various Institute Committees.
Special responsibilities:	Director
Name:	Michael Blake
Title:	Mr
Qualifications:	CEA (REIV)
Experience and expertise:	Mr Blake is a licensed estate agent and has been actively involved in real estate activities and a Member of the REIV since 1989. He is a sales consultant with Youngs & Co Pty Ltd in Shepparton and became a Director of the REIV in 2012.
Special responsibilities:	Director
Name:	Frank Hellier
Title:	Mr
Qualifications:	FREI, CEA (REIV).
Experience and expertise:	Mr Hellier is a licensed estate agent and has been actively engaged in real estate activities since 1974. He is the Chief Executive Officer and Director of R Malcolm Pty Ltd. Mr Hellier was previously an REIV Director from 1998 to 2009, President in 2002-2003 and has served on various Institute Committees. Mr Hellier again became an REIV Director in 2013.
Special responsibilities:	Director
Name:	Richard Simpson
Title:	Mr
Qualifications:	CEA (REIV)
Experience and expertise:	Mr Simpson is a licensed estate agent and a partner in WB Simpson & Son, a family real estate business situated in North Melbourne with over 140 years of history. He became a Director of the REIV in 2015 and has served on various Institute Committees.
Special responsibilities:	Director
Name:	Richard Earle
Title:	Mr
Qualifications:	AREI, CEA (REIV)
Experience and expertise:	Mr Earle is a licensed estate agent and has been with Jellis Craig since 1992. Mr Earle became a Director of the REIV in 2007 and has served on various Institute Committees.
Special responsibilities:	Director
Name:	Sam Tamblyn
Title:	Mr
Qualifications:	CEA (REIV)
Experience and expertise:	Mr Tamblyn is a licensed estate agent and founder of Urban Property Australia. He became a Director of the REIV in 2016, has been extensively involved in the REIV Valuation Chapter Committee and is the current Chairman.

Special responsibilities:	Director
Name:	Gavan Lethlean
Title:	Mr
Qualifications:	FREI, CEA (REIV), FAPI
Experience and expertise:	Mr Lethlean is the Principal of Lethlean Property, which specialises in property management, property, plant, machinery and business valuations and consultancy, Mr Lethlean has more than 40 years' experience in property and related areas. Mr Lethlean joined the REIV in 1990 and became a Director in 2008.
Special responsibilities:	Director
Name:	Andrew Logie-Smith
Title:	Mr
Qualifications:	B Econ, LLB
Experience and expertise:	Mr Logie-Smith is the Managing Partner of Logie-Smith Lanyon Lawyers and has been a Director of the REIV since 1 July 2011. Mr Logie-Smith has expertise with the Corporations Act, joint ventures and consortia agreements and the provision of commercial and strategic advice.
Special responsibilities:	Director
Name:	Cameron Way
Title:	Mr
Qualifications:	AREI, CEA (REIV)
Experience and expertise:	Mr Way is a licensed estate agent and the current Managing Director of Woodards Blackburn. He became a Member of the REIV in 1995, became a Director of the REIV in 2015 and has been actively involved in the Auction Chapter Committee for many years.
Special responsibilities:	Director
Name:	Neville Sanders
Title:	Mr
Qualifications:	FREI, CEA (REIV), AAPI
Experience and expertise:	Mr Sanders is a licensed estate agent with 42 years' service to the industry. He is a sole trader and the State Manager of Whittles Australia Pty Ltd. He became a Director of the REIV in 2006 and served as President of the REIV from 2012-2014.
Special responsibilities:	Director
Name:	John Grabyn
Title:	Mr
Qualifications:	FREI CEA (REIV)
Experience and expertise:	Mr Grabyn is a licensed estate agent and has been actively involved in real estate since 1986. He is the proprietor of T N Jollys Real Estate in Geelong. He was a Director of the REIV from 2005 to 2014 and filled a casual vacancy in 2015, was President of the REIV in 2009-2011 and has served on various Institute Committees.
Special responsibilities:	Director

Meetings of directors
The number of meetings of the company's Board of Directors held during the year ended 30 June 2016, and the number of meetings attended by each director were:

	Full Board	
	Attended	Possible meetings
Michael Blake	7	7
Frank Hellier	7	7
John Grabyn	2	2
Neville Sanders	2	2
Geoff White	6	6
Richard Earle	6	7
Joseph Walton	7	7
Gavan Lethlean	7	7
Richard Simpson	5	5
Andrew Logie-Smith	4	7
Sam Tamblyn	2	2
Cameron Way	4	5
Leah Calnan	7	7
Ian McDonald	0	7

Held: represents the number of meetings held during the time the director held office.

Contributions on winding up
In the event of the company being wound up, ordinary members are required to contribute a maximum of $2 each. Honorary members are not required to contribute. The total amount that members of the company are liable to contribute if the company is wound up is $17,972 (2015: $17,656), based on 8,986 current ordinary members (2015: 8,828).

Events after the reporting period
No matter or circumstance other than disclosed in the financial statements has arisen since 30 June 2016 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Indemnity and insurance of officers
The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor
The company has not, during or since the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

Signed in accordance with a resolution of the Board of Directors:

Joseph Walton
Director
Dated 8.11.2016.
Melbourne

SOTHERTONS L.L.P.
CHARTERED ACCOUNTANTS

D. A. Lissauer B.Com., FCPA, Affiliate ICAA
R. P. Lissauer B.Ec., M.Tax, CA, FTIA
M. R. Lipson B.Bus., B.Ed., AI.Arb.A, CA

THE REAL ESTATE INSTITUTE OF VICTORIA LIMITED
ABN 81 004 210 897

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

TO THE DIRECTORS OF THE REAL ESTATE INSTITUTE OF VICTORIA LIMITED

In accordance with the requirements of section 307C of the Corporations Act 2001, I declare that, to the best of my knowledge and belief, during the year ended 30 June 2016 there have been:

(i) No contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) No contraventions of any applicable code of professional conduct in relation to the audit.

Sothertons LLP
Chartered Accountants
Level 6 468 St Kilda Road
MELBOURNE, VIC, 3004

Partner: David Lissauer

Dated this 9th **day of** November **2016**

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Telephone: (03) 9820 6400 Facsimile: (03) 9820 6499
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The Real Estate Institute of Victoria Ltd
Contents
30 June 2016

The Real Estate Institute of Victoria Ltd
Statements of profit or loss and other comprehensive income
For the year ended 30 June 2016

	Note	Consolidated 2016 $	Consolidated 2015 $	Parent 2016 $	Parent 2015 $
Revenue	4	18,572,617	18,639,528	9,573,345	9,991,009
Expenses					
Employee benefits expense		(7,341,100)	(6,975,808)	(3,606,491)	(3,385,133)
Depreciation and amortisation expense	5	(1,938,879)	(1,941,223)	(312,020)	(283,000)
Impairment of investments		(255,000)	-	-	-
Loss on disposal of investments		(568,857)	-	-	-
Other expenses		(3,258,198)	(3,646,805)	(3,531,435)	(3,675,669)
Finance costs		(36,093)	(56,331)	-	-
Cost of sales	5	(4,168,004)	(4,160,227)	(1,985,861)	(2,073,683)
Repayment of training grant		(522,098)	-	(522,098)	-
Promotion and Marketing		(1,290,047)	(1,797,735)	(259,709)	(251,840)
Profit/(loss) before income tax benefit		(805,659)	61,399	(644,269)	321,684
Income tax benefit	6	528,506	951,121	298,155	721,710
Profit/(loss) after income tax benefit for the year		(277,153)	1,012,520	(346,114)	1,043,394
Other comprehensive income for the year, net of tax		-	-	-	-
Total comprehensive income for the year		(277,153)	1,012,520	(346,114)	1,043,394
Profit/(loss) for the year is attributable to:					
Non-controlling interest		(33,448)	(32,560)	-	-
Members of The Real Estate Institute of Victoria Ltd	24	(243,705)	1,045,080	(346,114)	1,043,394
		(277,153)	1,012,520	(346,114)	1,043,394
Total comprehensive income for the year is attributable to:					
Non-controlling interest		(33,448)	(32,560)	-	-
Members of The Real Estate Institute of Victoria Ltd		(243,705)	1,045,080	(346,114)	1,043,394
		(277,153)	1,012,520	(346,114)	1,043,394

The above statements of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

The Real Estate Institute of Victoria Ltd
Statements of financial position
As at 30 June 2016

	Note	Consolidated 2016 $	Consolidated 2015 $	Parent 2016 $	Parent 2015 $
Assets					
Current assets					
Cash and cash equivalents	7	2,870,897	2,203,596	2,741,054	2,058,643
Trade and other receivables	8	1,916,494	2,100,442	620,421	651,222
Inventories	9	35,236	36,561	35,236	36,561
Available-for-sale financial assets	10	379,238	-	-	-
Other	11	686,888	550,025	276,523	214,066
Total current assets		5,888,753	4,890,624	3,673,234	2,960,492
Non-current assets					
Available-for-sale financial assets	12	128,051	1,900,002	3,343,631	3,343,631
Property, plant and equipment	13	10,490,946	10,472,022	10,371,480	10,450,288
Intangibles	14	5,971,928	5,868,320	224,867	156,504
Deferred tax	15	1,220,451	1,055,849	1,019,865	721,710
Other	16	-	-	2,378,590	3,121,498
Total non-current assets		17,811,376	19,296,193	17,338,433	17,793,631
Total assets		23,700,129	24,186,817	21,011,667	20,754,123
Liabilities					
Current liabilities					
Trade and other payables	17	1,345,610	2,030,370	552,007	604,526
Borrowings	18	635,716	798,530	-	-
Employee benefits	19	717,064	727,865	498,368	505,616
Other	20	2,496,469	1,627,469	2,463,636	1,574,921
Total current liabilities		5,194,859	5,184,234	3,514,011	2,685,063
Non-current liabilities					
Employee benefits	21	23,804	17,613	23,804	17,613
Other	22	-	231,481	-	231,481
Total non-current liabilities		23,804	249,094	23,804	249,094
Total liabilities		5,218,663	5,433,328	3,537,815	2,934,157
Net assets		18,481,466	18,753,489	17,473,852	17,819,966
Equity					
Reserves	23	6,943,407	6,943,407	6,943,407	6,943,407
Retained profits	24	10,252,185	10,495,890	10,530,445	10,876,559
Equity attributable to the members of The Real Estate Institute of Victoria Ltd		17,195,592	17,439,297	17,473,852	17,819,966
Non-controlling interest	25	1,285,874	1,314,192	-	-
Total equity		18,481,466	18,753,489	17,473,852	17,819,966

The above statements of financial position should be read in conjunction with the accompanying notes

The Real Estate Institute of Victoria Ltd
Statements of changes in equity
For the year ended 30 June 2016

Consolidated	**Reserves** $	**Non-Controlling Interest** $	**Retained Profits** $	**Total equity** $
Balance at 1 July 2014	6,943,407	920,251	9,450,810	17,314,468
Profit/(loss) after income tax benefit for the year	-	(32,560)	1,045,080	1,012,520
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	(32,560)	1,045,080	1,012,520
Transactions with members in their capacity as members:				
Decrements in minority interest	-	426,501	-	426,501
Balance at 30 June 2015	6,943,407	1,314,192	10,495,890	18,753,489

Balance at 1 July 2015	6,943,407	1,314,192	10,495,890	18,753,489
Loss after income tax benefit for the year	-	(33,448)	(243,705)	(277,153)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	(33,448)	(243,705)	(277,153)
Transactions with members in their capacity as members:				
Decrements in minority interest	-	5,130	-	5,130
Balance at 30 June 2016	6,943,407	1,285,874	10,252,185	18,481,466

The above statements of changes in equity should be read in conjunction with the accompanying notes

The Real Estate Institute of Victoria Ltd
Statements of changes in equity
For the year ended 30 June 2016

Parent	Reserves $	Non-Controlling Interest $	Retained profits $	Total equity $
Balance at 1 July 2014	6,943,407	-	9,833,165	16,776,572
Profit after income tax benefit for the year	-	-	1,043,394	1,043,394
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	1,043,394	1,043,394
Balance at 30 June 2015	6,943,407	-	10,876,559	17,819,966

Balance at 1 July 2015	6,943,407	-	10,876,559	17,819,966
Loss after income tax benefit for the year	-	-	(346,114)	(346,114)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(346,114)	(346,114)
Balance at 30 June 2016	6,943,407	-	10,530,445	17,473,852

The above statements of changes in equity should be read in conjunction with the accompanying notes

The Real Estate Institute of Victoria Ltd
Statements of cash flows
For the year ended 30 June 2016

	Note	Consolidated 2016 $	Consolidated 2015 $	Parent 2016 $	Parent 2015 $
Cash flows from operating activities					
Receipts from customers		20,644,787	19,335,055	9,585,671	10,013,073
Grants received		-	1,464,165	891,659	1,331,059
Payments to suppliers		(18,524,448)	(17,296,180)	(9,549,137)	(10,095,866)
Interest paid		(36,093)	(56,331)	-	-
		2,084,246	3,446,709	928,193	1,248,266
Interest received		70,531	47,933	55,792	46,046
Income taxes refunded		170,261	-	-	-
Income taxes paid		-	(461,566)	-	(461,566)
Net cash from operating activities	36	2,325,038	3,033,076	983,985	832,746
Cash flows from investing activities					
Payments for investments		-	(55,000)	-	(55,000)
Payments for property, plant and equipment	13	(235,405)	(135,156)	(123,450)	(122,429)
Payments for intangibles	14	(1,828,373)	(2,045,969)	(178,124)	(91,450)
Proceeds from disposal of investments		568,856	-	-	-
Net cash used in investing activities		(1,494,922)	(2,236,125)	(301,574)	(268,879)
Cash flows from financing activities					
Proceeds from borrowings		-	52,542	-	-
Repayment of borrowings		(246,670)	-	-	-
Net cash from/(used in) financing activities		(246,670)	52,542	-	-
Net increase in cash and cash equivalents		583,446	849,493	682,411	563,867
Cash and cash equivalents at the beginning of the financial year		2,184,314	1,334,821	2,058,643	1,494,776
Cash and cash equivalents at the end of the financial year	7	2,767,760	2,184,314	2,741,054	2,058,643

The above statements of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover both The Real Estate Institute of Victoria Ltd as an individual entity and the consolidated entity consisting of The Real Estate Institute of Victoria Ltd and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is The Real Estate Institute of Victoria Ltd's functional and presentation currency.

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

Registered office	**Principal place of business**
335 Camberwell Road CAMBERWELL VIC 3124	335 Camberwell Road CAMBERWELL VIC 3124

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 08 November 2016.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted
The consolidated entity has adopted all of the new, revised or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 2010-8 Amendments to Australian Accounting Standards - Deferred Tax: Recovery of Underlying Assets
The consolidated entity has applied AASB 2010-8 amendments from 1 July 2012. These amendments offer a practical approach for the measurement of deferred tax relating to investment properties measured at fair value, property, plant and equipment and intangible assets measured using the revaluation model. The measurement of deferred tax for these specified assets is based on the presumption that the carrying amount of the underlying asset will be recovered entirely through sale, unless the entity has clear evidence that economic benefits of the underlying asset will be consumed during its economic life.

AASB 10 Consolidated Financial Statements
The consolidated entity has applied AASB 10 from 1 January 2013, which has a new definition of 'control'. Control exists when the reporting entity is exposed, or has the rights, to variable returns from its involvement with another entity and has the ability to affect those returns through its 'power' over that other entity. A reporting entity has power when it has rights that give it the current ability to direct the activities that significantly affect the investee's returns. The consolidated entity not only has to consider its holdings and rights but also the holdings and rights of other shareholders in order to determine whether it has the necessary power for consolidation purposes.

AASB 12 Disclosure of Interests in Other Entities
The consolidated entity has applied AASB 12 from 1 January 2013. The standard contains the entire disclosure requirement associated with other entities, being subsidiaries, associates, joint arrangements (joint operations and joint ventures) and unconsolidated structured entities. The disclosure requirements have been significantly enhanced when compared to the disclosures previously located in AASB 127 'Consolidated and Separate Financial Statements', AASB 128 'Investments in Associates', AASB 131 'Interests in Joint Ventures' and Interpretation 112 'Consolidation - Special Purpose Entities'.

Note 2. Significant accounting policies (continued)

AASB 119 Employee Benefits (September 2011) and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)
The consolidated entity has applied AASB 119 and its consequential amendments from 1 January 2013. The standard eliminates the corridor approach for the deferral of gains and losses; streamlines the presentation of changes in assets and liabilities arising from defined benefit plans, including requiring remeasurements to be presented in other comprehensive income; and enhances the disclosure requirements for defined benefit plans. The standard also changed the definition of short-term employee benefits, from 'due to' to 'expected to' be settled within 12 months. Annual leave that is not expected to be wholly settled within 12 months is now discounted allowing for expected salary levels in the future period when the leave is expected to be taken.

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared on an accrual basis on historical costs modified where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's and company'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.

Parent entity information
These financial statements include the results of both the parent entity and the consolidated entity in accordance with Class Order 10/654, issued by the Australian Securities and Investments Commission.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of The Real Estate Institute of Victoria Ltd ('company' or 'parent entity') as at 30 June 2016 and the results of all subsidiaries for the year then ended. The Real Estate Institute of Victoria Ltd and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Note 2. Significant accounting policies (continued)

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Interests in subsidiaries are accounted for at cost, less any impairment, in the parent entity. Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Revenue recognition
Revenue is recognised when it is probable that the economic benefit will flow to the consolidated entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Subscription revenue in advance is recognised as deferred income and brought to account over the life of the membership period.

Dividend revenue is recognised when the right to receive a dividend has been established.

Advertising revenue is recognised in the period over which the advertisements are placed.

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the Grant relates to an expenses item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed. When the grant relates to an asset, it is recoginsed as income in equal amounts over the expected useful life of the related asset.

Interest revenue is recognised as interest accrues using the effective interest method.

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

Income tax
The company income tax is calculated using the “principle of mutuality” to the revenues and expenses of the company. The principle of mutuality is a common law principle arising from the premise that a person cannot profit from himself. Accordingly, income from members is deemed to be mutual income and not subject to income tax and expenses in connection with mutual income is not deductable for tax purposes. All other income and expenses are classified for taxation purposes in accordance with taxation legislation.

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income). Current and deferred income tax expense (income) is charged or credited directly to other comprehensive income instead of the profit or loss when the tax relates to items that are credited or charged directly to other comprehensive income.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Note 2. Significant accounting policies (continued)

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 - 90 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the consolidated entity will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 90 days overdue) are considered indicators that the trade receivable may be impaired.

Other receivables are recognised at amortised cost, less any provision for impairment.

Inventories
Finished goods are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Investments and other financial assets
Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership.

Note 2. Significant accounting policies (continued)

Available-for-sale financial assets
Available-for-sale financial assets are non-derivative financial assets, principally equity securities, that are either designated as available-for-sale or not classified as any other category. After initial recognition, fair value movements are recognised in other comprehensive income through the available-for-sale reserve in equity. Cumulative gain or loss previously reported in the available-for-sale reserve is recognised in profit or loss when the asset is derecognised or impaired.

Impairment of financial assets
The consolidated entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

Available-for-sale financial assets are considered impaired when there has been a significant or prolonged decline in value below initial cost. Subsequent increments in value are recognised in other comprehensive income through the available-for-sale reserve.

Property, plant and equipment
Property, plant and equipment is stated at cost or fair value less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items.

Property
Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction) based on periodic valuations performed by external independent valuers, less subsequent depreciation for buildings.

Freehold land and buildings were independently valued by a qualified real-estate Valuer as at 25 June 2014 and are stated in these accounts at such valuations. The valuations were provided by Mr D J Simpson FREI of W B Simpson & Son, a qualified real-estate valuer. The valuations were based on market value for accounting purposes. The financial effect of this change is detailed in note 12.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against the related revaluation reserve directly in equity; all other decreases are charged to the statement of comprehensive income.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of comprehensive income and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Plant and Equipment
Plant and equipment are measured at cost less depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate assets, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

The depreciable amount of all fixed assets, including buildings, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the company commencing from the time the asset is held ready for use.

Note 2. Significant accounting policies (continued)

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation rate
Buildings	4%
Plant and equipment	12%
Office furniture and equipment	20%
Library	10%
Computer equipment	35%
Motor vehicle	20%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income.

Impairment of Non-Financial Assets
At each reporting date, the company reviews the carrying value of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income. Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Intangible assets
Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill
Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Website
Significant costs associated with the development of the revenue generating aspects of the website, including the capacity of placing orders, are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 3 years.

Note 2. Significant accounting policies (continued)

IT development and software
Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 7 years.

IT development costs only include external direct costs of services and materials, direct payroll and payroll related costs of employees spent on the project. IT development costs only included those costs directly attributable to the development phase and are only recognised following the completion of technical feasibility and where the group has an intention and ability to use the asset.

Data development
Development costs are capitalised only when they can be reliably measured and future economic benefits are expected. Developments costs have a finite life and are amortised on a systematic basis matched to future economic benefits over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period and amortisation method are reviewed at least at each financial year end. Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life.

Last year, the utilisations of database assets were reviewed to more accurately reflect their pattern of usage (remaining 5 years). My Home software was separated into its distinct asset categories being software, domain names trademarks, databases and goodwill on acquisition.

Class of Intangible Amortisation Rate

Software development   35%
PDOL data development 25% - 5% on a sliding scale

Impairment of non-financial assets
Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables
These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 60 days of recognition.

Borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Note 2. Significant accounting policies (continued)

Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Superannuation
The amount charges to the Statement of Comprehensive Income in respect of superannuation represent the contributions made by the entity to superannuation funds.

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Business combinations
The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

Note 2. Significant accounting policies (continued)

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2016. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

AASB 9 Financial Instruments
This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI').

For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The consolidated entity will adopt this standard from 1 January 2018 but the impact of its adoption is yet to be assessed by the consolidated entity.

Note 2. Significant accounting policies (continued)

AASB 10 Consolidated Financial Statements
This standard is applicable to annual reporting periods beginning on or after 1 January 2013. The standard has a new definition of 'control'. Control exists when the reporting entity is exposed, or has the rights, to variable returns (e.g. dividends, remuneration, returns that are not available to other interest holders including losses) from its involvement with another entity and has the ability to affect those returns through its 'power' over that other entity. A reporting entity has power when it has rights (e.g. voting rights, potential voting rights, rights to appoint key management, decision making rights, kick out rights) that give it the current ability to direct the activities that significantly affect the investee's returns (e.g. operating policies, capital decisions, appointment of key management). The consolidated entity will not only have to consider its holdings and rights but also the holdings and rights of other shareholders in order to determine whether it has the necessary power for consolidation purposes. The adoption of this standard from 1 July 2013 may have an impact where the consolidated entity has a holding of less than 50% in an entity, has de facto control, and is not currently consolidating that entity.

AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirement
These amendments are applicable to annual reporting periods beginning on or after 1 July 2013, with early adoption not permitted. They amend AASB 124 'Related Party Disclosures' by removing the disclosure requirements for individual key management personnel ('KMP'). Corporations and Related Legislation Amendment Regulations 2013 and Corporations and Australian Securities and Investments Commission Amendment Regulation 2013 (No.1) now specify the KMP disclosure requirements to be included within the directors' report for annual reporting periods beginning 1 July 2013. The adoption of these amendments from 1 July 2013 will not have a material impact on the consolidated entity.

AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets
These amendments are applicable to annual reporting periods beginning on or after 1 January 2014. The disclosure requirements of AASB 136 'Impairment of Assets' have been enhanced to require additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposals. Additionally, if measured using a present value technique, the discount rate is required to be disclosed. The adoption of these amendments from 1 January 2014 may increase the disclosures by the consolidated entity.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Provision for impairment of receivables
The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtor's financial position.

Estimation of useful lives of assets
The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Goodwill and other indefinite life intangible assets
The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets
The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Income tax
The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Employee benefits provision
As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Business combinations
As discussed in note 2, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the consolidated entity taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

Note 4. Revenue

	Consolidated		Parent	
	2016 $	2015 $	2016 $	2015 $
Sales revenue				
Sales - products	1,103,996	1,147,429	1,103,996	1,147,429
Sales - online products	1,108,400	1,711,308	589,107	572,015
Sales - training registrations	2,855,855	3,104,795	2,855,855	3,104,795
Sales - Licence & management fees	-	539,493	-	-
	5,068,251	6,503,025	4,548,958	4,824,239
Other revenue				
Activities income	820,531	773,653	506,793	450,436
Dividends received	3,495	3,495	3,495	3,495
Interest received	70,531	47,933	55,792	46,046
Subscription income	10,101,889	8,980,217	2,617,294	2,349,210
Grants income	805,659	1,331,059	805,659	1,331,059
Other income	1,702,261	1,000,146	1,035,354	986,524
	13,504,366	12,136,503	5,024,387	5,166,770
Revenue	18,572,617	18,639,528	9,573,345	9,991,009

Note 5. Expenses

Profit/(loss) before income tax includes the following specific expenses:

Cost of sales				
Cost of sales	4,168,004	4,160,227	1,985,861	2,073,683
Expenses				
Bad and doubtful debts	80,571	46,566	(819)	34,692
Depreciation and Amortisation				
Buildings	82,400	80,576	82,400	80,576
Plant and equipment	10,572	8,943	-	-
Office furniture, equipment and library	95,663	115,300	94,382	114,021
Computer equipment	27,846	20,186	25,476	17,607
Computer software	885,589	615,271	109,762	70,796
Data amortisation	836,809	1,100,947	-	-
Total Depreciation and Amortisation	1,938,879	1,941,223	312,020	283,000

Note 6. Income tax benefit

	Consolidated		Parent	
	2016	2015	2016	2015
	$	$	$	$
Income tax benefit				
Current tax	-	(28,249)	-	22,113
Adjustment recognised for prior periods	(9,236)	-	(9,236)	-
Deferred tax - origination and reversal of temporary differences	(155,366)	(521,130)	(288,919)	(743,823)
R & D tax offsets	(363,904)	(401,742)	-	-
Aggregate income tax benefit	(528,506)	(951,121)	(298,155)	(721,710)
Numerical reconciliation of income tax benefit and tax at the statutory rate				
Profit/(loss) before income tax benefit	(805,659)	61,399	(644,271)	321,684
Tax at the statutory tax rate of 30%	(241,698)	18,420	(193,281)	96,505
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:				
Non-deductible expenses	1,009	2,788	382	876
Deferred tax asset not recognised / R & D tax offsets	(353,218)	(790,332)	-	(680,195)
Net adjustment for mutual (income)/expenses	(96,020)	(32,877)	(96,020)	(32,877)
Loss on disposal of investments	170,657	-	-	-
	(519,270)	(802,001)	(288,919)	(615,691)
Adjustment recognised for prior periods	(9,236)	-	(9,236)	-
Current year temporary differences not recognised	-	(84,616)	-	(41,515)
Prior year temporary differences not recognised now recognised	-	(64,504)	-	(64,504)
Income tax benefit	(528,506)	(951,121)	(298,155)	(721,710)

Under the concept of mutuality, the company is only assessed for tax purposes on the proportion of income derived from non-members (non-mutual).

Note 7. Current assets - cash and cash equivalents

	Consolidated		Parent	
	2016	2015	2016	2015
	$	$	$	$
Cash on hand	719	719	719	719
Cash at bank	868,565	801,264	738,722	656,311
Cash on deposit	2,001,613	1,401,613	2,001,613	1,401,613
	2,870,897	2,203,596	2,741,054	2,058,643

Reconciliation to cash and cash equivalents at the end of the financial year
The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows as follows:

Balances as above	2,870,897	2,203,596	2,741,054	2,058,643
Bank overdraft (note 18)	(103,137)	(19,282)	-	-
Balance as per statement of cash flows	2,767,760	2,184,314	2,741,054	2,058,643

The effective interest rate on short-term bank deposits was between 2.7% to 2.93% (2015: 2.89%); these deposits have a maturity date between 30 and 120 days.

Note 8. Current assets - trade and other receivables

Trade receivables	1,581,417	1,452,389	491,720	598,262
Less: Provision for impairment of receivables	(149,260)	(56,010)	(10,988)	(12,617)
	1,432,157	1,396,379	480,732	585,645
Other receivables	51,433	302,321	70,689	65,577
R & D tax offset refundable	363,904	401,742	-	-
	415,337	704,063	70,689	65,577
GST receivable	69,000	-	69,000	-
	1,916,494	2,100,442	620,421	651,222

Trade debtors are receivable on 60-90 day trading terms. Grant settlements are receivable upon the entity meeting agreed performance criteria. The carrying value of trade receivable is considered a reasonable approximation of fair value due to the short-term mature of the balances.

Impairment of receivables
Current trade and term receivables are non-interest bearing loans and generally on 60- 90 day terms. Non-current trade and term receivables are assess for recoverability based on the underlying terms of the contract. A provision for impairment is recognised when there is objective evidence that an individual trade or term receivable is impaired. These amounts have been included in the other expenses item.

Note 8. Current assets - trade and other receivables (continued)

Movements in the provision for impairment of receivables are as follows:

	Consolidated		Parent	
	2016	2015	2016	2015
	$	$	$	$
Opening balance	56,010	64,132	12,617	14,143
Adjustment to provisions recognised	93,250	(8,122)	(1,629)	(1,526)
Closing balance	149,260	56,010	10,988	12,617

Past due but not impaired
Customers with balances past due but without provision for impairment of receivables amount to $1,450,344 as at 30 June 2016 ($1,550,109 as at 30 June 2015).

The company did not consider a credit risk on the aggregate balances after reviewing credit terms of customers based on recent collection practices.

The ageing of the past due but not impaired receivables are as follows:

0 to 3 months overdue	879,922	1,191,739	336,228	445,398
3 to 6 months overdue	570,422	358,370	68,724	168,786
	1,450,344	1,550,109	404,952	614,184

Note 9. Current assets - inventories

Finished goods - at cost	35,236	36,561	35,236	36,561

Note 10. Current assets - available-for-sale financial assets

Shares in Commercialview.com.au Ltd	379,238	-	-	-

Note 11. Current assets - other

Accrued revenue	202,465	115,802	5,060	4,026
Prepayments	484,423	434,223	271,463	210,040
	686,888	550,025	276,523	214,066

Note 12. Non-current assets - available-for-sale financial assets

	Consolidated		Parent	
	2016 $	2015 $	2016 $	2015 $
Shares in Realestateview.com.au Pty Ltd	-	-	3,215,580	3,215,580
Shares in Commercialview.com.au Ltd	-	1,516,951	-	-
Shares in Touch Base Telematics Pty Ltd	-	255,000	-	-
Shares in Mortgage Fair Pty Ltd	73,051	73,051	73,051	73,051
Shares in Equity Investments	55,000	55,000	55,000	55,000
	128,051	1,900,002	3,343,631	3,343,631

The fair value of these investments has been determined by reference to their quoted market prices at balance date.

The fair value of unlisted available for sale financial assets cannot be reliably measured as they do not have a quoted market price in an active market. As a result, all unlisted investments are reflected at cost. Unlisted available for sale financial assets could be disposed of if required.

Note 13. Non-current assets - property, plant and equipment

Land - at independent valuation	9,275,000	9,275,000	9,275,000	9,275,000
Buildings - at independent valuation	1,287,711	1,207,917	1,287,711	1,207,917
Less: Accumulated depreciation	(340,253)	(257,853)	(340,253)	(257,853)
	947,458	950,064	947,458	950,064
Plant and equipment - at cost	243,216	135,022	30,419	30,419
Less: Accumulated depreciation	(130,833)	(120,260)	(30,419)	(30,419)
	112,383	14,762	-	-
Computer equipment - at cost	429,098	407,780	416,741	399,184
Less: Accumulated depreciation	(376,909)	(349,063)	(368,649)	(343,173)
	52,189	58,717	48,092	56,011
Office furniture, equipment and library - at cost	1,580,316	1,554,217	1,573,916	1,547,817
Less: Accumulated depreciation	(1,476,400)	(1,380,738)	(1,472,986)	(1,378,604)
	103,916	173,479	100,930	169,213
	10,490,946	10,472,022	10,371,480	10,450,288

Note 13. Non-current assets - property, plant and equipment (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Land - at fair value $	Buildings - at fair value $	Plant and equipment - at cost $	Computer equipment - at cost $	Office furniture, equipment and library - at cost $	Total $
Balance at 1 July 2014	9,275,000	1,000,000	10,978	28,354	247,541	10,561,873
Additions	-	30,640	12,726	50,549	41,240	135,155
Depreciation expense	-	(80,576)	(8,943)	(20,186)	(115,301)	(225,006)
Balance at 30 June 2015	9,275,000	950,064	14,761	58,717	173,480	10,472,022
Additions	-	79,794	108,194	21,318	26,099	235,405
Depreciation expense	-	(82,400)	(10,572)	(27,846)	(95,663)	(216,481)
Balance at 30 June 2016	9,275,000	947,458	112,383	52,189	103,916	10,490,946

Parent	Land - at fair value $	Buildings - at fair value $	Computer equipment - at cost $	Office furniture, equipment and library - at cost $	Total $
Balance at 1 July 2014	9,275,000	1,000,000	23,068	241,995	10,540,063
Additions	-	30,640	50,549	41,240	122,429
Depreciation expense	-	(80,576)	(17,607)	(114,021)	(212,204)
Balance at 30 June 2015	9,275,000	950,064	56,010	169,214	10,450,288
Additions	-	79,794	17,557	26,098	123,449
Depreciation expense	-	(82,400)	(25,475)	(94,382)	(202,257)
Balance at 30 June 2016	9,275,000	947,458	48,092	100,930	10,371,480

Valuations of land and buildings
The basis of the valuation of land and buildings is fair value, being the amounts for which the assets could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition. The land and buildings were last revalued on 30 June 2014 based on independent assessments by a member of the Australian Property Institute.

Note 14. Non-current assets - intangibles

	Consolidated 2016 $	Consolidated 2015 $	Parent 2016 $	Parent 2015 $
Goodwill - at cost	1,067,500	1,069,868	-	-
Goodwill - Myhome	490,000	490,000	-	-
Software - at cost	6,000,381	5,123,646	816,011	637,887
Less: Accumulated amortisation	(3,940,794)	(3,191,330)	(591,144)	(481,383)
	2,059,587	1,932,316	224,867	156,504
REIQ Platform - at cost	450,000	450,000	-	-
Less: Accumulated amortisation	(136,125)	-	-	-
	313,875	450,000	-	-
PDOL data development	6,941,015	5,989,377	-	-
Less: Accumulated amortisation	(4,900,050)	(4,063,241)	-	-
	2,040,965	1,926,136	-	-
	5,971,928	5,868,320	224,867	156,504

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Goodwill - at cost $	Goodwill - Myhome $	Software development - at cost $	Webtech software application - at cost & REIQ Platforms $	PDOL data $	Total $
Balance at 1 July 2014	1,241,618	490,000	1,585,251	-	2,157,601	5,474,470
Additions	-	-	728,731	450,000	867,239	2,045,970
Revaluation decrements	(171,751)	-	-	-	-	(171,751)
Amortisation expense	-	-	(381,665)	-	(1,098,704)	(1,480,369)
Balance at 30 June 2015	1,069,867	490,000	1,932,317	450,000	1,926,136	5,868,320
Additions	-	-	876,735	-	951,638	1,828,373
Revaluation decrements	(2,367)	-	-	-	-	(2,367)
Amortisation expense	-	-	(749,464)	(136,125)	(836,809)	(1,722,398)
Balance at 30 June 2016	1,067,500	490,000	2,059,587	313,875	2,040,965	5,971,928

Note 14. Non-current assets - intangibles (continued)

Parent	Software development - at cost $	Total $
Balance at 1 July 2014	135,850	135,850
Additions	91,450	91,450
Amortisation expense	(70,796)	(70,796)
Balance at 30 June 2015	156,504	156,504
Additions	178,124	178,124
Amortisation expense	(109,761)	(109,761)
Balance at 30 June 2016	224,867	224,867

Impairment Disclosures
The recoverable amount of the cash-generating unit is determined based on value-in-use calculations. Value-in-use is calculated based on the present value of cash flow projections over a 10-year period with the period extending beyond five years is extrapolated using an estimated growth rate. The cash flows are discounted using the yield of 10-year government bonds at the end of the period.

Development Costs
Development costs have been capitalised at cost. The intangible asset has been assessed as having a finite life and is amortised using the straight line method over a period of 3 years. If an impairment indicator arises, the recoverable amount in estimated and an impairment loss is recognised to the extent that the recoverable amount is lower than the carrying amount.

Note 15. Non-current assets - deferred tax

	Consolidated		Parent	
	2016 $	**2015 $**	**2016 $**	**2015 $**
Deferred tax asset comprises temporary differences attributable to:				
Amounts recognised in profit or loss:				
Tax losses	752,886	878,266	690,856	680,195
Temporary differences	467,565	177,583	329,009	41,515
Deferred tax asset	1,220,451	1,055,849	1,019,865	721,710

Note 16. Non-current assets - other

Loan – Propertydataonline.com.au	-	-	2,378,590	3,121,498

Note 17. Current liabilities - trade and other payables

	Consolidated		Parent	
	2016	2015	2016	2015
	$	$	$	$
Trade payables	546,047	1,146,239	102,442	102,253
Sundry payables and accrued expenses	529,064	717,787	277,903	427,646
GST payable	185,804	166,344	95,882	74,627
Other payables	84,695	-	75,780	-
	1,345,610	2,030,370	552,007	604,526

Refer to note 26 for further information on financial instruments.

All amounts are short-term and the carrying values are considered to be a reasonable approximation of fair value.

Note 18. Current liabilities - borrowings

Bank overdraft	103,137	19,282	-	-
Bank loans	532,579	779,248	-	-
	635,716	798,530	-	-

Refer to note 26 for further information on financial instruments.

The group has a secured bank overdraft facility of $500,000 (2015: $500,000). At 30 June 2016, $103,137 of this facility was used (2015: $19,282).

Note 19. Current liabilities - employee benefits

Annual leave	333,038	333,007	208,401	194,857
Long service leave	384,026	394,858	289,967	310,759
	717,064	727,865	498,368	505,616

The current portion of these liabilities represents the company's obligations to which the employee has a current legal entitlement. These liabilities arise mainly from accrued annual leave entitlement at reporting date.

A provision has been recognised for employee entitlements relating to long service leave for employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The measurement and recognition criteria for employee benefits have been included in Note 2.

Note 20. Current liabilities - other

Repayment of training grant	759,000	-	759,000	-
Deferred revenue – Subscriptions	1,459,565	1,435,311	1,426,732	1,382,763
Revenue received in advance	203,009	160,183	203,009	160,183
Fund held in trust - Rental determinations	74,895	31,975	74,895	31,975
	2,496,469	1,627,469	2,463,636	1,574,921

Note 21. Non-current liabilities - employee benefits

	Consolidated 2016 $	Consolidated 2015 $	Parent 2016 $	Parent 2015 $
Long service leave	23,804	17,613	23,804	17,613

Note 22. Non-current liabilities - other

	Consolidated 2016 $	Consolidated 2015 $	Parent 2016 $	Parent 2015 $
Inter-company loan	-	231,481	-	231,481

Note 23. Equity - reserves

	Consolidated 2016 $	Consolidated 2015 $	Parent 2016 $	Parent 2015 $
Revaluation surplus reserve	6,943,407	6,943,407	6,943,407	6,943,407

Revaluation surplus reserve
The reserve is used to recognise increments and decrements in the fair value of land and buildings, excluding investment properties.

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Revaluation surplus $	Available-for-sale $	Foreign currency $	Hedging $	Total $
Balance at 1 July 2015	6,943,407	-	-	-	6,943,407
Balance at 30 June 2016	6,943,407	-	-	-	6,943,407

Parent	Revaluation surplus $	Available-for-sale $	Foreign currency $	Hedging $	Total $
Balance at 1 July 2015	6,943,407	-	-	-	6,943,407
Balance at 30 June 2016	6,943,407	-	-	-	6,943,407

Note 24. Equity - retained profits

	Consolidated 2016 $	Consolidated 2015 $	Parent 2016 $	Parent 2015 $
Retained profits at the beginning of the financial year	10,495,890	9,450,810	10,876,561	9,833,165
Profit/(loss) after income tax benefit for the year	(243,705)	1,045,080	(346,116)	1,043,394
Retained profits at the end of the financial year	10,252,185	10,495,890	10,530,445	10,876,559

Note 25. Equity - non-controlling interest

	Consolidated		Parent	
	2016	2015	2016	2015
	$	$	$	$
Non-controlling interest	1,285,874	1,314,192	-	-

Realestateview.com.au Ltd is incorporated in Australia. Percentage of ownership is 54.96% (2015: 55.02%)

Note 26. Financial instruments

Financial risk management objectives
The consolidated entity's activities expose it to a variety of financial risks: market risk (including price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity'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 consolidated entity. The consolidated entity 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, and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the consolidated entity's operating units. Finance reports to the Board on a monthly basis.

Market risk

Financial instruments used
The principal categories of financial instrument used by the Group are:
- Trade receivables
- Cash at bank
- Bank overdraft
- Bank loan
- Trade and other payables
- Available for sale financial assets

Price risk
The consolidated entity is not exposed to any significant price risk.

Interest rate risk
The company's main interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the company to interest rate risk. Borrowings issued at fixed rates expose the company to fair value interest rate risk. The policy is to maintain borrowings at fixed rate when necessary.

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The consolidated entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

Liquidity risk
Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Note 26. Financial instruments (continued)

Financing arrangements
The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject of the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time and have an average maturity of 3 years.

Remaining contractual maturities
The following tables detail the consolidated entity's and company's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2016	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	546,047	-	-	-	546,047
GST payable	-	185,804	-	-	-	185,804
Other payables	-	537,793	-	-	-	537,793
Interest-bearing - variable						
Bank overdraft	9.57%	103,137	-	-	-	103,137
Interest-bearing - fixed rate						
Bank loans	4.92%	-	-	532,579	-	532,579
Total non-derivatives		1,372,781	-	532,579	-	1,905,360

Consolidated - 2015	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	1,216,671	-	-	-	1,216,671
GST payable	-	166,344	-	-	-	166,344
Other payables	-	654,534	-	-	-	654,534
Interest-bearing - variable						
Bank overdraft	9.63%	19,282	-	-	-	19,282
Interest-bearing - fixed rate						
Bank loans	4.65%	-	-	779,248	-	779,248
Total non-derivatives		2,056,831	-	779,248	-	2,836,079

Note 26. Financial instruments (continued)

Parent - 2016	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	102,442	-	-	-	102,442
GST payable	-	95,882	-	-	-	95,882
Other payables	-	277,846	-	-	-	277,846
Total non-derivatives		476,170	-	-	-	476,170

Parent - 2015	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	102,253	-	-	-	102,253
GST payable	-	74,627	-	-	-	74,627
Other payables	-	428,315	-	-	-	428,315
Total non-derivatives		605,195	-	-	-	605,195

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 27. Key management personnel disclosures

Compensation
The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated		**Parent**	
	2016 $	**2015 $**	**2016 $**	**2015 $**
Short-term employee benefits	1,025,872	1,249,918	797,380	937,914

Note 28. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Sothertons LLP, the auditor of the company:

	Consolidated		Parent	
	2016	**2015**	**2016**	**2015**
	$	**$**	**$**	**$**
Audit services - Sothertons LLP				
Audit of the financial statements	69,700	69,700	46,200	46,200
Other services - Sothertons				
Preparation of the statutory accounts, tax returns and consultancy	95,913	112,723	46,494	79,888
	165,613	182,423	92,694	126,088

Note 29. Contingent liabilities

The group had no known contingent liability existed at 30 June 2016.

Note 30. Commitments

The company had no known commitments for expenditure as at 30 June 2016.

Note 31. Related party transactions

Parent entity
The Real Estate Institute of Victoria Ltd is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 33.

Key management personnel
Disclosures relating to key management personnel are set out in note 27.

Transactions with related parties
The following transactions occurred with related parties:

Sale of goods and services:				
Sale of services to subsidiaries	126,873	119,457	126,873	119,457

Receivable from and payable to related parties

Current receivables:				
Trade receivables from controlling entity	2,448,772	3,206,609	2,448,772	3,206,609

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Note 32. Business combinations

The Real Estate Institute of Victoria acquired 54.96% of the ordinary shares of Realestateview.com.au Ltd for total consideration transferred of $3,215,580.

	Fair value $
Cash and cash equivalents	81,724
Trade receivables	824,309
Other receivables	574,769
Plant and equipment	112,383
Investments	379,238
Intangible assets	2,191,475
Deferred tax asset	200,586
Trade payables	(647,594)
Other payables	(32,833)
Employee benefits	(193,380)
Bank loans	(635,716)
Net assets acquired	2,854,961
Fair value of the total consideration	2,854,961

Note 33. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policy described in note 2:

		Ownership interest	
Name	Principal place of business / Country of incorporation	2016 %	2015 %
Propertydataonline.com.au Ltd	335 Camberwell Road, Camberwell, VIC 3124	-	100.00%
Touch Base Telematic Pty Ltd	Level 12, 31 Queen Street, Melbourne, VIC, 3000	-	34.00%

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary with non-controlling interests in accordance with the accounting policy described in note 2:

			Parent		Non-controlling interest	
Name	Principal place of business / Country of incorporation	Principal activities	Ownership interest 2016 %	Ownership interest 2015 %	Ownership interest 2016 %	Ownership interest 2015 %
Realestateview.com.au Ltd	405 Riversdale Rd, Hawthorn East VIC 3123		54.96%	55.02%	45.04%	44.98%

Note 34. Economic dependency

The company acquires professional and support services at normal commercial terms that the company is dependent on. The accounts are prepared on the basis that these services will continue to be supplied for the foreseeable future.

Note 35. Events after the reporting period

During the year ended 30 June 2016, the Department of Education & Training (“the Department”) concluded a review of the REIV’s compliance with its VET Funding contract for the 2014 & 2015 calendar years. Subsequent to 30 June 2016, the Department provided the REIV with a written request to repay $1,611,786.47 of grant monies paid to the REIV during those years.

Following receipt of legal advice, the Board authorised a detailed internal analysis of the Department’s claim and have determined that, at this point in time, an amount of $690,000 plus GST is repayable to the Department. This amount has been provided for in the financial statements. Representatives of the REIV Board and senior management have held further meetings with the Department to discuss the matter. The Department has agreed to consider additional support for the REIV’s position on the final amount payable. This matter is currently being attended to.

Apart from the above, no other matter or circumstance has arisen since 30 June 2016 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 36. Reconciliation of profit/(loss) after income tax to net cash from operating activities

	Consolidated		Parent	
	2016 $	2015 $	2016 $	2015 $
Profit/(loss) after income tax benefit for the year	(277,153)	1,012,520	(346,116)	1,043,394
Adjustments for:				
Depreciation and amortisation	1,938,879	1,705,373	312,020	282,999
Net loss on disposal of non-current assets	823,857	-	-	-
Share of loss/(profit) - associates	(4,878)	403,951	-	-
Other adjustments	460,094	-	690,000	-
Change in operating assets and liabilities:				
Decrease in trade and other receivables	307,748	280,668	113,123	229,019
Increase in deferred tax assets	(164,602)	(656,519)	(298,155)	(721,710)
Decrease/(increase) in other operating assets	(235,820)	(56,445)	744,233	(324,417)
Increase/(decrease) in trade and other payables	(518,477)	716,065	(230,062)	313,904
Decrease in provision for income tax	-	(461,566)	-	-
Increase/(decrease) in employee benefits	(4,610)	89,029	(1,058)	9,557
Net cash from operating activities	2,325,038	3,033,076	983,985	832,746

The Real Estate Institute of Victoria Ltd
Directors' declaration
30 June 2016

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;

- the attached financial statements and notes give a true and fair view of the company's and consolidated entity's financial position as at 30 June 2016 and of their performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

____
Joseph Walton
Director

8 . 11 . 2016
Melbourne

SOTHERTONS L.L.P.
CHARTERED ACCOUNTANTS

D. A. Lissauer B.Com., FCPA, Affiliate ICAA
R. P. Lissauer B.Ec., M.Tax, CA, FTIA
M. R. Lipson B.Bus., B.Ed., AI.Arb.A, CA

THE REAL ESTATE INSTITUTE OF VICTORIA LIMITED
ABN 81 004 210 897

INDEPENDENT AUDIT REPORT TO THE MEMBER OF THE REAL ESTATE INSTITUTE OF VICTORIA LIMITED

We have audited the accompanying financial statements of The Real Estate Institute of Victoria Limited (the company) which comprises the statement of financial position as at 30 June 2016 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2016, a summary of significant accounting policies and other explanatory notes and the director's declaration.

Director's Responsibility for the Financial Statements

The director of the company is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are 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 director also state, in accordance with Accounting Standard AASB 101: 'Presentation of Financial Statements', that compliance with the Australian equivalents to International Financial Reporting Standards (IFRS) ensures that the financial statements, comprising the financial statements and notes, complies with IFRS.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements 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 statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, 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 statements 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 statements.

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

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THE REAL ESTATE INSTITUTE OF VICTORIA LIMITED
ABN 81 004 210 897

INDEPENDENT AUDIT REPORT
TO THE MEMBER OF
THE REAL ESTATE INSTITUTE OF VICTORIA LIMITED

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the director of The Real Estate Institute of Victoria Limited would be in the same terms if provided to the director as at the date of this auditor's report.

Auditor's Opinion

In our opinion:

a. The financial statements of The Real Estate Institute of Victoria 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 2016 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.

b. The financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Sothertons LLP
Chartered Accountants
Level 6 468 St Kilda Road
MELBOURNE, VIC, 3004

Partner: David Lissauer

MELBOURNE

Dated this 9th **day of** November **2016**

CONTACT US

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