
THE REAL ESTATE INSTITUTE OF NEW ZEALAND INCORPORATED

**CONSOLIDATED FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

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THE REAL ESTATE INSTITUTE OF NEW ZEALAND INCORPORATED

**CONSOLIDATED FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

DIRECTORY

Registered office	155 Khyber Pass Road Auckland
Nature of business	A membership organisation representing real estate professionals nationwide.
Directors	Mr Kevin Jenkins (Chairperson) Ms Miriam Dean, KC Ms Jo Clifford Ms Treena Drinnan Mr Neville Falconer Mr Shane O'Brien Ms Nicola Riordan Mr Andy Stewart Mr Angus Johnston
Incorporated Society number	222891
Independent auditor	RSM Hayes Audit 1 Broadway Auckland
Bankers	Bank of New Zealand Newmarket Auckland

**CONSOLIDATED FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

Directors' Report

The Directors of The Real Estate Institute of New Zealand Incorporated (Institute) present this Annual Report, being the consolidated financial report of the Institute for the financial year ended 30 June 2024, and the independent auditor's report thereon.

Statement of Responsibility

The Directors are responsible for the maintenance of adequate accounting records and the preparation and integrity of the consolidated financial report and related information.

The independent external auditors, RSM Hayes Audit have audited the consolidated financial report and their report appears on pages 3 to 4.

The Directors are also responsible for the systems of internal control. These are designed to provide reasonable but not absolute assurance as to the reliability of the financial report, and to adequately safeguard, verify and maintain accountability for assets, and to prevent and detect material misstatements.

Appropriate systems of internal control have been employed to ensure that all transactions have been executed in accordance with authority and correctly processed and accounted for in the financial records. The systems are implemented and monitored by suitably trained personnel with an appropriate segregation of authority and duties. Nothing has come to the attention of the Directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The consolidated financial statements are prepared on a going concern basis. Nothing has come to the attention of the Directors to indicate that the Institute will not remain a going concern in the foreseeable future.

In the opinion of the Directors:

- The Consolidated Statement of Service Performance is drawn up so as to present fairly, in all material respects, the service performance of the Institute for the financial year ended 30 June 2024;
- The Consolidated Statement of Comprehensive Revenue and Expense is drawn up so as to present fairly, in all material respects, the financial result of the Institute for the financial year ended 30 June 2024;
- The Consolidated Statement of Financial Position is drawn up so as to present fairly, in all material respects, the financial position of the Institute as at 30 June 2024;
- The Consolidated Statement of Cash Flows is drawn up so as to present fairly, in all material respects, the cashflows of the Institute for the financial year ended 30 June 2024;
- There are reasonable grounds to believe that the Institute will be able to pay its debts as and when they fall due.

For and on behalf of the Directors:



REINZ Board Chairperson

26 September 2024

Date



REINZ Audit & Risk Committee Chairperson

26 September 2024

Date

Independent Auditor's Report

To the members of The Real Estate Institute of New Zealand Incorporated

RSM Hayes Audit

PO Box 9588
Newmarket, Auckland 1149
Level 1, 1 Broadway
Newmarket, Auckland 1023

T +64 (9) 367 1656

www.rsmnz.co.nz

Opinion

We have audited the consolidated general purpose financial report (hereinafter referred to as 'consolidated financial report') of The Real Estate Institute of New Zealand and its subsidiaries (the group), which comprises the consolidated financial statements on pages 8 to 27 and the consolidated service performance information on pages 5 to 7. The complete set of consolidated financial statements comprises the consolidated statement of financial position as at 30 June 2024, consolidated statement of comprehensive revenue and expense, consolidated statement of changes in equity, consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion the accompanying consolidated financial report presents fairly, in all material respects:

- the financial position of the group as at 30 June 2024, and its financial performance, and its cash flows for the year then ended; and
- the service performance for the year ended 30 June 2024 in accordance with the entity's service performance criteria.

in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board.

Basis for opinion

We conducted our audit of the consolidated financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and the audit of the consolidated service performance information in accordance with the ISAs (NZ) and New Zealand Auditing Standard (NZ AS) 1 *The Audit of Service Performance Information*. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial report* section of our report.

We are independent of the group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the group.

Other information

The directors are responsible for the other information. The other information comprises the directory on page 1 and the directors' report and statement of responsibility on page 2 (but does not include the consolidated financial report and our auditor's report thereon), which we obtained prior to the date of this auditor's report. Our opinion on the consolidated financial report does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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In connection with our audit of the consolidated financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated financial report

The directors are responsible, on behalf of the group, for:

- (a) the preparation and fair presentation of the consolidated financial statements and consolidated service performance information in accordance with Public Benefit Entity Standards Reduced Disclosure Regime issued by the New Zealand Accounting Standards Board;
- (b) service performance criteria that are suitable in order to prepare service performance information in accordance with Public Benefit Entity Standards Reduced Disclosure Regime; and
- (c) such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements and consolidated service performance information that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial report, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole, and the consolidated service performance information, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and NZ AS 1 will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate or collectively, they could reasonably be expected to influence the decisions of users taken on the basis of this consolidated financial report.

A further description of the auditor's responsibilities for the audit of the consolidated financial report is located at the XRB's website at:

<https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-13/>

Who we report to

This report is made solely to the members, as a body. Our audit work has been undertaken so that we might state to the members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than group and the members as a body, for our audit work, for this report, or for the opinions we have formed.



**CONSOLIDATED FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

Statement of Service Performance

Who we are:

REINZ supports real estate professionals across New Zealand, who work in all areas of real estate – residential and rural sales, auctioneers, business brokers, commercial and industrial sales, leasing and residential property managers.

We support real estate professionals with education and training, an advisory service with legal resources and guidance, industry events, plus learning and career development and networking opportunities to help grow their businesses and their people.

We champion our members’ interests through advocacy and thought leadership. We speak with one voice to stakeholders – agencies, regulators, platform owners, government, and media.

REINZ is the proud custodian of New Zealand’s most up-to-date property data, providing statistics, analysis and reporting tools for members and the wider business and finance industry.

Our Purpose is:

To champion a world class real estate profession

Our Vision is:

A respected and empowered team helping members deliver the best possible real estate services to New Zealanders

Our Members & their Staff

	2024	2023
Number of supported Real Estate Professionals nationwide	16,051	16,465
Licensed Salespersons	12,746	13,022
Property Managers	1,461	1,498
Business Brokers	361	376
Associates/Fellows/Life Members	1,180	1,210
Member offices	1,434	1,440

REINZ membership numbers as at 30 June (Year End)

Our Strategic Objectives

a) Improve the skills and knowledge of our professionals:

Our members have access to relevant, high-quality education, events and advisory services that improve their business, strengthen their position as trusted advisers and enhance the reputation of the profession.

Education	2024	2023
Hours of education delivered	65,600	74,134
<small>Total hours of attendance at face to face courses, and hours of online booked</small>		
Number of Face to Face Verifiable workshops held	43	43
Face to Face verifiable attendance	1,574	1,408
Online verifiable enrolments	4,054	3,966
Number of licences completing verifiable education with REINZ	5,554	5,247
Number of preferred supplier agreements for the delivery of verifiable education to major brands	6	6
<small>Above numbers relate to the CPD education year (Jan to Dec)</small>		
Commenced Qualifications	220	268

Costs: The direct costs of providing education was \$380k (2023: \$368k)

Events	2024	2023
Number of events delivered across NZ	11	11
<small>Including three large scale events (REINZ Awards for Excellence, NZ Real Estate Conference, and Australasian Auctioneering Championships)</small>		
Number of attendees at REINZ events	1,120	1,119

Costs: The direct costs of providing events was \$481k (2023: \$513k)

b) Real estate's go to for property data and industry-wide forms:

Our members trust us for access to the best property data and industry-wide forms in NZ, both delivered in a way that adds value to their business.

	2024	2023
Number of Sales & Purchase Agreements completed	223k	200k
Number of all eforms completed	281k	246k
Number of REINZ statistics platform sessions	902k	640k
Number of REINZ statistics platform page views	4.23m	2.79m
Number of PropertySmarts users	12,486	12,360

PropertySmarts registered user numbers as at 30 June (Year End)

Costs: The direct costs of providing REINZ data related products and services was \$1,465k (2023: \$1,392k)

c) An enduring, future ready profession:

We help our members understand and navigate the ever-changing landscape of Real Estate business in NZ. We understand today’s environment, and advocate for tomorrow's evolved and relevant profession.

	2024	2023
Number of submissions on legislation and advocacy	6	5
<small>Key topics such as RPM Bill, Residential Tenancies Act, Real Estate Agents Act, AML Regulations, and Privacy Amendment Bill</small>		

d) Engage and celebrate:

We are member focused, available and engaging. We actively celebrate and promote our profession.

	2024	2023
REINZ reputation with its members	95%	97%
<small>Member engagement survey results, percentage of members rate REINZ reputation as either good, very good, or excellent (3% marked fair, 2% marked poor).</small>		
Number of social media engagements	49,507	87,034
<small>the measure of how people interact with REINZ social media content.</small>		
Number of social media impressions	886,314	1,036,634
<small>the number of times REINZ content was seen</small>		

Costs: The direct costs of providing marketing & communications services was nil (2023: \$94k)

e) Operational excellence:

We are efficient, digitally enabled and empowered to deliver.

2024

During 2024 REINZ implemented a new project management framework, enhancements to the IMIS Member Management System, and improvements to REINZ Membership Renewal process

2023

During 2023 REINZ implemented a new CRM, Website, and Learning Management System (IMIS) and a new Accounting system (Xero), replacing and upgrading REINZ legacy systems. The new systems provide REINZ staff and members with enhanced functionality, automating previously manual tasks, and enabling members to update their details, pay invoices, and book courses and events from a single portal.

**CONSOLIDATED FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

Statement of comprehensive revenue and expense

	Notes	2024	2023
Revenue from exchange transactions	5	10,198,524	10,230,195
Total revenue (excluding gains)		10,198,524	10,230,195
Direct Costs of Services		2,347,979	2,415,544
Depreciation and amortisation		277,984	435,800
Loss on assets disposed		-	-
Salaries and wages		5,003,609	4,605,522
Other expenses	8	3,111,051	3,464,047
Total expenses		10,740,623	10,920,913
Finance and dividend income	6	300,859	225,638
Net finance and dividend income		300,859	225,638
Operating surplus/(deficit)		(241,240)	(465,080)
Other gains and (losses)	7	117,780	129,713
Profit/(loss) from equity accounted investees	17	1,420,186	58,254
Net surplus/(deficit) for the year before income tax		1,296,726	(277,113)
Income Tax Expense/(Benefit)	13	-	-
Net surplus/(deficit) after income tax		1,296,726	(277,113)
Other comprehensive revenue and expense for the year		-	-
Total comprehensive revenue and expense for the year		1,296,726	(277,113)

CONSOLIDATED FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

Statement of changes in equity

	Notes	Accumulated comprehensive revenue and expense	Total equity
Balance as at 1 July 2022		16,311,309	16,311,309
Total comprehensive revenue and expense for the year		(277,113)	(277,113)
Balance as at 30 June 2023		16,034,196	16,034,196
Total comprehensive revenue and expense for the year		1,296,726	1,296,726
Balance as at 30 June 2024		17,330,922	17,330,922

CONSOLIDATED FINANCIAL REPORT
AS AT 30 JUNE 2024

Statement of financial position

	Notes	2024	2023
ASSETS			
Current assets			
Receivables from exchange transactions		223,612	212,937
Prepayments		111,954	173,861
Cash and cash equivalents	9	4,716,031	3,663,617
		5,051,597	4,050,415
Non-current assets			
Property, plant and equipment	11	8,419,561	8,608,525
Intangible assets	12	1,637	52,927
Other financial assets	10.iii	3,030,771	3,069,329
Investments	17	4,826,417	3,406,231
		16,278,386	15,137,012
TOTAL ASSETS		21,329,983	19,187,427
LIABILITIES			
Current liabilities			
Payables from exchange transactions	14	451,709	461,124
Income in advance		2,746,594	1,729,764
Employee benefits	15	464,841	354,762
GST Payable		335,917	607,581
TOTAL LIABILITIES		3,999,061	3,153,231
NET ASSETS		17,330,922	16,034,196
EQUITY			
Accumulated comprehensive revenue and expense		17,330,922	16,034,196
TOTAL EQUITY		17,330,922	16,034,196

CONSOLIDATED FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

Statement of Cash Flows

	Notes	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts		11,196,173	9,110,159
Interest and tax received		233,554	162,293
Dividends received		67,305	63,347
Cash paid to suppliers and employees		(10,554,792)	(10,019,428)
Net cash inflow/(outflow) from operating activities		942,240	(683,629)
CASH FLOWS FROM INVESTING ACTIVITIES			
Sale/(Purchase) of investments		147,904	(136,888)
Purchase of intangible assets	12	-	-
Purchase of property, plant and equipment	11	(37,731)	(76,730)
Proceeds from repayment of related party loans		-	-
Net cash inflow/(outflow) from investing activities		110,173	(213,618)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		-	-
Net cash inflow/(outflow) from financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		1,052,414	(897,247)
Cash and cash equivalents at 1 July		3,663,617	4,560,864
Cash and cash equivalents at 30 June	9	4,716,031	3,663,617

**CONSOLIDATED FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

Notes to the financial statements

1. REPORTING ENTITY

The Real Estate Institute of New Zealand (Institute) is an incorporated society in New Zealand, incorporated under the Incorporated Societies Act 1908 and is a public benefit entity for the purposes of financial reporting in accordance with Public Benefit Entity Standards Reduced Disclosure Regime (PBE Standards RDR). The Institute is a Public Benefit Entity because it operates for the benefit of its members rather than to return a profit.

These consolidated financial statements (hereinafter referred to as "financial statements") consist of the Institute and its wholly owned subsidiaries, REINZ Member Services Limited and REINZ Ventures Limited, and together are referred to as "the Group".

2. BASIS OF PREPARATION

a) Statement of compliance

The financial statements comply with generally accepted accounting practice in New Zealand ("NZ GAAP").

The financial statements comply with the PBE Standards RDR as appropriate for Tier 2 not-for-profit public benefit entities.

The Group qualifies as a Tier 2 reporting entity as it does not have public accountability and it is not defined as large.

All reduced disclosure regime exemptions have been adopted.

These financial statements were authorised for issue by the Directors on the date indicated on page 2.

b) Measurement basis

The financial statements have been prepared on a historical cost basis, except for financial assets at fair value through surplus or deficit which have been measured at fair value.

These financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar.

There has been no change in the functional currency of the Group.

3. SIGNIFICANT JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Notes to the financial statements

3. SIGNIFICANT JUDGEMENTS AND ESTIMATES (CONT'D)

a) Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

i. Classification of non-financial assets as cash generating assets or non-cash-generating assets

For the purpose of assessing impairment indicators and impairment testing, the Group classifies non-financial assets as non-cash-generating assets as the primary objective of the assets is not to generate commercial return.

ii. Trade receivables

The Group assesses expected credit losses arising from its trade receivables at the end of each reporting period. The level of provision recognised is based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

b) Assumptions and estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

i. Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- The condition of the asset based on the assessment of experts employed by the Group
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset
- Changes in the market in relation to the asset

Notes to the financial statements

b) Assumptions and estimation uncertainty (cont'd)

ii. Impairment of non-financial assets – non-cash-generating assets

The Group reviews and tests the carrying value of non-cash-generating assets when events or changes in circumstances suggest that there may be a reduction in the future service potential that can reasonably be expected to be derived from the asset. Where indicators of possible impairment are present, the Group undertakes impairment tests, which require the determination of the asset's fair value less cost to sell and its recoverable service amount. The asset's fair value less costs to sell is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. In the absence of observable market evidence, fair value is measured using depreciated replacement cost (DRC). The value in use of the asset is calculated using DRC. DRC is determined by reference to the estimated cost of reproducing the asset or replacing the asset's service potential. The estimation of these inputs into the calculation relies on the use estimates and assumptions. Any subsequent changes to the factors supporting these estimates and assumptions may have an impact on the reported carrying amount of the related asset.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and have been applied consistently by the Group.

a) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

The specific recognition criteria described below must also be met before revenue is recognised:

i. Revenue from non-exchange transactions

The Group does not have revenue generated from non-exchange transactions.

ii. Revenue from exchange transactions

Membership revenue

Membership revenue is recognised over the period of the membership as the services of membership are provided.

Services provided to members

Revenue from services provided to members is recognised over the period of the service as the service is provided to the members.

Statistics revenue

Revenue from statistics is recognised as the statistics are provided.

Notes to the financial statements

4. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Commissions and rebates

Revenue from commissions and rebates is recognised at the point that the commission or rebate was earned which is the point at which the member incurs qualifying expenditure.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment based on expected credit losses. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

Financial assets

The Group classifies its financial assets in the following categories:

- financial assets at fair value through surplus or deficit
- measured at amortised cost

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

Financial assets at fair value through surplus or deficit

Financial assets that do not meet the criteria for amortised cost are measured at fair value through surplus or deficit.

The Group's derivatives are recognised in this category. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non current.

Amortised cost

The Group classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model with the objective of collecting the contractual cash flows, and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

These assets are subsequently measured at amortised cost using the effective interest method.

Interest income

Interest income from financial assets at amortised cost is included in finance income using effective interest rate method. Effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability.

Interest income is included in finance income in the statement of comprehensive revenue and expense.

Other gains and losses

Other gains and losses includes realised and unrealised fair value gains and losses on financial instruments at fair value through surplus or deficit.

CONSOLIDATED FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

Notes to the financial statements

b) Income tax

i. Goods and services tax

Revenues, expenses and assets are recognised net of the amount of GST except:

- When the GST incurred on a purchase of assets or services is not recoverable from the IRD, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and
- In the case of receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the statement of financial position.

ii. Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted.

iii. Deferred income tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- When the deferred income tax liability arises from the initial recognition of goodwill or of 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 surplus or deficit nor taxable surplus or deficit.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that taxable surplus will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting surplus or deficit nor taxable surplus or deficit.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable surplus will be available against which the temporary differences can be utilised.

Notes to the financial statements

b) Income tax (cont'd)

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

c) Financial instruments

i. Initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through surplus or deficit are expensed in surplus or deficit.

d) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The Group applies the simplified approach to providing for expected credit losses prescribed by PBE IPSAS 41, which permits the use of the lifetime expected losses for all trade receivables. Given the low risk of default on other financial assets (primarily short-term deposits with financial institutions with a strong credit rating), other expected credit losses have been assessed to be immaterial.

e) Property, plant and equipment

i. Initial recognition and subsequent expenditure

Property, plant and equipment is measured initially at cost. Cost includes expenditure that is directly attributable to the acquisition of the items. The cost of an item of property plant and equipment is recognised only when it is probable that future economic benefit or service potential associated with the item will flow to the Group, and if the item's cost or fair value can be measured reliably.

Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

Subsequent costs that meet the recognition criteria above are recognised in the carrying value of the item of property, plant and equipment. Such cost includes the cost of replacing part of the property, plant and equipment if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Consistent with recent interpretation of accounting standards for the treatment of the implementation of cloud-based software, the costs of such intangible assets is expensed unless the customisation and configuration of the intangible is an identifiable asset which REINZ has control over and can restrict others from using.

ii. Subsequent measurement

Subsequent to initial recognition, property, plant and equipment are measured at cost, net of accumulated depreciation and impairment losses, if any.

Notes to the financial statements

e) Property, plant and equipment (cont'd)

iii. Depreciation

Depreciation is charged on a straight line basis.

Depreciation is charged at rates calculated to allocate the cost or valuation of the asset less any estimated residual value over its remaining useful life:

Buildings and Improvements	50 years
Furniture and fittings	8-11 years
Office plant	2-5 years
Computer hardware	2-3 years
Computer software	3 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

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

Please refer to policy (f) on impairment of non-financial assets.

iv. Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits or service potential are expected from its use or disposal.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in surplus or deficit.

Upon disposal or derecognition, any revaluation reserve relating to the particular asset being sold is transferred to accumulated comprehensive revenue and expense, transferred to accumulated revenue and expenses as the asset was being used over its useful life, or not transferred at all.

f) Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows (for cash-generating assets) or future remaining service potential 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 or CGU.

Notes to the financial statements

f) Impairment of non-financial assets (cont'd)

Impairment losses are recognised in surplus or deficit. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a pro rata basis.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Exchange differences are recognised as income or expenses in the period in which they arise.

g) Equity and reserves

i. Accumulated comprehensive revenue and expense

Accumulated comprehensive revenue and expense is the Group's accumulated surplus or deficit since the formation of the Group.

h) Associated companies

Associated companies are entities other which the Group has significant influence, but not control, generally accompanying a shareholding of between and including 20% and 50% of the voting rights. Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting.

Equity accounting involves recording investments in associated companies initially at cost, and recognising the Group's share of its associated companies' post-acquisition results and its share of post-acquisition movements in reserves against the carrying amount of the investments. When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associated company.

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Notes to the financial statements

5. REVENUE FROM EXCHANGE TRANSACTIONS

	2024	2023
Membership fees	5,034,969	4,993,521
Services provided to members	1,720,966	1,660,491
Statistics revenue	3,001,038	2,914,003
Commissions and rebates	174,644	317,115
Other revenue	266,907	345,065
	10,198,524	10,230,195

6. FINANCE INCOME

Interest income

Loans and receivables	179,231	123,278
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Financial assets at fair value through surplus or deficit

PDIF Dividends received	67,305	63,347
PDIF Interest received	54,323	39,013
	300,859	225,638

7. OTHER GAINS AND LOSSES

i. Other gains from the Professional Development and Integrity Fund (PDIF)

Fair value movement in financial assets at fair value through surplus or deficit	109,346	112,787
Net Gain on disposal of financial assets at fair value through surplus or deficit	8,434	16,926
	117,780	129,713

ii. Other losses from the Professional Development and Integrity Fund (PDIF)

Net loss on disposal of financial assets at fair value through surplus or deficit	-	-
	-	-

Total net gains and losses	117,780	129,713
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Notes to the financial statements

8. OTHER EXPENSES

	2024	2023
Computer charges	1,186,911	1,701,532
Public relations and marketing	16,572	26,865
Legal Costs	158,773	63,682
Building costs	157,453	174,813
Directors fees	460,687	435,833
Staff training and recruitment	199,053	252,807
Audit fees	53,301	50,051
Office and administration costs	878,301	758,464
	3,111,051	3,464,047

9. CASH AND CASH EQUIVALENTS

Cash at bank	2,435,501	1,597,037
PDIF investment cash at bank	128,042	99,417
Term Deposits	2,152,488	1,967,163
	4,716,031	3,663,617

Cash and cash equivalents in the statement of cash flows 4,716,031 3,663,617

Borrowings

The Group has no undrawn borrowings at reporting date (2023: Nil).

10. FINANCIAL INSTRUMENTS

i. Classification and fair values of financial instruments

The tables below show the carrying amount of the Group's financial assets and financial liabilities:

	Carrying amount		
	Financial assets		Financial liabilities
2024	FVTSD*	Amortised cost	Amortised cost
<i>Subsequently measured at fair value:</i>			
Financial assets at fair value through surplus or deficit	3,030,771		
<i>Subsequently not measured at fair value</i>			
Cash and cash equivalent (assets)		4,716,031	
Receivables from exchange transactions		223,612	
Payables			451,709

* Fair value through surplus or deficit

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Notes to the financial statements

10. FINANCIAL INSTRUMENTS (cont'd)

2023	Carrying amount		
	Financial assets		Financial liabilities
	FVTSD*	Amortised cost	Amortised cost
<i>Subsequently measured at fair value:</i>			
Financial assets at fair value through surplus or deficit	3,069,329		
<i>Subsequently not measured at fair value</i>			
Cash and cash equivalent (assets)		3,663,617	
Receivables from exchange transactions		212,937	
Payables			461,124

* Fair value through surplus or deficit

ii. Fair values

Fair values of all financial instruments except for those at fair value through surplus or deficit approximate their carrying values.

Fair values of financial assets at fair value through surplus or deficit are based on the quoted market price in the active market of the security at reporting date.

iii. Other financial assets - Professional Development and Integrity Fund (PDIF)

The Professional Development and Integrity Fund is the separate fund established by the Board of the Institute utilising the surplus funds provided on the dissolution of the Fidelity Fund. Independent advisors manage this funds' investments under the control of a Board subcommittee chaired by an Independent Chairman. Members of that Committee are Mr Arthur Young (Chair), Ms Miriam Dean, Mr Kevin Jenkins, and Mr Neville Falconer.

Financial assets designated at initial recognition at fair value through surplus or deficit

	2024	2024 Allocation	2023	2023 Allocation
NZ Fixed Interest	1,211,474	40%	1,129,920	37%
New Zealand/Australian Property *	122,404	4%	109,873	4%
New Zealand/Australian equities *	913,269	30%	1,044,527	34%
International equities	783,624	25%	785,009	26%
	3,030,771		3,069,329	

* These items are treated as one portfolio which is managed and evaluated together on a fair value basis. Information regarding these investments is provided internally on that basis. The Group has thus designated this portfolio as at fair value through surplus or deficit.

The investment portfolio includes cash of \$125,042 (2023: \$99,417) which have been reclassified as cash and cash equivalents in these consolidated financial statements for financial reporting purposes.

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Notes to the financial statements

11. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings and Improvements	Furniture, fittings and alterations	Office & Computer equipment	Total
Cost					
Balance as at 1 July 2022	2,680,000	6,426,828	364,407	399,266	9,870,501
Balance as at 30 June 2023	2,680,000	6,426,828	364,407	281,776	9,753,011
Additions	-	-	2,029	35,702	37,731
Disposals/Transfers	-	-	-	-	-
Balance as at 30 June 2024	2,680,000	6,426,828	366,436	317,478	9,790,742
Accumulated depreciation and impairment					
Balance as at 1 July 2022	-	672,233	118,527	302,988	1,093,748
Balance as at 30 June 2023	-	800,770	149,501	194,215	1,144,486
Depreciation	-	128,537	31,147	67,011	226,695
Impairment	-	-	-	-	-
Disposals	-	-	-	-	-
Balance as at 30 June 2024	-	929,307	180,648	261,226	1,371,181
Net book value					
As at 1 July 2022	2,680,000	5,754,595	245,880	96,278	8,776,753
As at 30 June 2023	2,680,000	5,626,058	214,906	87,561	8,608,525
As at 30 June 2024	2,680,000	5,497,521	185,788	56,252	8,419,561

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Notes to the financial statements

12. INTANGIBLE ASSETS

	Software
Cost	
Balance as at 1 July 2022	2,537,649
Balance as at 30 June 2023	768,783
Additions	-
Disposals	-
Balance as at 30 June 2024	<u>768,783</u>
Accumulated amortisation and impairment	
Balance as at 1 July 2022	2,293,879
Balance as at 30 June 2023	715,856
Amortisation	51,290
Impairment	-
Disposals	-
Balance as at 30 June 2024	<u>767,146</u>
Net book value	
As at 1 July 2022	243,770
As at 30 June 2023	52,927
As at 30 June 2024	1,637

13. TAXATION

(a) Taxation Expense

	2024	2023
Surplus/(deficit) before tax	1,296,726	(277,113)
Taxable Surplus/(deficit) - Non-Membership	(968,361)	(1,005,340)
Prima facie taxation at 28% (2023: 28%)	(271,141)	(281,495)
Add/(Less) tax effect of permanent differences	(130,612)	(122,847)
Tax losses not recognised/(utilised)	401,753	404,342
Current year tax expense/(benefit)	<u>-</u>	<u>-</u>

There are estimated group tax losses of approximately \$11,255,448 (2023: \$9,777,943) available to be carried forward at balance date. These are subject to statutory requirements continuing to be met and the Group earning sufficient assessable income.

(b) Deferred Tax (Asset)/Liability not recognised

	2024	2023
Opening Balance	(29,328)	(28,334)
Current year movement	1,193	(994)
Deferred Tax (Asset)/Liability	<u>(28,136)</u>	<u>(29,328)</u>

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Notes to the financial statements

	<u>2024</u>	<u>2023</u>
14. PAYABLES FROM EXCHANGE TRANSACTIONS		
Trade payables	408,467	414,558
Credit card balances	43,242	46,566
	<u>451,709</u>	<u>461,124</u>

Trade payables are non-interest bearing and are normally settled on 30-day terms.

15. EMPLOYEE BENEFITS

Annual leave	227,942	196,515
Bonuses accrued and any other direct payroll accruals	236,899	158,247
	<u>464,841</u>	<u>354,762</u>

16. RELATED PARTY TRANSACTIONS

i. Transactions and balances

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

Realestate.co.nz Limited

The Institute is a shareholder of Realestate.co.nz Limited via an intermediary REINZ Member Services Limited which is a wholly owned subsidiary of the Institute. Transactions between the Institute and its subsidiary are as follows.

	<u>2024</u>	<u>2023</u>
Sponsorship Income	52,500	41,500
Rental Income	186,179	187,508
Lease Costs	42,000	42,000
Data Sales Income	185,000	185,000
Ticket Sales	-	1,900

There are no amounts receivable or payable from Realestate.co.nz Limited at year end (2023: 1,934)

ii. Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free.

REINZ has preferred verifiable training provider service agreements with real estate agencies which are agreed at commercial terms. Some of the board members of the agencies are also directors of REINZ.

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Notes to the financial statements

16. RELATED PARTY TRANSACTIONS (Cont'd)

iii. Compensation of key management personnel

	2024	2023
Directors fees	460,687	435,833
Salaries and short-term employee benefits	1,163,302	1,092,708
Other employee benefits	-	-
Number of key management personnel	4.0	4.0

The table below details payments made for the directors' duties during the year.

Name	2024	2023
Coates, B (Chair) (retired)	-	33,332
Jenkins, J (Chair)	82,625	53,333
Bull, A (retired)	20,834	45,833
Clifford, J	50,417	44,375
Dean, M	48,958	44,375
Drinnan, T	46,458	42,917
Falconer, N	46,458	42,917
Hudson, G (retired)	18,750	42,917
Johnson, A	27,708	-
Morris, M (retired)	18,750	42,917
O'Brien, S	46,458	42,917
Riordan, N	33,479	-
Stewart, A	19,792	-
Total	460,687	435,833

Ms A Bull is a director of Realestate.co.nz Limited. Ms A Bull has also received a fee for being the Institute's representative on the Board of Realestate.co.nz Limited directly from that Company.

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Notes to the financial statements

17. INVESTMENTS

Investments consist of equity interests in Realestate.co.nz Limited.

	<u>2024</u>	<u>2023</u>
Shares	500	500
Net Equity Interest	4,825,917	3,405,731
Total	<u>4,826,417</u>	<u>3,406,231</u>

The Group has a 50% equity interest in Realestate.co.nz Limited (2023: 50%). Realestate.co.nz Limited has a 31 March balance date. The financial statements for Realestate.co.nz Limited are prepared in accordance with Special Purpose Reporting Framework for use by For-Profit Entities. The financial results of Realestate.co.nz Limited are equity accounted using the financial results from 1 July to 30 June.

18. EVENTS AFTER THE REPORTING PERIOD

There are no significant events after balance date. (2023: Nil)

19. COMMITMENTS AND CONTINGENCIES

The Group has no commitments at reporting date (2023: Nil).

The Group has no contingencies at reporting date (2023: Nil).

20. GOING CONCERN

Given the financial position and liquid assets the group owns at the date of authorising these consolidated financial statements, the directors believe the Group will be able to meet its financial and regulatory obligations for the foreseeable future and that the going concern assumption adopted in the preparation of these financial statements is appropriate.