

Financial report

For the year ended 31 March 2021

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Nature of Business An incorporated body representing New Zealand's Commercial Industrial, Retail, Property Funds and Multi Unit Residential Property owners, managers and investors.

Registered Office Level 4
51 Shortland Street Auckland

Chief Executive Leonie Freeman

Board

National Chair
Scott Pritchard

Directors
Phil Littlewood
James Riddoch
Anna Crosbie
Clive Mackenzie
Mark Thomson
Steve Gracey

Solicitors BSA Law - Auckland

Bankers Bank of New Zealand

Accountants Baker Tilly Staples Rodway Auckland Limited
PO Box 3899
Auckland

Auditors BDO Auckland



Consolidated Statement of Comprehensive Revenue and Expense

For the year ended
31 March 2021

	Note	2021 \$	2020 \$
Revenue			
Revenue from exchange transactions	3	3,650,574	4,747,720
Cost of sales	4	(1,108,066)	(2,013,630)
Gross profit		2,542,508	2,734,090
Revenue from non-exchange transactions	3	653,525	-
Interest income		11,975	21,372
Other income		20,340	15,483
		3,228,348	2,770,945
Less: expenses			
Operational expenses		(718,396)	(528,851)
Depreciation and amortisation expense	4	(37,824)	(75,150)
Employee benefits expense	4	(1,536,827)	(1,876,252)
Occupancy expense		(163,359)	(166,918)
Restructuring and transition expenses	4	-	(82,500)
		(2,456,406)	(2,729,671)
Surplus for the year		771,942	41,274
Total comprehensive revenue and expense for the year		771,942	41,274



Consolidated Statement of Changes in Net Assets/ Equity

For the year ended
31 March 2021

	Note	Accumulated revenue and expense \$	Special levy reserve \$	Total equity \$
Balance as at 1 April 2019		756,546	-	756,546
Surplus for the year		41,274	-	41,274
Total comprehensive revenue and expense for the year		41,274	-	41,274
Balance as at 31 March 2020		797,820	-	797,820
Balance as at 1 April 2020		797,820	-	797,820
Surplus for the year		771,942	-	771,942
Total comprehensive revenue and expense for the year		771,942	-	771,942
		1,569,762	-	1,569,762
Transfer to special levy reserve	15	(541,051)	541,051	-
Balance as at 31 March 2021		1,028,711	541,051	1,569,762



Consolidated Statement of Financial Position

For the year ended
31 March 2021

	Note	2021 \$	2020 \$
Current assets			
Cash and cash equivalents	6	475,876	572,098
Receivables from exchange transactions	7	106,331	303,952
Inventories	8	12,393	20,173
Other financial assets	9	1,176,344	490,984
Other assets	10	220,608	404,603
Total current assets		1,991,552	1,791,810
Non-current assets			
Property, plant and equipment	11	125,776	162,356
Intangible assets	12	66,463	35,318
Total non-current assets		192,239	197,674
Total assets		2,183,791	1,989,484
Current liabilities			
Payables from exchange transactions	13	210,798	266,419
Employee benefit liabilities		162,664	189,281
Revenue in advance	14	240,567	735,964
Total current liabilities		614,029	1,191,664
Total liabilities		614,029	1,191,664
Net assets		1,569,762	797,820
Equity			
Accumulated revenue and expense		1,028,711	797,820
Special levy reserve	15	541,051	-
Total equity		1,569,762	797,820

Approved on behalf of the Board,
dated: 29/07/2021



Leonie Freeman
Chief Executive



Scott Pritchard
National Chair



Consolidated Statement of Cash Flows

For the year ended
31 March 2021

	Note	2021 \$	2020 \$
Cash flow from operating activities			
Proceeds from members		1,701,123	2,124,688
Proceeds from events		1,422,895	2,879,616
Proceeds from other revenue		881,991	167,918
Interest received		14,248	24,134
Payments to suppliers		(1,797,089)	(2,931,177)
Payments to employees		(1,563,444)	(1,854,557)
Net cash provided by operating activities		659,724	405,722
Cash flow from investing activities			
Payments for property, plant and equipment		(14,212)	(15,473)
Payments for intangible assets		(56,374)	(8,810)
Payments for short term deposits		(685,360)	(146,466)
Net cash used in investing activities		(755,946)	(170,749)
Reconciliation of cash			
Cash at beginning of the financial year		572,098	337,125
Net (decrease) / increase in cash held		(96,222)	234,973
Cash at end of financial year	6	475,876	572,098



Notes to the Consolidated Financial Statements

For the year ended
31 March 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements are for Property Council of New Zealand Incorporated ('the Council') and its controlled entity (The South Island Property Council Education Trust), together referred to as "the Group".

The Council is an incorporated society under the Incorporated Societies Act 1908.

The primary objective of the Council is to represent New Zealand's Commercial Industrial, Retail, Property Funds and Multi Unit Residential Property owners, managers and investors.

The following is a summary of the material accounting policies adopted by the Group in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Basis of preparation of the financial report

Statement of Compliance

The financial report has been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). It complies with Public Benefit Entity International Public Sector Accounting Standards ("PBE IPSAS") and other applicable Financial Reporting Standards, as appropriate for Tier 2 not-for-profit public benefit entities, for which all reduced disclosure regime exemptions have been adopted.

The Group qualifies as a Tier 2 reporting entity as for the two most recent reporting periods total expenditure was between \$2m and \$30m and the Group is not considered to be publicly accountable.

Measurement Basis

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets as described in the accounting policies.

The accounting policies adopted in the financial report are consistent with those of the previous financial year.

Functional and presentation currency

The financial statements are presented in New Zealand dollars (\$) which is the Council's functional and the Group's presentation currency, rounded to the nearest dollar. There has been no change in the functional currency of the Council or its controlled entity during the year.

(b) Revenue

Revenue is recognised when the amount of revenue can be measured reliably, and it is probable that economic benefits will flow to the Group. It is measured at the fair value of consideration received or receivable. The following specific recognition criteria in relation to the Group's revenue streams must also be met before revenue is recognised.

i. Revenue from exchange transactions

Membership fees and subscriptions

Revenue is recognised over the period of the membership or subscription (usually 12 months). Amounts received in advance for memberships or subscriptions relating to future periods are recognised as a liability until such time that period covering the membership or subscription occurs.



Notes to the Consolidated Financial Statements

For the year ended
31 March 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Events

Revenue from ticketing fees is recognised in surplus or deficit in the period in which the event has taken place. Amounts recognised in advance for services to be provided in future periods are recognised as a liability until such time as the service is provided.

Interest

Interest is recognised when it becomes receivable on a proportional basis taking into account the interest rates applicable to the financial assets.

All other exchange revenue is recognised when the related goods or services are provided.

ii. Revenue from non-exchange transactions

Non-exchange transactions are those where the Group receives an inflow of resources (i.e. cash and other tangible or intangible items) but provides no (or nominal) direct consideration in return.

With the exception of services-in-kind, inflows of resources from non-exchange transactions are only recognised as assets where both:

- It is probable that the associated future economic benefit or service potential will flow to the Group, and
- Fair value is reliably measurable.

Inflows of resources from non-exchange transactions that are recognised as assets are recognised as non-exchange revenue, to the extent that a liability is not recognised in respect to the same inflow. Liabilities are recognised in relation to inflows of resources from non-exchange transactions when there is a resulting present obligation as a result of the non-exchange transactions, where both:

- It is probable that an outflow of resources embodying future economic benefit or service potential will be required to settle the obligation, and
- The amount of the obligation can be reliably estimated.

The following specific recognition criteria in relation to the Group's non-exchange transaction revenue streams must also be met before revenue is recognised.

COVID-19 wage subsidy

Revenue from government grants is recognised in surplus or deficit as the required conditions are met. To the extent the conditions are not met, the amount is recorded as a liability.

Member special levy

The member special levy has been recognised on receipt from the members. It is classified as non-exchange revenue because it is an additional voluntary payment from certain members with no direct consideration from the Group in return.



Notes to the Consolidated Financial Statements

For the year ended
31 March 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Income tax

The Council's controlled entity is a registered charity under the Charities Act 2005 and is therefore not subject to income tax.

The Council is not subject to income tax on any profits derived within the circle of the Council's membership. Therefore, any income received from members, such as subscriptions and events is not taxable. The income tax exemption does not extend to transactions with non-members that can be clearly distinguished such as ticket purchases for events and interest income. However, as a not-for-profit body, the Council is entitled to a deduction for tax for the lessor of \$1,000 or the amount that would be the amount that would be the net income derived from the Council's non-member transactions.

Current income tax expense or revenue is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities.

Deferred tax assets and liabilities are recognised for temporary differences at the applicable tax rates when the assets are expected to be recovered or liabilities are settled. Deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

(d) Inventories

Inventories held for sale are measured at the lower of cost and net realisable value.

(e) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at bank, short-term deposits with an original maturity of three months or less held at call with financial institutions.

(f) Financial instruments

Classification

The Group classifies all of its financial assets as loans and receivables.

Loans and receivables

Loans and receivables include trade and other receivables, cash and cash equivalents and term deposits with original maturity dates more than 3 months.

Loans and receivables are measured at fair value at inception and subsequently at amortised cost using the effective interest rate method.

Financial liabilities

Financial liabilities include trade payables and other creditors.

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Financial liabilities are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.



Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets

The carrying amount of financial assets is reviewed annually by directors to assess whether there is any objective evidence that a financial asset is impaired.

Where such objective evidence exists, the Group recognises impairment losses.

For loans and receivables, impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The amount of the loss reduces the carrying amount of the asset and is recognised in surplus or deficit. The impairment loss is reversed through surplus or deficit if the amount of the impairment loss decreases in a subsequent period and the decrease can be related objectively to an event occurring after the impairment was recognised.

(g) Property, plant and equipment

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation and any accumulated impairment losses.

Items of property, plant and equipment are initially measured at cost, except those acquired through non-exchange transactions which are instead measured at fair value as their deemed cost at initial recognition. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in surplus or deficit.

Depreciation

The depreciable amount of all property, plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held ready for use.

Class of fixed asset	Depreciation rates	Depreciation basis
Office equipment	12%- 67%	Diminishing value
Furniture, fixtures and fittings	10%-48%	Diminishing value

(h) Intangibles

Computer software

Computer software is recognised at cost. It is amortised over its estimated useful life. Depreciation rates range from 50% to 60% diminishing value. Computer software is carried at cost less accumulated amortisation and any impairment losses.

(i) Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories, 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. An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. 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 (for non-cash-generating assets) 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.



Notes to the Consolidated Financial Statements

For the year ended
31 March 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

All of the Group's assets are considered to be cash-generating.

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.

(j) Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Operating leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as an expense on a straight-line basis over the term of the lease.

Lease incentives received under operating leases are recognised as a liability and amortised on a straight line basis over the life of the lease term.

(k) Employee benefits

(i) Short-term employee benefit obligations

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be wholly settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled.

The expected cost of short term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(ii) Retirement benefit obligations

Defined contribution superannuation plan

The Group makes contributions to defined contribution superannuation plans in respect of employee services rendered during the year. These superannuation contributions are recognised as an expense in the same period when the employee services are received.

(l) Goods and services tax (GST)

Revenues, expenses and purchased assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.



Notes to the Consolidated Financial Statements

For the year ended
31 March 2021

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Basis of consolidation

(i) Controlled entities

Controlled entities are entities controlled by the Group. The Group controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control. The financial statements of the Group's controlled entities are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Subsequent changes in a controlled entity that do not result in a loss of control are accounted for as transactions with owners of the controlling entity in their capacity as owners, within net assets/equity.

The financial statements of the controlled entities are prepared for the same reporting period as the controlling entity, using consistent accounting policies.

(ii) Loss of control of a controlled entity

On the loss of control, the Group derecognises the assets and liabilities of the controlled entity, and the other components of net assets/equity related to the controlled entity. Any surplus or deficit arising on the loss of control is recognised in surplus or deficit.

(iii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

NOTE 2 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS:

The preparation of the Group's financial statements requires management to make estimates and judgements that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. The estimates and judgements are based on experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Uncertainty about these estimates and judgements could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and judgements are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any other periods affected.

Judgements made by management in the application of PBE IPSAS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

Covid-19 has had a significant negative impact on the Council. Most local branch events were cancelled for the period March – July 2020 and National events were postponed. This has impacted the anticipated income for the financial year end March 2021. A range of research, advocacy and other projects were either cancelled or postponed until next year. Several employee roles were disestablished, and employees reduced salaries by 20% for three months. Rent relief was provided by the Auckland landlord by way of deferral of payment of two months' rent. This was to have been paid over a two-year period. However, due to cost savings made in other areas it has been paid off in the current year.

A detailed review of the organisation was undertaken, and a plan developed providing direction for the future of the Council. This has included membership, structure, governance, services provided, financials and a proposal to rebuild capital reserves of the organisation to ensure a position of long-term financial sustainability for the Council.



Notes to the Consolidated Financial Statements

For the year ended
31 March 2021

NOTE 3: REVENUE AND OTHER INCOME

	2021 \$	2020 \$
Revenue from exchange transactions		
Branch subscriptions	949,633	963,015
Events	1,541,394	2,772,393
National subscriptions	919,875	870,405
Other business services revenue	69,372	67,836
Other membership revenue	130,005	6,191
Research and information products	40,295	67,882
	3,650,574	4,747,720
Revenue from non-exchange transactions		
COVID-19 Wages subsidy	112,474	-
Member special levy	541,051	-
	653,525	-



Notes to the Consolidated Financial Statements

For the year ended
31 March 2021

NOTE 4: OPERATING EXPENSES

	2021 \$	2020 \$
Surplus before income tax has been determined after:		
Direct Costs		
Event costs	1,052,188	1,962,998
Policy costs	47,200	37,825
Research and information products	8,678	12,807
	1,108,066	2,013,630
Depreciation		
Office equipment	12,627	25,645
Furniture and fittings	14,949	17,592
	27,576	43,237
Amortisation of non-current assets		
Computer software	10,248	31,913
Total Depreciation and Amortisation	37,824	75,150
Employee benefits		
Short term benefits	1,517,913	1,815,522
Other employee benefits	18,915	60,730
	1,536,828	1,876,252
Net loss on disposal of non-current assets		
Loss on sale of plant and equipment	38,197	3,586
Restructuring & transition expenses		
Other transition and consultancy costs	-	82,500
	-	82,500

The restructuring & transition expenses relate to the work started in 2017 to improve the organisational focus and the transition to the new CEO.



Notes to the Consolidated Financial Statements

For the year ended
31 March 2021

NOTE 5: INCOME TAX

The Council has not recognised a deferred income tax asset of \$73,300 (2020: \$66,100) in respect of taxation losses amounting to \$261,787 (2020: \$236,070) that can be carried forward against future taxable income.

The ability to utilise these future income tax benefits depends on the generation of sufficient assessable income, which the directors have determined is not sufficiently certain.

NOTE 6: CASH AND CASH EQUIVALENTS

	2021	2020 \$
On call bank deposits - Council	456,096	554,429
On call bank deposits - South Island Property Council Education Trust	19,780	17,669
	475,876	572,098

NOTE 7: RECEIVABLES FROM EXCHANGE TRANSACTIONS

	2021 \$	2020 \$
CURRENT		
Trade debtors	94,756	322,555
Provision for doubtful debts	(13,424)	(25,022)
	81,332	297,533
Other receivables		
GST receivable	21,053	-
Other debtors	3,946	6,419
	24,999	6,419
	106,331	303,952



Notes to the Consolidated Financial Statements

For the year ended
31 March 2021

NOTE 8: INVENTORIES

	2021 \$	2020 \$
CURRENT		
Publications (At cost)	12,393	20,173

NOTE 9: OTHER FINANCIAL ASSETS

	2021 \$	2020 \$
CURRENT		
Term deposits - Council	1,101,042	417,221
Term deposits - South Island Property Council Education Trust	75,302	73,763
Short term deposits	1,176,344	490,984

A guarantee is registered over the Council term deposits in favour of Datacom Employee Services Limited to the value of \$50,000 (2020: \$50,000). This relates to payroll services.

\$50,000 of the Council term deposits is required by the BNZ as security for credit cards.

\$40,000 of the Council term deposits is required by the ANZ as security for merchant services.

\$541,051 of the Council term deposits relates to the special purpose levy reserve (refer note 15).

NOTE 10: OTHER ASSETS

	2021 \$	2020 \$
CURRENT		
Prepayments	220,608	404,603



Notes to the Consolidated Financial Statements

For the year ended
31 March 2021

NOTE 11: PROPERTY, PLANT AND EQUIPMENT

	2021 \$	2020 \$
Plant and equipment		
Office equipment at cost	81,916	218,705
Accumulated depreciation	(66,694)	(185,236)
	<u>15,222</u>	<u>33,469</u>
Furniture, fixtures and fittings at cost	181,671	202,087
Accumulated depreciation	(71,117)	(73,200)
	<u>110,554</u>	<u>128,887</u>
Total property, plant and equipment	<u>125,776</u>	<u>162,356</u>

(a) Reconciliations

Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year.

Office equipment

Opening carrying amount	33,468	50,654
Additions	-	9,891
Disposals	(5,619)	(1,431)
Depreciation expense	(12,627)	(25,645)
Closing carrying amount	<u>15,222</u>	<u>33,469</u>

Furniture, fixtures and fittings

Opening carrying amount	128,887	141,552
Additions	-	7,738
Disposals	(3,384)	(2,811)
Depreciation expense	(14,949)	(17,592)
Closing carrying amount	<u>110,554</u>	<u>128,887</u>



Notes to the Consolidated Financial Statements

For the year ended
31 March 2021

NOTE 12: INTANGIBLE ASSETS

	2021 \$	2020 \$
Computer software at cost	42,945	252,711
Accumulated amortisation and impairment	(32,856)	(217,393)
Capital projects work in progress	56,374	-
Total intangible assets	66,463	35,318

(a) Reconciliations

Reconciliation of the carrying amounts of intangible assets at the beginning and end of the current financial year

Computer software

Opening balance	35,318	58,421
Additions	-	8,810
Disposals	(14,981)	-
Amortisation expense	(10,248)	(31,913)
Capital projects work in progress	56,374	-
Closing balance	66,463	35,318

NOTE 13: PAYABLES FROM EXCHANGE TRANSACTIONS

	2021 \$	2020 \$
CURRENT		
Trade creditors	154,023	104,080
GST Payable	-	77,674
Lease fitout contribution accrual	27,561	45,940
Other creditors	29,214	38,725
	210,798	266,419

The Group does not have non-exchange payables.



Notes to the Consolidated Financial Statements

For the year ended 31 March 2021

NOTE 14: REVENUE IN ADVANCE

	2021 \$	2020 \$
Membership revenue in advance	-	246,738
Event revenue in advance	229,734	465,226
Corporate sponsorship in advance	10,833	24,000
	240,567	735,964

NOTE 15: SPECIAL LEVY RESERVE

The Council have identified the importance of creating financial sustainability for the organisation by building financial reserves over the next few years. The target is to build cash reserves to a level of \$2.0 m over the next five years. To facilitate this objective, a special levy was introduced. The levy is a voluntary payment. In the current year \$541,051 has been received. The amount has been transferred to the Special Levy Reserve so that it is easily identified and not included with Accumulated Revenue and Expenses from normal operations. The amount will be held in separate identifiable investments.

NOTE 16: RELATED PARTY TRANSACTIONS

(a) Related parties

Related party	Nature of relationship
National Board	Members of the board are employees of fully paid members of the Council.
Corporate Partners	Members of the Council & sponsors of the Council. They include Hawkins Construction, McConnell Property, Rider Levett Bucknall, Yardi, KPMG and Resene.

(b) Transactions with key management personnel

Key Management includes the Chief Executive Officer, Head of Membership & Commercial Services, Executive Assistant, Head of Finance, Head of Communications and Head of Advocacy. During the year Key Management did not receive any other benefits other than what they were entitled to under their employment contracts. Compensation received by key management personnel of the Council disclosed below:

	2021 \$	2020 \$
short-term employee benefits	830,102	665,434
number of FTE's	6	6



Notes to the Consolidated Financial Statements

For the year ended
31 March 2021

(c) Transactions with members of the Council

	2021 \$	2020 \$
Air New Zealand - travel	14,551	21,433
Alaina Beattie - judging expenses	628	699
Andy Evans - judging expenses	2,027	651
ANZ Bank	12,767	2,566
Auckland Council / Regional Facilities Auckland – venue	15,326	-
Baker Tilly Staples Rodway Auckland Limited - accounting and tax advice	2,975	13,600
Bell Gully- legal services	-	1,825
Brendon Dwyer - judging expenses	365	430
BSA Law - legal services	250	664
Catalyst Consulting - office refit works	-	7,738
Cheops Holding Ltd - venue	-	10,000
Chris Gudgeon - judging expenses	400	997
Christchurch City Council - event costs	266	696
Christchurch International Airport - flights	-	1,857
Colliers International NZ Limited - building facilities costs	151,288	6,375
Crombie Lockwood (NZ) Limited - insurance	24,140	-
Denis Wood - Expenses	-	471
Ellis Gould – legal services	1,607	-
Employers & Manufacturers - membership and resource reform NZ	-	1,060
Evco Consultancy Ltd - judges honorarium	3,600	4,500
New Zealand Green Building Council – judging expenses	311	-
Jasmax- event costs	1,308	-
Jones Lang LaSalle – rent/research	2,800	-



Notes to the Consolidated Financial Statements

For the year ended
31 March 2021

	2021 \$	2020 \$
Kelly Bunyan - judging expenses	332	309
KPMG – submission costs	16,950	-
Mark Parlane – judging expenses	635	676
Matt Lee – judging expenses	372	-
Keystone Trust - sponsorship	-	501
Precinct/ Generator NZ Ltd - venue and catering	1,100	27,103
Rebecca MacDonald – judging expenses	236	-
Richard Anderson – judging expenses	244	-
Russell McVeagh – legal services / national council housing/ catering	10,335	1,574
SkyCity Limited (Hamilton)- hire of facilities and catering	5,567	13,705
SkyCity Auckland Limited - venue and catering	28,478	10,990
University of Otago - event costs	653	-
Vodafone New Zealand	6,168	12,150
Wintec - hire of facilities	152	3,884
	305,831	146,454

The total balance owing to related parties at year end was \$3,047 (2020 \$483).

Payments were made to Colliers as building manager of the tenanted building occupied partly by the Council. AMP Capital Property Portfolio Limited are responsible for the overall management of the building.

During the year there have been other members that have presented at various events held by the organisation for no remuneration or for a token amount.

Transactions of a commercial nature between the Council and its members are independent of any membership relationship and are on an arm's length basis.



Notes to the Consolidated Financial Statements

For the year ended
31 March 2021

NOTE 17: SOUTH ISLAND PROPERTY COUNCIL EDUCATION TRUST

The Trust is a controlled entity of the Council by virtue of the Trust's objectives aligning with those of the Council and the Trustees of the Trust being entirely board members or employees of the Council. The Trust's results are consolidated into these financial statements.

The purpose of the Trust is to promote and support the education of students studying in the property industry and other persons employed in or about the property industry. These funds are limited to being spent on the purpose of the Trust.

Interest of \$1,346 (2020: \$2,811) and event surplus of \$0 (2020: \$2,242) was earned during the year. Expenses for the year were \$124 (2020: \$3,657).

NOTE 18: CAPITAL AND LEASING COMMITMENTS

	2021 \$	2020 \$
(a) Operating lease commitments		
not later than one year	139,983	123,682
later than one year and not later than five years	414,443	538,124
	554,426	661,806

The Group's lease commitments include property leases and leases of equipment.

The lease with Sharp Corporation NZ Limited is registered on the Personal Property Securities Register.

NOTE 19: CONTINGENT LIABILITIES

There are no known contingent liabilities at balance date (2020: \$Nil).

NOTE 20: EVENTS SUBSEQUENT TO REPORTING DATE

There has been no matter or circumstance, which has arisen since 31 March 2021 that has significantly affected or may significantly affect:

- (a) The operations, in financial years subsequent to 31 March 2021, of the Council, or
- (b) The results of those operations, or
- (c) The state of affairs, in financial years subsequent to 31 March 2021, of the Council.

The board intend for the Council to continue to operate and believe Council is able to meet its obligations as they fall due for a period of at least 12 months from the date of these financial statements being authorised. The Council has adequate cash and short-term investments.



Independent Auditor's Report

To the Members of Property Council of New Zealand Incorporated

These statements are extracts from our full set of statutory financial statements for the year, which contain other details such as accounting policies and detailed notes to the financial statements. Our full financial statements have been audited and contain an unmodified audit opinion from our independent auditors BDO.

Our full audited financial statements are available for viewing on our website www.propertynz.co.nz/annual-reports.

Alternatively, should you wish to have a copy of the full Financial Statements sent to you, please contact us at enquiries@propertynz.co.nz or 09 373 3086.





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