

**PR{ }PERTY
INSTITUTE**

2014

ANNUAL REPORT

THE PROPERTY INSTITUTE OF NEW ZEALAND

wishes to thank our sponsors :





PRESIDENTS' REPORT

By the time that you read this annual report, you will have begun seeing the first signs of the new Property Institute appearing. Since joining us at the start of 2015, our new Chief Executive Ashley Church has been putting tremendous effort into a strategic plan to give the Property Institute a new direction for the future.

At the time of writing, the board has provisionally signed off on this new direction for the Institute, which will see us grow dramatically in scope and capability, while also empowering our professional communities to better represent, and cater to, the needs of the individual professions working within the property sector.

IMPROVING OUR COMMUNITIES

The views of the Valuation profession were communicated loud and clear at the NZIV AGM in 2014 - Valuers did not feel a sense of ownership and control over how their own profession was serviced within the wider Institute. Importantly, this wasn't a feeling unique to Valuers, and to a greater or lesser extent similar views could be seen across our other communities as well - Property & Facilities Managers, Property Advisors, and Plant & Machinery Valuers.

Starting immediately, we will be consulting with each of our communities to put in place a formalised set of deliverables which the Property Institute can be firmly assessed against. Each Professional Community's governing council will be appropriately empowered and resourced to ensure that their profession receives the events, training, and support that it needs and deserves.

INCREASING OUR SCOPE

At the same time that we are empowering the communities we already have, we will be setting out to add more. Since it was formed over a decade ago, the Property Institute was always envisaged as an umbrella body to give a home to all of New Zealand's property professionals, and for too long we have stagnated with the four communities which we have. There are no firm decisions made in this area, including around which professions we could approach. Wherever possible, our hope would be to work with already-extant associations in order to simultaneously offer them greater reach and resourcing, while also boosting the numbers and viability of the Property Institute as a whole.

We won't just be increasing our scope at the top end of the Institute, in terms of the professions which we represent. At the same time we need to focus on the branch structure of the Institute, which is far better placed to deliver local support and knowledge. Branches will be able to retain their existing committees, meetings, and AGMs if they prefer, or alternatively will be empowered to shift to a more dynamic local convener structure.

Conveners will be supported with whatever resources are necessary to step up our game on a local level, making sure that all the regions throughout New Zealand are serviced at least to the standard which our best performing branches already achieve.

OUR VALUE-ADD

If we intend to invite more professions to join the Property Institute fold, we need a very clear picture of what it is that the Property Institute offers them. At the coarse end, you can expect to see a suite of straight-up financial member benefits being offered in the short term - it is our intention that, purely on financial terms, the savings you will receive from being a member should easily outweigh the cost of membership.

A member will have regular access to a variety of high-quality events in their local area, catering both to learning and to networking, and at rates significantly lower than those offered to non-members.



BLUE HANCOCK

Blue has over 30 years valuation experience encompassing rural and resource interests, specialised rural assets, public sector property (especially forest interests), expert evidence and management. He has been a member of the NZIV since 1986 and the Property Institute since formation in 2000. He is a Fellow of the Property Institute and The Institute of Valuers and has been President of the Property Institute since June 2013.



TERRY NAYLOR

Terry has been in private practice since 1985, and became a shareholder and director of FordBaker Valuation Limited in 1995. He is experienced in a wide range of urban and rural valuation work, with specialist areas including hotels, motels, and other hospitality related properties throughout the South Island. He has served on the NZIV Council and Property Institute Valuers' Council since 2008, as Chair since mid 2012. He also serves on the Board of the Property Institute.

In one change you can look forward to seeing imminently in the weeks following the AGM, a member will receive a slick, professional magazine a significant step up from what's been offered in the past. The new-look (and new title!) Property Professional Magazine maintains the best parts of what has been done in the past, while repackaging it into a new, modern format and adding a variety of new and interesting property-related content.

AND MUCH MORE...

The strategic plan is, by necessity, a much longer and more complicated vision than this overview would imply. We are confident that, even in the very short term, both our institutes will be able to up their game significantly, and in the next couple of years we believe we have the right team in place to transform the Institutes into high performing professional bodies which you will be proud to be a member of.

APPRECIATION

It would be simply impossible to deliver on these plans for the future of the Institute without the years of service put in by our previous Chief Executive, David Clark, and the excellent financial footing which he has left us on. Often organisations confronting significant change are forced to do so due to impending financial disaster, so it is a rare privilege for us to be able to approach change in a more relaxed, analytical, and long-term focused way, without the need to avert a pressing financial disaster monopolising our thinking. On behalf of both the Property Institute and the NZIV, we'd like to thank David for his dedication to the Institute.

As well as our prior Chief Executive, we need to thank Ashley, our new Chief Executive, who has hit the ground running and taken a strong hand in the development of this plan. In the selection of a new Chief Executive, the Board was consciously looking for someone willing and able to step up and take the Institute in a new direction, and Ashley has already proven he has both the capacity and drive to achieve this.

Finally, thanks to all our members for continuing to support the work of the Institute - your representatives and staff are working constantly to further the interests of your professions, and it is because of your support that this is all possible.



Blue Hancock
President
Property Institute



Terry Naylor
President
Institute of Valuers

CHIEF EXECUTIVE'S REPORT

I was, and still am, deeply excited to have accepted the position of Chief Executive of the Property Institute. It was obvious to me that the organisation had enormous potential to become the leading voice in the property sector nationwide, and already we are starting to take steps towards this end goal.

The strategic plan for our future, as the Presidents have already covered, represents an exciting and ambitious vision, but at the same time it is very much achievable.

2014 ACHIEVEMENTS

Traditionally the Chief Executive's Report has complemented the Presidents' report by focusing on the year finished, while the Presidents focus on the future. Having joined the Institute in early 2015, I'm clearly unable to discuss 2014 in any great depth, however a few achievements stand out as clearly worth acknowledging. In particular,

- The 2014 conference in Rotorua was highly successful, filling the venue to capacity and delivering a networking and educational experience which was clearly of a high standard. The fact that the 2015 conference, in a venue 15% larger, has already sold out at the time of writing is testament to Jenny Houdalakis' achievement in pulling together these events.
- Gwendoline Callaghan was made the first female Life Member of the Property Institute. Personally, I am torn on listing this as a highlight - on one hand it was clearly well deserved, but on the other, the fact that in 2015 only one woman has been honored in this way is not something our professions should be proud of. Helping increase the profile of women in our industry is something I intend to put effort into in my time as Chief Executive.
- Our international relationships have clearly been going from strength to strength, with regular interaction between our Presidents and their counterparts at the Australian Property Institute, the Hong Kong Institute of Surveyors, and their attendance at this year's annual Pan Pacific Congress
- The move to new premises in Wellington was clearly successful, and the office is a professional space which the three organisations we share it with can be proud of.

FINANCIALS

Likewise, in commenting on the financials, it is clear that my predecessor David's close watch over the finances of the Institute has paid off, and as Blue and Terry acknowledged it is a great position to be in to enter a time of change with a strong financial base.

OPENNESS

I want all members to understand that the Institute is here to represent you, and as a result you should feel free to contact us or me personally at any time. Only recently, one of our branch chairs contacted us with an idea they had for the Institute, to sponsor a member who was also an olympic level athlete. The idea was excellent, and we took immediate action - and when the new website launches in August, you'll see this member as the new face of the Property Institute.

The future of the Property Institute is an exciting one, and I hope you feel like you're part of it.



Ashley Church
Chief Executive



ASHLEY CHURCH

Ashley joined the Property Institute in 2015, having formerly been Chief Executive of the Newmarket Business Association and the Auckland Property Investors' Association.

He is a self-described change manager, with an ambitious vision for the future of the Property Institute.



PROPERTY INSTITUTE OF NZ

FINANCIAL REPORT

FOR THE YEAR ENDED
31 DECEMBER 2014

STATEMENT OF FINANCIAL PERFORMANCE AS AT 31 DECEMBER 2014

	Note	Group 2014 \$	Group 2013 \$
Operating Income			
Sales - PETL		32,030	43,781
Service Level Agreement NZIV	5	700,000	670,000
Subscription Income		312,564	282,959
Sponsorship / Partnerships		85,157	89,553
Seminar Income		90,650	90,703
Publications/JobMail		34,680	38,319
Annual/Property Summit Conference		183,952	196,362
Branch Income		106,202	98,815
Interest Income		13,523	1,532
Quality Assurance Accreditation Scheme		47,708	57,980
Total Gross Income		1,606,466	1,570,004
Operating Expenses			
Accident Compensation Levy		2,331	2,641
Audit Fees		14,440	9,795
Bank Charges		2,020	12,663
Board Costs		19,494	31,480
Branch Costs		70,393	71,156
Valuers Council Expenses		22,018	12,020
Conference Expenses		112,758	198,123
Computer Expenses		31,400	27,852
Equipment Lease Costs		5,382	11,374
Functions/Awards		3,935	5,782
General Expenses		18,857	23,880
Information Services - Publications		59,980	58,833
Insurance		9,472	13,120
International Costs		16,991	21,371
Legal Fees		27,008	13,426
Marketing Expenses		33,278	64,052
Seminar Expenses		40,490	38,938
National Committees		22,140	14,744
Printing, Stationery & Postage		7,166	2,997
Premises Costs		36,827	43,502
Staff Training		18,062	8,477
Salaries & Wages		720,245	774,169
Communication		20,523	25,299
Travelling Expenses		15,654	18,881
QAAS Expenses		25,152	21,059
Membership Subscription		4,055	8,067
		1,360,070	1,533,701

STATEMENT OF FINANCIAL PERFORMANCE (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	Group 2014 \$	Group 2013 \$
Depreciation Fixed Assets	2	8,300	12,323
Amortisation Intangible Assets	3	13,934	26,797
Net Depreciation Adjustment		22,234	39,120
Doubtful debts		10,137	(6,130)
Loss on Disposal of Assets		17,987	(225)
Total Expenses		1,410,428	1,566,466
Net Surplus/(Deficit) before Tax		196,038	3,538
Net Surplus/(Deficit) after Tax		196,038	3,538

STATEMENT OF MOVEMENTS IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	Group 2014 \$	Group 2013 \$
Accumulated Funds at Start of the Year		546,035	542,497
Net Surplus/(Deficit) for the year		196,038	3,538
Accumulated Funds at End of the Year		742,073	546,035

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014**

	Note	Group 2014 \$	Group 2013 \$
Total Accumulated Funds		742,073	546,035
Accumulated Funds is represented by:			
Current Assets			
Cheque Accounts		670,260	294,761
Call and Term Deposit Accounts		66,669	128,360
Accounts Receivable	6	333,773	387,007
Inventory		-	440
Prepayments		14,008	8,799
Tax Payable/Receivable		-	6,556
Total Current Assets		1,084,710	825,923
Non-Current Assets			
Fixed Assets	2	16,074	32,277
Intangibles Assets	3	15,096	29,030
Casebook Development	3	-	7,823
Total Non-Current Assets		31,170	69,130
Total Assets		1,115,880	895,053
Current Liabilities			
Accounts Payable	7	178,842	179,959
Accrued Expenses		20,197	9,000
Holiday Pay		21,761	35,395
GST Payable		37,702	30,633
PAYE Payable		40,243	37,621
Subs in Advance		75,062	56,410
Total Current Liabilities		373,807	349,018
Total Liabilities		373,807	349,018
Net Assets/(Liabilities)		742,073	546,035

For and on behalf of the Board;

President



22 April, 2015

NOTES TO THE FINANCIAL STATEMENTS

1. Statement of Accounting Policies

Reporting Entity

The financial statements presented here are for the PROPERTY INSTITUTE OF NEW ZEALAND (the Institute) and Group. The Group includes the subsidiary, Property Education & Training Ltd (85% ownership). The financial statements have been prepared in accordance with the requirements of the Incorporated Societies Act 1908 and generally accepted accounting practice in New Zealand.

Measurement Base

Unless otherwise stated the accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on an historical cost basis have been followed.

Specific Accounting Policies

The following specific accounting policies which materially affect the measurement of financial performance and financial position have been applied:

Accounts Receivable are stated at their estimated realisable value. Debts considered uncollectible are written off. There is no other provision for doubtful debts.

Fixed Assets are stated at cost less accumulated depreciation. Depreciation has been calculated using the maximum rates permitted by the Income Tax Act 2007.

The principle rates used to calculate depreciation are –

Leasehold Improvements	21.60%	DV
Furniture and Fittings	40% - 48%	DV
Office Equipment	20% - 48%	DV
Computer Equipment	40% - 48%	DV
Intangible Assets	40% - 48%	DV

Stock has been valued at the lower of cost and net realisable value.

Goods and Services Tax: The financial statements have been prepared on an exclusive basis except for Accounts Receivable and Accounts Payable.

Revenue Recognition Policy

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Institute and the revenue can be reliably measured.

Subscriptions in Advance: Subscriptions relating to the subsequent year that have been invoiced and receipted in the current accounting period are not recognised as revenue but treated as Subscriptions in Advance.

Differential Reporting: The Institute qualifies for differential reporting as it is not publicly accountable and not defined as large in accordance with the framework for differential reporting. The Institute has therefore taken advantage of all applicable differential reporting exemptions.

Taxation is being provided on the income earned by the Institute on transaction outside of its membership. The Institute is not liable for tax on its dealings with members.

Changes in Accounting Policies

There have been no changes in accounting policies which have been applied on a basis consistent with those used in previous years.

Prior Year Comparatives

Prior year comparative balances have been adjusted to reflect expenditure classifications with the current year, as reclassification adjustments. These have a net effect of \$0 on the prior years Profit and Loss.

NOTES TO THE FINANCIAL STATEMENTS

2.Fixed Assets

	2014 \$	2013 \$
Furniture & Fittings		
At cost	17,675	43,660
Less Accumulated Depreciation	(14,156)	(34,050)
	<u>3,519</u>	<u>9,610</u>
Office Equipment		
At cost	29,770	38,393
Less Accumulated Depreciation	(23,849)	(31,547)
	<u>5,921</u>	<u>6,846</u>
Computer Equipment		
At cost	159,630	167,857
Less Accumulated Depreciation	(152,630)	(161,284)
	<u>6,622</u>	<u>6,573</u>
Leasehold Improvements		
At cost	3,154	43,170
Less Accumulated Depreciation	(3,143)	(33,922)
	<u>11</u>	<u>9,248</u>
Total Fixed Assets	16,073	32,277

Depreciation Fixed Assets

	2014 \$	2013 \$
Furniture & Fitting	6,091	2,402
Office Equipment	925	1,712
Computer Equipment	(49)	4,872
Leasehold Improvements	9,237	2,549
Depreciation on Disposal	(7,904)	833
Total Depreciation Fixed Assets	8,300	12,323

NOTES TO THE FINANCIAL STATEMENTS

3. Intangible Assets

	2014 \$	2013 \$
Website (Cyberglobe)		
Cost	36,543	36,543
Less Accumulated Depreciation	(34,536)	(32,684)
	<u>2,007</u>	<u>3,859</u>
Quality Assurance Accreditation Scheme		
Cost	93,087	93,087
Less Accumulated Depreciation	(79,998)	(67,916)
	<u>13,089</u>	<u>25,171</u>
Total Intangible Assets	15,096	29,030
Amortisation Intangible Assets		
Website (Cyberglobe)	1,852	3,563
Quality Assurance Accreditation System	12,082	23,234
Total Amortisation Intangible Assets	13,934	26,797

4. Taxation

Tax losses have been carried forward of \$853,999 (2013 \$766,631) and are available to be offset against the current year's income tax exposure.

NOTES TO THE FINANCIAL STATEMENTS

5. Related Party Transactions

The Institute has a related party relationship with The New Zealand Institute of Valuers (NZIV), due to the two entities having largely the same members, governing Boards and a shared management structure. NZIV is a separate legal entity maintained due to the requirements of the Valuers Act 1948 for registered Valuers to mandatorily be members of NZIV.

The Institute received a payment of \$700,000 from the New Zealand Institute of Valuers (NZIV) under the Service Level Agreement this year (2013: \$670,000), for shared management services.

The Institute has a related party relationship with Property Education and Training Limited (PETL). The Institute owns 85% of shares in PETL. PETL has been set up to take advantage of property education opportunities in NZ and overseas, and in addition the Institute pays PETL for the development of some educational modules for members' continual education.

6. Accounts Receivable Group

	2014 \$	2013 \$
Accounts Receivable	79,914	70,123
NZIV Receivable	269,765	321,960
Provision for Doubtful Debts	(15,906)	(6,190)
Accrued Interest	-	1,114
Total	333,773	387,007

Related party balances are repayable on demand and are interest free.

7. Accounts Payable Group

	2014 \$	2013 \$
Trade Creditors	57,856	61,461
NZIV Payable	120,986	118,498
Total	178,842	179,959

Related party balances are repayable on demand and are interest free.

NOTES TO THE FINANCIAL STATEMENTS

8. Lease Commitments

Fuji Xerox Photocopier Lease

	2014 \$	2013 \$
Next twelve Months	4,536	4,536
One to two years	4,536	4,536
Two to five years	2,268	6,804
Total Lease Commitment	11,340	15,876

5 years rental agreement for the use of Fuji Xerox Photocopier.

9. Capital Commitments & Contingencies

There are no capital commitment or contingent liabilities at balance date (2013: Nil)

10. Subsequent Events Notes

There are no other significant subsequent events after balance date (2013: Nil)

Audit

Grant Thornton New Zealand Audit Partnership
L15, Grant Thornton House
215 Lambton Quay
PO Box 10712
Wellington 6143
T +64 (0)4 474 8500
F +64 (0)4 474 8509
www.grantthornton.co.nz

To the Members of Property Institute of New Zealand Inc. and Group

We have audited the financial statements of Property Institute of New Zealand Inc. and Group on pages 6 to 15, which comprise the statement of financial position as at 31 December 2014, the statement of financial performance and statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board Members' responsibilities

The board members are responsible for the preparation of financial statements in accordance with generally accepted accounting practice in New Zealand and for such internal control as the board members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 judgement, 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 of financial statements that present fairly the matters to which they relate 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, as well as evaluating the 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.

Our firm carries out other assignments for Property Institute of New Zealand Inc. and Group in the area of taxation advice and accounting advice. The firm has no other interest in the Property Institute of New Zealand Inc. and Group.

Opinion

In our opinion, the financial statements on pages 4 to 11 present fairly, in all material respects, the financial position of Property Institute of New Zealand Inc. as at 31 December 2014, and its financial performance, for the year then ended in accordance with generally accepted accounting practice in New Zealand.



Grant Thornton New Zealand Audit Partnership
Wellington, New Zealand
22 April 2015



NEW ZEALAND INSTITUTE OF VALUERS

FINANCIAL REPORT

FOR THE YEAR ENDED
31 DECEMBER 2014

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 \$	2013 \$
Operating Income			
Subscription Income		797,939	771,437
Interest Received		35,024	13,859
Accrued Interest		1,098	21,617
VRB Recoveries		42,755	20,113
Rent Income		-	12,000
Gain on sale of property		16,123	-
Total Gross Income		892,939	839,026
Less Expenses			
Audit Fees		13,790	7,817
Bank Charges		50	725
Depreciation		-	1,429
General Expenses		5,244	8,567
Insurance		2,725	4,661
Presidents Honorarium		20,145	20,000
Professional Practices Committee		27,283	31,326
Professional Practices Investigations		48,891	20,113
Service Level Agreement PINZ	7	700,000	670,000
Legal Fees		3,067	5,580
Council Expenses		4,601	4,675
Total Expenses		825,796	774,893
Operating Surplus/(Deficit)		67,143	64,133
Unrealised gain/(loss) on Investment in associates	3	(126,550)	(38,977)
Net Surplus for the year before tax		(59,407)	25,126
Tax expense/(refund)	4	-	-
Net surplus/(Deficit) for the year		(59,407)	25,126

STATEMENT OF MOVEMENTS IN EQUITY


	Note	2014 \$	2013 \$
Equity at the Beginning of the Year		784,801	759,645
Retained Earnings			
Opening Balance		720,037	694,881
Net Surplus		(59,407)	25,126
Transfers		64,764	-
Closing Balance		<u>725,394</u>	<u>720,037</u>
Revaluation Reserve			
Opening Balance		64,764	64,764
Revaluations		-	-
Transfers		(64,764)	-
Closing Balance		<u>-</u>	<u>64,764</u>
Equity at End of the Year		<u>725,394</u>	<u>784,801</u>

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014**

	Note	2014 \$	2013 \$
Representing Members' Funds			
Revaluation Reserve		-	64,764
Accumulated Funds / Retained Earnings		725,394	720,037
Total Funds		725,394	784,801
Accumulated Funds is represented by:			
Current Assets			
Main Bank Account		506,356	302,143
Short Term Deposit		541,462	521,957
Prepaid Expenses		1,442	6,519
GST Receivable		7,088	19,695
Accounts Receivable	5	125,450	118,498
Interest Accrued		8,049	6,435
Total Current Assets		1,189,847	975,247
Non-Current Assets			
Fixed Assets	2	-	234,095
Investment in Associates	3	-	126,550
Total Non-Current Assets		-	360,645
Total Assets		1,189,847	1,335,892
Current Liabilities			
Accounts Payable	6	276,194	325,231
Subscriptions in Advance		177,810	218,860
Accrued Expenses		10,449	7,000
Total Current Liabilities		464,453	551,091
Total Liabilities		464,453	551,091
Net Assets/(Liabilities)		725,394	784,801

For and on behalf of the Council;

President



22 April, 2015

NOTES TO THE FINANCIAL STATEMENTS

1. Statement of Accounting Policies

Reporting Entity

The financial statements presented here are for the NEW ZEALAND INSTITUTE OF VALUERS (The Institute). The financial statements have been prepared in accordance with the requirements of Generally Accepted Accounting Practice (GAAP), the Institute Rules and the requirements of the Valuers Act 1948.

Measurement Base

Unless otherwise stated the accounting principles recognised as appropriate for the measurement and reporting of earnings and financial position on an historical cost basis have been followed.

Specific Accounting Policies

The following specific accounting policies which materially affect the measurement of financial performance and financial position have been applied:

Accounts Receivable are stated at their estimated realisable value. Debts considered uncollectible are written off.

ANZAC House Unit Title building is stated at fair value. The Council has a policy of revaluing its interest in ANZAC House every two years. This was performed at 31 December 2012 by Chris Orchard of Bayleys Valuations Limited, an independent Registered Valuer. All other fixed assets are recorded at cost. Depreciation has been calculated using the (1% Straight line) rate.

Investments are valued at cost.

Equity Accounting of Associated Entities: Equity accounting has been applied in respect of the associated company Headway Systems Ltd. Associated entities are those entities in which the Institute holds an interest in the equity, and over which the Institute exercises significant influence, but not control, of the entity.

Subscriptions in Advance: Subscriptions relating to the subsequent year that have been invoiced and receipted in the current accounting period are not recognised as revenue but treated as Income in Advance.

Differential Reporting: The Institute qualifies for differential reporting as it is not publicly accountable and is not defined as large. The Institute has therefore taken advantage of all applicable differential reporting exemptions.

Taxation is being provided on the income earned by the Institute on transactions outside of its membership. The Institute is not liable for tax on its dealing with members.

Revenue Recognition Policy

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Institute and the revenue can be reliably measured.

Changes in Accounting Policies

There have been no changes in accounting policies which have been applied on a basis consistent with those used in previous years.

Comparative figures: Certain comparative figures may have been reclassified to conform to the current year's presentation.

NOTES TO THE FINANCIAL STATEMENTS

2. Fixed Assets

	2014 \$	2013 \$
Land		
At Valuation	-	90,000
Accumulated Depreciation	-	-
	-	90,000
Buildings		
At Valuation	-	130,000
Accumulated Depreciation	-	(1,300)
	-	128,700
Building Improvements		
At Valuation	-	15,524
Accumulated Depreciation	-	(129)
	-	15,395
Total Fixed Assets	-	234,095

Level 5, 181 Willis Street was sold on 30/06/2014 for an agreed value of \$250,000.00

3. Investment in Associates

The shareholding in Headway Systems Ltd is 267,647 shares, equal to 50 % of the company shares. Investment in Associates: \$ - (2013: \$126,550), representing a 50% share of the equity on Headway Systems Ltd. as at 31 December 2014.

Headway Systems Ltd reported a significant loss for the year to 31 December 2014. The loss result in all of the Institute's Investment being impaired therefore it has been written down to nil.

4. Taxation

Tax losses have been carried forward at \$301,328 (2013: \$320,580) and are available to offset against the current years income tax exposure.

NOTES TO THE FINANCIAL STATEMENTS

5. Accounts Receivable

	2014 \$	2013 \$
PINZ Receivable	120,986	118,498
Debtors	4,464	-
Total	125,450	118,498

Related party balances are repayable on demand and are interest free.

6. Accounts Payable

	2014 \$	2013 \$
Accounts Payable	6,428	3,271
PINZ Payable	269,765	321,960
Total	276,193	325,231

Related party balances are repayable on demand and are interest free

7. Related Parties

The Institute has a 50% interest in an associated company, Headway Systems Ltd. The Institute's share of the associated company's loss amounted to \$126,550 this year (2013: \$38,977 loss).

The Institute has a related party relationship with the Property Institute of New Zealand Inc. (PINZ) due to the two entities having largely the same governing body and management

During the year the Institute made payments to the Property Institute of New Zealand Inc. (PINZ) of \$700,000 (2013: \$670,000) in accordance with the Service Level Agreement between the entities. This payment increase was approved by New Zealand Institute of Valuers Council.

8. Contingencies & Commitments

There are no capital commitments or contingent liabilities as at balance date (2013: Nil)

To the Members of New Zealand Institute of Valuers

We have audited the financial statements of New Zealand Institute of Valuers on pages 6 to 11, which comprise the statement of financial position as at 31 December 2014, and the statement of comprehensive income and statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Board Members' responsibilities

The board members are responsible for the preparation of financial statements in accordance with generally accepted accounting practice in New Zealand and for such internal control as the board members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 judgement, 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 of financial statements that present fairly the matters to which they relate 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, as well as evaluating the 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.

Our firm carries out other assignments for New Zealand Institute of Valuers in the area of {taxation advice and accounting advice. The firm has no other interest in the New Zealand Institute of Valuers.

Opinion

In our opinion, the financial statements on pages 13 to 18 present fairly, in all material respects, the financial position of New Zealand Institute of Valuers as at 31 December 2014, and its financial performance, for the year then ended in accordance with generally accepted accounting practice in New Zealand.



Grant Thornton New Zealand Audit Partnership
Wellington, New Zealand
22 April 2015

