

**Property Industry Foundation  
Annual report - 31 October 2015**

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This financial report covers Property Industry Foundation. The financial report is presented in the Australian currency.

Property Industry Foundation is a foundation domiciled in Australia. Its registered office and principal place of business is:

Property Industry Foundation Pty Limited  
Suite 5 Level 2 Grafton Bond Building  
201 Kent Street Sydney NSW 2000

A description of the Foundation's operations and its principal activities is included in the directors' report on page 3, which is not part of this financial report.

The financial report was authorised for issue by the directors on 9 March 2016. The Foundation has the power to amend and reissue the financial report

The directors of Property Industry Foundation Pty Limited as trustee for Property Industry Foundation ("the Foundation") present their report for the year ended 31 October 2015.

**Directors of the Trustee**

The following persons were directors of the trustee of Property Industry Foundation during the whole of the year and up to the date of this report, unless noted otherwise:

B Brakey  
D Browning  
M Coleman  
N Collishaw (resigned 5 February 2015)  
V P Hoog Antink  
T Johansen (resigned 26 June 2015)  
C Kirk  
C J Hanan  
R Johnston  
J W Kenny  
B McGuckin (appointed 19 August 2015)  
E A Pidgeon (resigned 24 June 2015)

**Company Secretary**

T D Petry

**Principal activities**

Property Industry Foundation is a registered Foundation providing funding and support to organisations providing services to youth at risk.

**Significant changes in the state of affairs**

There were no significant changes in the state of affairs of the Foundation during the year.

**Review of operations**

The Foundation's surplus for the year ended 31 October 2015 was \$258,617 (2014: surplus of \$143,580)

**Matters subsequent to the end of the financial year**

No other matter or circumstance has arisen since 31 October 2015 that has significantly affected, or may significantly affect:

- (a) the Foundation's operations in future financial years;
- (b) the results of those operations in future financial years; or
- (c) the Foundation's state of affairs in future financial years.

**Likely developments and expected results of operations**

There are no likely developments and the results of operations are expected to be consistent with previous years.

**Environmental regulation**

The Foundation is not subject to any significant environmental regulation.

**Auditor's Independence Declaration**

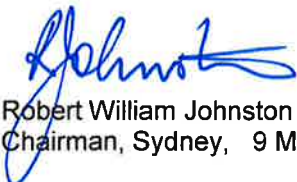
A copy of the auditor's independence declaration as required under section 60-40 of the Australian Charities and Not-for-Profit Commission (ACNC) Act 2012 is set out on page 4 and forms part of the Director's Report.

**Insurance of officers**

During the financial year, Property Industry Foundation paid a premium of \$6,462 to insure the directors and secretary of the Foundation.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the foundation. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

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



Robert William Johnston  
Chairman, Sydney, 9 March 2016



## **Auditor's Independence Declaration**

As auditor for the audit of Property industry Foundation for the year ended 31 October 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.



N R McConnell  
Partner  
PricewaterhouseCoopers

Sydney  
9 March 2016

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**Property Industry Foundation**  
**Statement of Comprehensive Income**  
For the financial year ended 31 October 2015

	Notes	2015 \$	2014 \$
<b>Revenue</b>	3	<b>3,499,433</b>	3,476,526
Other income	3	<b>263,984</b>	231,132
<b>Total Revenue &amp; Other income</b>		<b>3,763,417</b>	3,707,658
<b>Less Expenses:</b>			
Yachting regattas		(233,171)	(234,441)
Annual balls		(163,105)	(170,088)
Networking and Other Events		(22,924)	(33,461)
PA exclusive campaign		(23,262)	(20,069)
Government House cocktail party		-	(13,433)
National Hard Hat Day		(5,650)	(10,926)
Cycling Rallies		(115,950)	(115,147)
Property Blitz		(23,247)	(13,463)
Employee benefits expense	4	(883,200)	(820,956)
Depreciation	4	(11,314)	-
Computer and internet expense		(30,911)	(30,171)
Rental Expense	4	(77,643)	(72,220)
Office supplies expense		(12,933)	(13,225)
Marketing and travel expenses		(74,452)	(60,396)
Utilities expense		(27,678)	(27,788)
Insurance expense		(16,128)	(13,214)
Other expenses		(209,525)	(113,083)
<b>Total Expenses</b>		<b>(1,931,094)</b>	(1,762,081)
<b>Surplus before income tax expense</b>		<b>1,832,322</b>	1,945,577
Income tax expense	1(b)	-	-
<b>Surplus after income tax expense</b>		<b>1,832,322</b>	1,945,577
Distributions to eligible charities		(1,573,705)	(1,801,097)
<b>Net surplus</b>		<b>258,617</b>	143,580
<b>Other Comprehensive Income</b>			
<i>Items that may be reclassified to profit and loss</i>			
Changes in the fair value of available-for-sale financial assets		239,333	33,158
Gain on disposal of available-for-sale assets reclassified to profit and loss		(40,773)	(35,295)
<b>Total Comprehensive Income for the year</b>		<b>457,177</b>	141,443

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

**Property Industry Foundation**  
**Balance Sheet**  
As at 31 October 2015

	Notes	2015 \$	2014 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash assets	5	2,002,492	2,054,707
Receivables	6	125,512	45,112
Other	7	40,001	47,487
Total current assets		<b>2,168,005</b>	2,147,306
<b>Non-current assets</b>			
Other financial assets	8	3,031,371	2,648,097
Property, plant and equipment	9	60,847	4,904
Total non-current assets		<b>3,092,217</b>	2,653,001
<b>Total assets</b>		<b>5,260,222</b>	4,800,306
 <b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	10	4,640	19,585
Provisions	11	151,994	95,938
Deferred Income	12	102,369	106,137
Total current liabilities		<b>259,003</b>	221,659
<b>Non-current liabilities</b>			
Provisions	13	20,000	54,605
<b>Total liabilities</b>		<b>279,003</b>	276,264
<b>Net assets</b>		<b>4,981,219</b>	4,524,042
<b>EQUITY</b>			
Units issued	14	100	100
Reserves	15	297,071	98,511
Retained surpluses	16	4,684,048	4,425,431
<b>Total equity</b>		<b>4,981,219</b>	4,524,042

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

**Property Industry Foundation**  
**Statement of changes in equity**  
For the financial year ended 31 October 2015

**Attributable to the equity holders of the  
Property Industry Foundation**

	<b>Contributed Equity</b>	<b>Reserves</b>	<b>Accumulated Surplus</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 November 2013</b>	100	100,648	4,281,851	4,382,599
Net surplus for the year	-	-	143,580	143,580
Other comprehensive income for the year:				
Changes in the fair value of available-for-sale financial assets	-	33,158	-	33,158
Gain on disposal of available-for-sale assets reclassified to profit and loss	-	(35,295)	-	(35,295)
Total comprehensive income for the year	-	(2,137)	143,580	141,443
<b>Balance at 31 October 2014</b>	<b>100</b>	<b>98,511</b>	<b>4,425,431</b>	<b>4,524,042</b>
<b>Balance at 1 November 2014</b>	<b>100</b>	<b>98,511</b>	<b>4,425,431</b>	<b>4,524,042</b>
Net surplus for the year	-	-	258,617	258,617
Other comprehensive income for the year:				
Changes in the fair value of available-for-sale financial assets	-	239,333	-	239,333
Gain on disposal of available-for-sale assets reclassified to profit and loss	-	(40,773)	-	(40,773)
Total comprehensive income for the year	-	198,560	258,617	457,177
<b>Balance at 31 October 2015</b>	<b>100</b>	<b>297,071</b>	<b>4,684,048</b>	<b>4,981,219</b>

*The above statement of changes in equity should be read in conjunction with the accompanying notes.*

**Property Industry Foundation**  
**Statement of Cash Flows**  
For the financial year ended 31 October 2015

	Notes	2015 \$	2014 \$
<b>Cash flows from operating activities</b>			
Receipts from donations and fundraising activities		3,480,614	3,553,071
Payments for fundraising activities		<u>(783,668)</u>	<u>(799,505)</u>
		2,696,946	2,753,566
Interest received		56,132	57,446
Payments to other suppliers and employees		(1,318,476)	(1,195,524)
Distributions to eligible charities		<u>(1,442,698)</u>	<u>(1,543,816)</u>
<b>Net cash inflow from operating activities</b>	21	<u>(8,096)</u>	71,672
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(67,257)	(4,904)
Payments for available-for-sale financial assets		(143,941)	(114,392)
Distribution received from available-for-sale financial assets		<u>167,079</u>	<u>138,391</u>
<b>Net cash inflow from investing activities</b>		<u>(44,119)</u>	19,095
<b>Cash flows from financing activities</b>			
<b>Net cash inflow from financing activities</b>		<u>-</u>	<u>-</u>
<b>Net decrease in cash held</b>		(52,215)	90,768
Cash at the beginning of the financial year		<u>2,054,707</u>	<u>1,963,939</u>
<b>Cash at the end of the financial year</b>	5	<u>2,002,492</u>	<u>2,054,707</u>

*The above statement of cash flows should be read in conjunction with the accompanying notes.*



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## Note 1. Summary of significant accounting policies

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

### (a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board. Property Industry Foundation is a not-for-profit entity for the purpose of preparing the financial statements.

#### *(i) Compliance with Australian Accounting Standards – Reduced Disclosure Requirements*

The financial statements of the Property Industry Foundation comply with Australian Accounting Standards – Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board (AASB).

#### *(ii) New and amended standards adopted by the group*

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 November 2014 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

#### *(iii) Early adoption of standards*

The Foundation has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 November 2014.

#### *Historical cost convention*

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets.

#### *Critical accounting estimates*

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Foundation's accounting policies. These include estimates of the fair value of available-for-sale financial assets.

#### *Going concern*

These financial statements have been prepared on a going concern basis. The Foundation is dependent on the continued support of its donors and sponsors by way of donations to carrying out its activities.

### (b) Income tax

The Foundation is exempt from the payment of income tax under section 50-5 of the *Income Tax Assessment Act 1997*.

### (c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. The Foundation records revenue when the amount of revenue can be reliability measured, it is probable that economic benefits will flow to the entity and specific criteria have been met for each of the Foundation's activities as detailed below.

Revenue is recognised for the major business activities as follows:

#### *(i) Functions*

Revenue from functions is recognised when confirmations of attendance are received and invoices raised.

#### *(ii) Donations*

Amounts disclosed as donation revenues are recognised on a cash received basis.

**Note 1. Summary of significant accounting policies (continued)**

*(iii) Interest income*

Interest income is recognised using the effective interest rate method.

*(iv) Investment income*

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

**(d) Leases**

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Foundation as lessee are classified as operating leases. Payments made under operating leases (net of any incentive received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

**(e) Receivables**

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Receivables are non-interest bearing. Receivables are generally due for settlement within 30 days.

Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. A provision for doubtful receivables is used when there is objective evidence that the Foundation will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the statement of comprehensive income within other expense. When receivables for which a provision allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

**(f) Investments and other financial assets**

*Classification*

The Foundation classifies its investment portfolio as available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at the time of initial recognition.

Available-for-sale financial assets comprise of managed funds and units in listed trusts. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting period. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

*Recognition and de-recognition*

Regular purchases and sales of financial assets are recognised on trade-date - the date on which the Foundation commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through the profit and loss. Financial assets carried at fair value through profit and loss are initially recognised at fair value and transaction costs are expensed in the statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Foundation has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to the statement of comprehensive income as gains and losses from investment securities.

## **Note 1. Summary of significant accounting policies (continued)**

### *Subsequent measurement*

Available-for-sale financial assets are subsequently carried at fair value.

### *Impairment*

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

## **(g) Property, plant and equipment**

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Depreciation on assets is calculated using the straight-line method to allocate their cost or re-valued amounts, net of their costs, over their estimated useful lives, as follows:

Office equipment	3 years
Furniture and fittings	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting date.

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

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

## **(h) Payables**

These amounts represent liabilities for goods and services provided to the Foundation prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest rate method.

## **(i) Provisions**

Provisions are recognised when the Foundation has a present legal or constructive obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been readily estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

**Note 1. Summary of significant accounting policies (continued)**

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting date. The increase in the provision due to the passage of time is recognised as interest expense.

**(j) Employee benefits**

*(i) Wages, salaries and annual leave*

Liabilities for wages and salaries, including annual leave expected to be settled within 12 months of the reporting date are recognised in payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

*(ii) Long service leave*

The liability for long service leave is recognised in provisions and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

*(iii) Retirement Benefit Obligations*

All employees of the company are entitled to benefits from superannuation on retirement, death or disability. The company contributes to defined contribution superannuation funds as nominated by the individual employees and these contributions are recognised as an expense as they become payable.

**(k) Cash and cash equivalents**

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

**(l) Goods and services tax (GST)**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

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

**(m) New accounting standards and interpretations**

Certain new accounting standards and interpretations have been published that are not mandatory for 31 October 2015 reporting periods. The Foundation's assessment of the impact of these new standards and interpretations is that there is not expected to be any material effect on the Foundation in future reporting periods.

**Note 1. Summary of significant accounting policies (continued)**

**(n) Pro bono services and In kind support**

Property Industry Foundation receives pro bono services or in kind donations from a range of providers involved in the property industry.

The Property Industry Foundation has assessed the fair or market value of professional services or goods as totalling \$131,007 (PY \$258,181). They relate mainly to refurbishments and workabees of charity partner properties. The value of these services or goods are recognised in the accounts as income with an equivalent expense.

**Note 2. Financial risk management**

The Foundation's activities expose it to a variety of financial risks including credit risk and liquidity risk. The Foundation's overall risk management program focuses on the credit and liquidity markets and seeks to minimise potential adverse effects on the financial operations of the Foundation. The Foundation uses an approved budget of expenditure to monitor the different types of risk to which it is exposed. The method used is a cash flow forecast.

The Foundation manages its capital by budgeting its operations in line with the existing fund raising activities, donations and contributions from the public.

Risk management is carried out by the finance department under review and approval by the Board. The Board identifies and evaluates the financial risks in close co-operation with the finance team. The Board provides approval for overall risk management covering specific areas such as credit risk and investments.

### Note 3. Revenue

	2015	2014
	\$	\$
<b>Revenue from operating activities</b>		
Donations		
National donations	455,000	184,500
Platinum donations	247,000	412,500
Gold donations	208,000	217,500
Silver donations	112,375	110,000
General corporate donations	45,232	96,392
In Kind Donations	131,007	258,181
	<b>1,198,614</b>	<b>1,279,073</b>
 Fundraising revenue		
National Hard Hat Day	337,246	312,681
Annual balls	487,460	491,228
Yachting regattas	870,244	883,561
PA exclusive campaign	25,770	19,006
Cycling Rallies	342,131	354,023
Property Blitz	203,810	17,422
Government House cocktail party	-	25,418
Networking and Other Events	34,158	94,116
	<b>2,300,819</b>	<b>2,197,453</b>
	<b>3,499,433</b>	<b>3,476,526</b>

### Other Income

	2015	2014
	\$	\$
Interest income	56,132	57,446
Managed fund distributions	167,079	138,391
Gain on disposal of available for sale assets reclassified to profit and loss from reserves	40,773	35,680
(Loss)/Gain on disposal of available for sale assets for the year	-	(385)
	<b>263,984</b>	<b>231,132</b>
Total revenue	<b>3,763,417</b>	<b>3,707,658</b>

### Note 4. Surplus

Surplus before income tax includes the following expenses:

	2015	2014
	\$	\$
Depreciation of non-current assets	11,314	-
Employee benefits expense	883,200	820,956
Rental lease expense relating to operating leases	77,643	72,220

**Note 5. Current assets - Cash and cash equivalents**

	2015	2014
	\$	\$
Cash at bank and on hand	<u>2,002,492</u>	<u>2,054,707</u>

**(a) Reconciliation to cash at the end of the year**

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

	2015	2014
	\$	\$
<b>Balances as above</b>	<u>2,002,492</u>	<u>2,054,707</u>
<b>Balances per statement of cash flows</b>	<u>2,002,492</u>	<u>2,054,707</u>

**Note 6. Current assets - Receivables**

	2015	2014
	\$	\$
Receivables	<u>125,512</u>	<u>45,112</u>

These amounts generally arise from fundraising events. There are no impaired receivables to be written-off for the year ended 31 October 2015.

**Note 7. Current assets - Other**

	2015	2014
	\$	\$
Prepayments	36,063	44,617
Other	<u>3,938</u>	<u>2,870</u>
Current assets - other	<u>40,001</u>	<u>25,743</u>

**Note 8. Non-current assets - Other financial assets**

Available-for-sale financial assets include the following classes of financial assets:

	2015	2014
	\$	\$
Listed securities	-	221,445
Managed funds and listed trusts	<u>3,031,371</u>	<u>2,426,652</u>
Available-for-sale financial assets	<u>3,031,371</u>	<u>2,648,097</u>

Available-for-sale financial assets are comprised of listed securities, listed trusts and unlisted managed funds. The fair value of listed securities and listed trusts is determined by the market price available in relation to the investment as of 31 October 2015. The fair value of unlisted managed funds is determined using market data and rely as little as possible on specific estimates and is provided by the fund manager.



**Note 9. Non-current assets - Property, plant & equipment**

	<b>Furniture Fittings</b>	<b>Office Equipment</b>	<b>Total</b>
<b>At 1 November 2013</b>			
Cost	127,352	16,809	144,161
Accumulated depreciation	(127,352)	(16,809)	(144,161)
Net book amount	-	-	-
<b>Year ended 31 October 2014</b>			
Opening net book amount	-	-	-
Additions	-	4,904	4,904
Depreciation charge	-	-	-
Closing net book amount	-	<b>4,904</b>	<b>4,904</b>
<b>At 31 October 2014</b>			
Cost	127,352	21,713	149,065
Accumulated depreciation	(127,352)	(16,809)	(144,161)
Net book amount	-	<b>4,904</b>	<b>4,904</b>
<b>Year ended 31 October 2015</b>			
Opening net book amount	-	4,904	4,904
Additions	3,011	64,248	67,259
Depreciation charge	(18)	(11,298)	(11,316)
Closing net book amount	<b>2,993</b>	<b>57,584</b>	<b>60,847</b>
<b>At 31 October 2015</b>			
Cost	130,363	85,961	216,324
Accumulated depreciation	(127,370)	(28,107)	(155,477)
Net book amount	<b>2,993</b>	<b>57,854</b>	<b>60,847</b>

**Note 10. Current liabilities - Payables**

	2015	2014
	\$	\$
Payables	4,640	19,585
	4,640	19,585

**Note 11. Current liabilities - Provisions**

	2015	2014
	\$	\$
Employee benefits	79,455	47,027
Accruals	72,539	48,911
	151,994	95,938

**Note 12. Current liabilities – Deferred Income**

	2015	2014
	\$	\$
Deferred Income from future events	102,369	106,137
	102,369	106,137

**Note 13. Non current liabilities - Provisions**

	2015	2014
	\$	\$
Employee Benefits	-	34,605
Make good provision	20,000	20,000
	20,000	54,605

**(a) Make good provision**

Property Industry Foundation is required to restore the leased premises to their original condition at the end of the respective lease terms. A provision has been recognised for the present value of the estimated expenditure required to remove any leasehold improvements. These costs have been capitalised and are amortised over the shorter of the term of the lease or the useful life of the assets.

**(b) Movements in provision**

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

	2015	2014
	\$	\$
<b>Non-current provision – Make good provision</b>		
Carrying amount in the beginning of the financial year	20,000	18,873
Additional provision recognised	-	1,127
Carrying amount at the end of the financial year	20,000	20,000

**Note 14. Units issued**

	<b>2015</b>	2014	<b>2015</b>	2014
	<b>Units</b>	Units	<b>\$</b>	\$
Units issued	<b>100</b>	100	<b>100</b>	100

**Note 15. Reserves**

	<b>2015</b>	2014
	<b>\$</b>	\$
Available-for-sale investments revaluation reserve	<b>297,071</b>	98,511

Movements in the available-for-sale investments revaluation reserve are set out below:

	<b>2015</b>	2014
	<b>\$</b>	\$
Balance at the beginning of the financial year	<b>98,511</b>	100,648
Transferred to the statement of comprehensive income	<b>(40,773)</b>	(35,295)
Movement in fair value of investments	<b>239,333</b>	33,158
Balance at the end of the financial year	<b>297,071</b>	98,511

**Nature and purpose of other reserves**

Changes in the fair value and exchange differences arising on translation of investments, such as equities, classified as available-for-sale financial assets, are recognised in other comprehensive income, as described in note 1(f) and accumulated in a separate reserve within equity. Amounts are reclassified to profit or loss when the associated assets are sold or impaired.

**Note 16. Retained surpluses**

	<b>2015</b>	2014
	<b>\$</b>	\$
Retained surplus at the beginning of the financial year	<b>4,425,431</b>	4,281,851
Net surplus for the financial year	<b>258,617</b>	143,580
Retained surplus at the end of the financial year	<b>4,684,048</b>	4,425,431

**Note 17. Remuneration of auditors**

The audit of the Foundation for the year ended 31 October 2015 was carried out by PricewaterhouseCoopers. The audit is done on an honorary basis and therefore no expense was incurred by the Foundation.

**Note 18. Related parties**

**Directors of the trustee**

The following persons were directors of the trustee of Property Industry Foundation during the whole of the year and up to the date of this report, unless noted otherwise:

- B Brakey
- D Browning
- M Coleman
- N Collishaw (resigned 5 February 2015)
- V P Hoog Antink
- T Johansen (resigned 26 June 2015)
- C Kirk
- C J Hanan
- R Johnston
- J W Kenny
- B McGuckin (appointed 19 August 2015)
- E A Pidgeon (resigned 24 June 2015)

**Transactions with trustee director-related entities**

Several of the directors of the trustee are employees or directors of donor companies who have paid donations in the year to become members of the Foundation.

**Remuneration of trustee directors**

Trustee directors are not remunerated in connection with the management of the affairs of the Foundation.

**Note 19. Commitments & Contingencies**

**Lease commitments:**

*(i) Non-cancellable operating leases*

The Foundation leases two offices (Sydney & Melbourne) under – non cancellable operating leases expiring within 5 years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

	2015	2014
	\$	\$
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	<b>43,997</b>	30,572
Later than one year but not later than five years	<b>10,800</b>	-
	<b><u>54,797</u></b>	<b><u>30,572</u></b>

**Contingencies:**

It is the Directors' view that contingent liabilities will not give rise to any liabilities other than those disclosed in the financial statements notes.

## Note 20. Charitable Disbursements

During the year the Foundation made distributions to charities totalling \$1,573,705 (2014: \$1,801,997). In addition, the Foundation has approved in the current and prior years a number of projects which are expected to proceed in the 2016 year. The outstanding approvals amount to \$1,788,262 (PY \$1,097,012) as at 31 October 2015.

## Note 21. Cash flow information

Reconciliation of operating surplus to net cash flows from operating activities.

	2015	2014
	\$	\$
Surplus after income tax	258,617	143,580
Depreciation	11,314	-
Change in operating assets and liabilities:		
Decrease/(increase) in receivables	(80,400)	72,142
(Increase)/decrease in other assets	7,486	(21,744)
Increase in Deferred Income	(3,768)	74,106
(Decrease) in payables	(14,944)	(25,181)
Increase/(decrease) in provisions	21,452	2,456
Gain on disposal of available-for-sale financial assets	(40,773)	(35,295)
Dividends received from available-for-sale financial assets	(167,079)	(138,391)
	(8,096)	71,672

## Note 22. Events occurring after the balance sheet date

No matter or circumstances has arisen since 31 October 2015 that has significantly affected, or may significantly affect:

- (a) the Foundation's operations in future financial years; or
- (b) the collections in future years; or
- (c) the Foundation's state of affairs in future financial years.

**Note 23. Additional information furnished under the *Charitable Fundraising Act 1991* and the Regulations**

	2015	2014
	\$	\$
<b>a) Details of aggregate gross income and expenditure of fundraising appeals</b>		
Gross proceeds from fundraising appeals (i)	2,300,819	2,197,453
Total costs of fundraising appeals	(587,310)	(611,027)
Net surplus from fundraising	1,713,508	1,586,426

(i) Gross proceeds from fundraising exclude donations

	2015	2014
	\$	\$

**b) Statement showing how funds received were applied to charitable purposes**

Net surplus from fundraising	1,713,508	1,586,426
This was applied to charitable purposes in the following manner:		
Distributions to eligible charities	1,442,698	1,543,816
Surplus in funds available from fundraising	270,810	42,610

**c) Fundraising appeals conducted during the year**

Special events held during the year included National Hard Hat Day, Networking Forums, Annual Foundation Balls, Yachting Regattas, PA Exclusive Campaign and Cycling Rallies.

**d) Comparison of monetary figures and percentages**

	2015	2014
	\$	\$
Total cost of fundraising	587,310	611,027
Gross income from fundraising	2,300,819	2,197,453
% of fundraising cost over income	26%	28%
Net surplus from fundraising	1,713,508	1,586,426
Revenue	2,300,819	2,197,453
% of surplus over revenue	74%	72%
Total distributions to eligible charities	1,442,698	1,543,816
Net surplus from fundraising	1,713,508	1,586,426
% of total distributions to eligible charities over surplus	84%	97%

**Property Industry Foundation**  
**Declaration by the Chairman of the Trustee**  
31 October 2015

I, Robert William Johnston, Chairman of the trustee for the Property Industry Foundation declare that in my opinion:

- (a) the financial statements and notes set out on pages 5 to 22 are in accordance with the Australian Charities and Not-for-Profit Commission (ACNC) Act 2012 and the Trust Deed, including:
  - (i) complying with Accounting Standards, and other mandatory professional reporting requirements; and
  - (ii) giving a true and fair view of the entity's financial position as at 31 October 2015 and of its performance for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they become due and payable.
- (c) the accounts give a true and fair view of all income and expenditure with respect to fundraising appeals;
- (d) the provisions and regulations of the *Charitable Fundraising Act 1991 (NSW)* and the conditions attached to the fundraising authority have been complied with by the trust
- (e) the internal controls exercised by the company are appropriate and effective in accounting for all income received and applied by the organisation from any of its fundraising appeals.

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



Robert William Johnston  
Chairman  
Sydney  
9 March 2016



## **Independent auditor's report to the unitholders of Property Industry Foundation**

### ***Report on the financial report***

We have audited the accompanying financial report of Property Industry Foundation (the Foundation), which comprises the balance sheet as at 31 October 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the trustee's declaration.

### ***Directors of the Trustee responsibility for the financial report***

The directors of Property Industry Foundation Pty Limited (the trustee) are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-profits Commission Act (ACNC) 2012*, *Charitable Fundraising Act 1991 (NSW)* and the *Charitable Fundraising Regulation 2008 (NSW)* and for such internal control as the directors of the trustee determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

### ***Auditor's responsibility***

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

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

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

### ***Basis for Qualified Opinion***

Cash from donations and other fund raising activities are a significant source of revenue for the Foundation. The directors have determined that it is impractical to establish control over the collection of cash donations and other fund raising activities prior to entry into its financial records. Accordingly, as the evidence available to us regarding revenue from cash donations and other fundraising activities was limited, our audit procedures with respect to revenue from these sources had to be restricted to

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the amounts recorded in the Foundation's financial records. As a result, we are unable to express an opinion as to whether revenue from cash donations and other fund raising activities is complete.

### *Qualified Opinion*

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial report of Property Industry Foundation is in accordance with the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:

- a. giving a true and fair view of the Company's financial position as at 31 October 2015 and of its performance for the year ended on that date; and
- b. complying with Australian Accounting Standards including the Australian Accounting Interpretations.

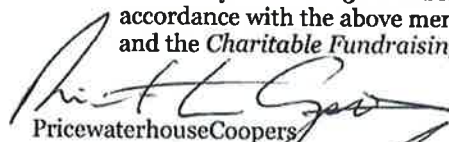
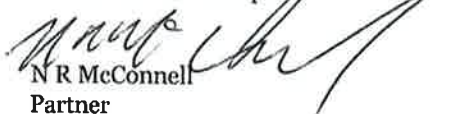
### ***Report on the requirements of the Charitable Fundraising Act 1991 (NSW) and Charitable Fundraising Regulations 2008 (NSW)***

We have audited the financial report as required by Section 24(2) of the *Charitable Fundraising Act (NSW) 1991*. The directors of the trustee are responsible for the preparation and presentation of the financial report in accordance with the *Charitable Fundraising Act (NSW) 1991* and the *Charitable Fundraising Regulations 2008 (NSW)*. Our responsibility is to express an opinion on the financial report based on our audit.

### *Qualified opinion*

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph:

- a) The Foundation's financial report represents a true and fair view as required by the section 24(2)(a) of the *Charitable Fundraising Act 1991 (NSW)* of the financial result of the fundraising appeals for the financial year ended 31 October 2015;
- b) the accounts and associated financial records have been properly kept in accordance to section 20(1), 22(1-2) and 24(1-3) of the *Charitable Fundraising Act 1991 (NSW)* and section 9(6) and 10 of the *Charitable Fundraising Regulation 2008 (NSW)* during the financial year ended 31 October 2015; and
- c) money received as a result of fundraising appeals conducted by the Foundation during the financial year ended 31 October 2015 has been properly accounted for and applied in accordance with the above mentioned sections of the *Charitable Fundraising Act 1991 (NSW)* and the *Charitable Fundraising Regulation 2008 (NSW)*.

  
PricewaterhouseCoopers  
  
N R McConnell  
Partner

9 March 2016