The Property Industry Foundation
Annual Report - 31 October 2020

Contents

The financial statements of The Property Industry Foundation ("Foundation") have been prepared by the Directors of the Property Industry Foundation Pty Ltd as Trustee of the Foundation ("Trustee").

The Foundation is domiciled in Australia. Its registered office and principal place of business is:

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 is presented in Australian currency and was authorised for issue by the directors on 12 March 2020.

The directors of Property Industry Foundation Pty Limited as trustee for The Property Industry Foundation ("the Foundation") present their report for the year ended 31 October 2020.

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

Barry Brakey (resigned 29 February 2020)
Daryl Browning
Gregory Clarke
Murray Coleman
Steven Gatt
Peter Inge
Ceinwen Kirk-Lennox (resigned 20 March2020)
Robert (Bob) Johnston (Chairman)
John W Kenny
Kathleen Mac Dermott
Penelope Ransom (appointed 18 November 2019)

Company Secretary
T D Petry

Principal activities
The Foundation is a registered charity (Public Ancillary Fund) providing funding and support to organisations providing services to youth at risk. On 3 June 2020, Directors of the Trustee registered a new entity, The Property Industry Foundation Limited (the "new Foundation"), which was subsequently endorsed as a Deductible Gift Recipient entity on 19 August 2020. The new Foundation, as a Public Benevolent Institution, will better reflect the nature of charitable activities which are performed. The intention is for future charitable activities to be undertaken through the new Foundation and for the existing Foundation to be wound up in the coming 12 months. As a result, the financial statements of the Foundation for the year ended 31 October 2020 have been prepared on a liquidation basis. Financial Statements for the new Foundation have not been prepared because as at 31 October 2020 it had not commenced any material activities and preparation of financial statements were not required under the ACNC Act.

Significant changes in the state of affairs
The COVID-19 pandemic had a significant impact on revenue with charitable fundraising events being cancelled and donations being received at reduced levels. In response, non essential administration costs were cut, salaries were reduced, vacant staff positions were left unfilled and support for some charitable projects was reduced or deferred.
With the fall in revenue as a result of the COVID-19 pandemic, the Foundation was an eligible employer for JobKeeper and received $184,500 in JobKeeper wage subsidies and $100,000 in Cash Boost for the financial year ending 31 October 2020.

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

Review of operations
The Foundation's deficit for the year ended 31 October 2020 was $321,143 (2019: surplus of $673,358)

Matters subsequent to the end of the financial year
No matters or circumstances have arisen since 31 October 2020 that have significantly affected, or may significantly affect the Foundation's operation or state of affairs.

Australia's economy continues to be adversely impacted by the COVID-19 pandemic. At the reporting date, it is not possible to predict the future impact COVID-19 may have on the Foundation's operations. Management and the Trustee Board continue to monitor the situation on a regular basis.

Likely developments and expected results of operations
The Foundation will continue to pursue its objective of building houses for homeless youth.

Environmental regulation
The Foundation is not subject to any significant environmental regulation.

Auditor's Independence Declaration
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 Directors' Report.

Insurance of officers
During the financial year, the Property Industry Foundation paid a premium of $3,286 to insure the directors, officers 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.

Bob Johnston
Chairman, Sydney, 12 March 2021

Auditor's Independence Declaration

As lead auditor for the audit of The Property Industry Foundation for the year ended 31 October 2020, 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.

Josephine Hellstern
Partner
PricewaterhouseCoopers

Sydney
12 March 2021

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	Notes	2020 $	2019 $
REVENUE			
Donation & Fundraising Income			
Donations	3	1,959,576	2,805,035
Fundraising Income	3	1,656,393	3,335,984
		3,615,969	6,141,019
Investment Income			
Distributions & Dividends		73,096	69,796
Realised gains/(losses)		(17,931)	31,012
Unrealised gains/(losses)		24,668	121,015
Interest Income		527	1,635
		80,360	223,458
Other Income			
Government Subsidies (Jobkeeper & Cash Boost)		284,500	-
		284,500	-
Total Revenue and Investment & Other income		3,980,829	6,364,476
EXPENSES			
Yachting regattas		(119,499)	(238,838)
Annual balls		(96,595)	(288,578)
Networking and other events		(9,574)	(52,848)
PA exclusive campaign		(926)	(5,326)
National Hard Hat Day		(3,257)	(7,799)
Cycling Rallies		(142,973)	(347,606)
Fitness Challenge		(17,421)	-
Future Leaders / Property Blitz		(16,810)	(33,120)
Employee benefits expense	4	(1,416,856)	(1,593,465)
Depreciation	4	(47,742)	(47,821)
IT related services and charges		(44,718)	(49,321)
Office occupation expense	4	(48,862)	(86,062)
Office supplies expense		(4,516)	(11,221)
Marketing and travel expenses		(96,885)	(111,326)
Utilities expense		(9,497)	(19,524)
Insurance expense		(16,017)	(14,328)
Other expenses		(108,787)	(161,444)
Total Expenses		(2,200,935)	(3,068,627)
Surplus before income tax expense		1,779,894	3,295,849
Income tax expense	1(b)	-	-
Surplus after income tax expense		1,779,894	3,295,849
Distributions to eligible charities		(2,101,036)	(2,622,491)
Net surplus/(deficit)		(321,142)	673,358
Other Comprehensive income/(loss)			
Total Comprehensive loss for the year		(321,142)	673,358

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

	Notes	2020 $	2019 $
ASSETS			
Current assets			
Cash assets	5	839,983	1,106,961
Receivables	6	98,225	267,487
Other	7	21,609	129,232
Financial assets at fair value through profit or loss	8	2,865,990	-
Property, plant and equipment	9	83,208	-
Total current assets		3,909,015	1,503,680
Non-current assets			
Financial assets at fair value through profit or loss	8	-	2,810,157
Property, plant and equipment	9	-	84,943
Total non-current assets		-	2,895,100
Total assets		3,909,015	4,398,780
LIABILITIES			
Current liabilities			
Payables		28,183	40,174
Accruals		30,844	17,455
Employee benefit obligations		90,725	69,638
Provisions	10	20,000	-
Deferred Income		-	191,108
Total current liabilities		169,752	318,375
Non-current liabilities			
Provisions	10	-	20,000
Total liabilities		169,752	338,375
Net assets		3,739,263	4,060,405
EQUITY			
Units issued	11	100	100
Retained surpluses	12	3,739,163	4,060,305
Total equity		3,739,263	4,060,405

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

	Contributed Equity $	Reserves $	Accumulated (Deficit)/Surplus $	Total $
Balance at 1 November 2018	100	-	3,386,947	3,387,047
Net surplus for the year	-	-	673,358	673,358
Other comprehensive income for the year:	-	-	-	-
Balance at 31 October 2019	100	-	4,060,305	4,060,405
Balance at 1 November 2019	100	-	4,060,305	4,060,405
Net deficit for the year	-	-	(321,142)	(321,142)
Other comprehensive income/(loss) for the year:	-	-	-	-
Total comprehensive income/(loss) for the year	-	-	(321,142)	(321,142)
Balance at 31 October 2020	100	-	3,739,163	3,739,263

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

The Property Industry Foundation
Statement of Cash Flows
For the financial year ended 31 October 2020

	Notes	2020 $	2019 $
Cash flows from operating activities			
Receipts from donations and fundraising activities		**3,105,137**	**5,324,163**
Payments for fundraising activities		**(578,406)**	**(1,324,352)**
		2,526,731	**3,999,811**
Interest received		**527**	**1,635**
Payments to other suppliers and employees		**(1,331,530)**	**(2,065,394)**
Distributions to eligible charities		**(1,440,699)**	**(1,515,425)**
Net cash (outflow)/inflow from operating activities	21	**(244,971)**	**420,627**
Cash flows from investing activities			
Payments for property, plant and equipment		**(46,007)**	**(4,107)**
Receipts/(Payments) for fair value through profit and loss assets		**(49,096)**	**(45,796)**
Distributions received from fair value through profit and loss assets		**73,096**	**69,796**
Net cash (outflow)/inflow from investing activities		**(22,007)**	**19,893**
Cash flows from financing activities			
Net cash inflow from financing activities		-	-
Net increase/(decrease) in cash held		**(266,978)**	**440,520**
Cash at the beginning of the financial year		**1,106,961**	**666,441**
Cash at the end of the financial year	5	**839,983**	**1,106,961**

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

Content of the notes to the financial statements — Page

Note 1. Summary of significant accounting policies

These financial statements have been prepared by the directors of Property Industry Foundation Pty Ltd ("Trustee") as trustee of the Property Industry Foundation ("Foundation"). 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. The 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 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 Foundation
The Foundation has applied the following standards and amendments for the first time for its annual reporting period commencing 1 November 2019:

- AASB 16 *Leases*
- AASB 15 *Revenue from Contracts with Customers*
- AASB 1058 *Income of Not-for-Profit Entities*

The Foundation had to change its accounting policies as a result of adopting AASB 16, AASB 15 and AASB 1058. This is disclosed in Note 1(c)and 1(d). Most of the other amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or 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 2019.

(iv) Historical cost convention
These financial statements have been prepared under the historical cost convention other than Investments in Managed Funds which are carried at fair value. Refer to note 1(f) for further information.

(v) 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 financial assets held at fair value through Profit or Loss.

(vi) Liquidation Basis
As set out in the Directors Report, the Directors of the Trustee of the Foundation have registered a new entity (The Property Industry Foundation Limited) which is a Public Benevolent Institution with DGR 1 status. As a result, the Directors of the Trustee intend to wind up the Foundation within the next 12 months. As the Foundation is no longer a going concern, the financial statements for the year ended 31 October 2020 have been prepared on a liquidation basis and accordingly all assets and liabilities have been reclassified to current where they are expected to be realised or settled within the next 12 months from reporting date. Liabilities have been presented in order of their priority in liquidation.

(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

The Foundation has adopted AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities for the first time in the current year with a date of initial application of 1 November 2019. The Foundation has applied AASB 15 and AASB 1058 using the modified retrospective method which means the comparative information has not been restated and continues to be reported under AASB 118 *Revenue* and AASB 1004 *Contributions and related interpretations.*

Revenue is measured at the fair value of the consideration received or receivable. The Foundation records revenue when the amount of revenue can be reliably 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) Revenue recognition policy for revenue from contracts with customers (AASB 15)

AASB 15 requires revenue to be recognised where there is an 'enforceable' contract with a customer with sufficiently specific performance obligations being satisfied.

The basis for revenue recognition is a 5-step model as follows:

1. Identify the contract with the customer
2. Identify sufficiently specific performance obligations
3. Determine the transaction price
4. Allocate the transaction price
5. Recognise revenue

(ii) Revenue recognition policy for income of not-for-profit entities (AASB 1058)

If it is not an enforceable arrangement and/or the performance obligation are not sufficiently specific, then income is recognised under AASB 1058, almost always immediately.

Functions
Revenue from fundraising functions is recognised at the time of the event.

Donations
Amounts disclosed as donation revenues are recognised on a cash received basis except when there are specific obligations attached to the donation, in which case the donation is recognised as deferred income until those obligations are satisfied.

Building services contributions and Other volunteer services
The Foundation receives pro bono services or in-kind donations from a range of providers involved in the property industry. To the extent that such in-kind donations relate to building or refurbishing works, the fair value of these goods or services, as determined by the Foundation, are recognised as revenue with an equivalent expense. The amount of revenue recognised during the financial year was $627,388 (2019: $1,107,066). The Foundation has elected as a policy decision not to recognise other classes of volunteer services.

(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

The Foundation adopted AASB 16 *Leases* from 1 November 2019 using the modified retrospective approach. Under the modified retrospective approach, an organisation does not have to restate comparative financial information. The reclassification and adjustments arising from the new leasing standard are therefore recognised in the opening balance sheet on 1 November 2019.

The Foundation has changed its accounting policy for leases where the Foundation is the lessee.

Until 31 October 2019, leases, in which a significant portion of the risks and rewards of ownership were not transferred to the Foundation as lessee were classified as operating leases. Payments made under operating leases (net of any incentive received from the lessor) were charged to the statement of comprehensive income on a straight-line basis over the period of the lease. From 1 November 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Foundation.

In accordance with AASB 2018-8 *Amendments to Australian Accounting Standards – Right-of-Use Assets of Not-for-Profit Entities* (AASB 2018-8), the AASB provided a temporary option for not-for-profit lessees to elect to measure a class (or classes) of right-of-use assets arising under concessionary (or below-market) leases at initial recognition, either:

- at cost, which incorporates the amount of the initial measurement of the lease liability; or
- at fair value

The Foundation has elected to recognise this at cost.

The Foundation occupies its principal place of business under a lease which it receives concessionary or below market terms and conditions principally to enable the Foundation to further its charitable objectives. This lease will expire on 30 November 2021.

(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. The Foundation applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

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 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) 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 and included in the statement of comprehensive income.

(g) 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.

(h) 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.

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.

(i) 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 current liabilities 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.

(j) 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.

(k) 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.

Note 2. Financial risk management

The Foundation's activities expose it to a variety of financial risks including credit risk, investment and liquidity risk. The Foundation's overall financial risk management program seeks to minimise the potential adverse effects of these risks on the financial operations of the Foundation. The Foundation uses an approved annual budget of expenditure and cashflow forecasts to monitor financial risks.

The Foundation manages its capital by budgeting its operations in line with the existing fundraising activities, donations and contributions from the public and the timing, nature and quantum of distributions to eligible charities.

The Finance & Audit Committee, a subcommittee of the Board, reviews financial risks and reports to the board. A separate committee, the Risk Management Committee, a subcommittee of the Board, is responsible for reviewing other risk areas. The Board provides approval for overall risk management covering specific areas such as credit risk and market risk.

Note 3. Revenue – Donations and fundraising income

	2020 $	2019 $
Revenue		
Donations		
National donations	536,000	615,500
Platinum donations	219,000	270,000
Gold donations	120,000	160,794
Silver donations	87,500	100,375
General corporate donations	86,898	164,605
Regular Giving donations	23,321	22,945
Building Fund donations	226,519	363,750
Building services contributions and other volunteer services	660,338	1,107,066
	1,959,576	2,805,035
Fundraising revenue		
National Hard Hat Day	192,712	220,303
Annual Balls	84,584	623,425
Yachting regattas	490,097	893,263
PA exclusive campaign	252	7,148
Cycling rallies	255,925	824,831
Future Leaders / Property Blitz	54,771	416,901
Fitness Challenges	326,992	-
Networking and other events	251,060	350,113
	1,656,393	3,335,984
	3,615,969	6,141,019

Note 4. (Deficit)/Surplus

Surplus before income tax includes the following expenses:

	2020 $	2019 $
Depreciation of non-current assets	47,742	47,821
Employee benefits expense	1,416,856	1,593,465
Office occupation expense	48,862	86,062

Note 5. Cash and cash equivalents

	2020 $	2019 $
Cash at bank and on hand	**839,983**	**1,106,961**

Note 6. Receivables

	2020 $	2019 $
Receivables	**98,225**	**267,487**

These amounts generally arise from fundraising events.

Note 7. Other assets

	2020 $	2019 $
Prepayments	**6,000**	**108,117**
Other	**15,609**	**21,115**
Current assets - other	**21,609**	**129,232**

Note 8. Financial assets at fair value through profit or loss

Fair value through profit and loss financial assets include the following classes of financial assets:

	2020 $	2019 $
Financial assets at fair value through profit or loss		
Investments – Managed funds	**2,865,990**	**2,810,157**
	2,865,990	**2,810,157**

Investments – managed funds comprised of listed securities and unlisted managed funds. The fair value of listed securities and listed trusts is determined by the market price of the investment at Reporting Date. 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. Property, plant & equipment

	Furniture Fittings	Office Equipment	Total
At 31 October 2019			
Cost	163,533	217,719	381,252
Accumulated depreciation	(150,230)	(146,079)	(296,309)
Net book amount	**13,303**	**71,640**	**84,943**
Year ended 31 October 2020			
Opening net book amount	13,303	71,640	84,943
Additions	-	46,007	46,007
Depreciation charge	(6,615)	(41,127)	(47,742)
Closing net book amount	**6,688**	**76,520**	**83,208**
At 31 October 2020			
Cost	163,533	263,726	427,259
Accumulated depreciation	(156,845)	(187,206)	(344,051)
Net book amount	**6,688**	**76,520**	**83,208**

Note 10. Provisions

	2020 $	2019 $
Make good provision	20,000	20,000
	20,000	20,000

(a) Make good provision

The 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 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.

Note 11. Units issued

	2020 Units	2019 Units	2020 $	2019 $
Units issued	100	100	100	100

Note 12. Retained surpluses

	2020 $	2019 $
Retained surplus at the beginning of the financial year	4,060,305	3,404,825
Accounting policy change – AASB 9	-	(17,878)
Restated opening retained surplus balance	4,060,305	3,386,947
Net surplus/(deficit) for the financial year	(321,142)	673,358
Retained surplus at the end of the financial year	3,739,163	4,060,305

Note 13. Remuneration of auditors

The audit of the Foundation for the year ended 31 October 2020 was carried out by PricewaterhouseCoopers. The audit is done on an honorary basis and therefore no expense was incurred by the Foundation.

Note 14. Related parties

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

Barry Brakey (resigned 29 February 2020)
Daryl Browning
Gregory Clarke
Murray Coleman
Steven Gatt
Peter Inge
Ceinwen Kirk-Lennox (resigned 20 March 2020)
Robert (Bob) Johnston (Chairman)
John W Kenny
Kathleen Mac Dermott
Penelope Ransom (appointed 18 November 2019)

Transactions with trustee directors and 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 and who provide in kind donations in the ordinary course of business. This also includes supporting our fundraising events.

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

Note 15. Commitments & Contingencies

Lease commitments:

(i) Non-cancellable operating leases
The Foundation leases office space in Sydney under a non-cancellable operating lease expiring within 5 years. The lease has an 18 month term.

	2020	2019
	$	$
Commitments for minimum lease payments in relation to a non-cancellable operating lease are payable as follows:		
Within one year	45,420	47,849
Later than one year but not later than five years	3,785	-
	49,205	47,849

Charitable commitments:

The Foundation refurbished a facility owned by Wesley Mission and subsequently agreed to fund counsellors/youth workers for this facility (PIF House Dundas) for 5 years at $300,000 per year (paid quarterly) commencing 1 July 2019 and expiring 1 July 2024.

	2020	2019
	$	$
Commitment to fund counsellors/youth workers:		
Within one year	300,000	300,000
Later than one year but not later than five years	825,000	1,125,000
	1,125,000	1,425,000

Contingencies:

It is the Directors' view that there are no contingent liabilities.

Note 16. Charitable Disbursements

During the year the Foundation made distributions to charities totalling $2,068,086 (2019: $2,622,491). In addition, the Foundation has approved in the current and prior years a number of projects which are expected to proceed in the 2020 year and be funded by the Foundation

Note 17. Cash flow information

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

	2020 $	2019 $
Surplus/(Deficit) after income tax	(321,142)	673,358
Depreciation	47,742	47,821
Gain/Loss on disposal of investment funds	17,931	(31,012)
Unrealised (gain) on investment funds	(24,668)	(121,015)
Dividends reinvested in investment funds	(73,096)	(69,796)
Change in operating assets and liabilities:		
(Increase)/decrease in receivables	169,262	(78,584)
(Increase)/decrease in other assets	107,623	(46,198)
Increase/(decrease) in deferred income	(191,108)	18,557
Increase/(decrease) in payables	(16,190)	10,513
Increase in provisions	38,675	16,983
Net cash (outflow)/inflow from operating activities	**(244,971)**	**420,627**

Note 18. Events occurring after the balance sheet date

No matter or circumstances has arisen since 31 October 2020 that has significantly affected, or may significantly affect the Foundation's operation or state of affairs.
Australia's economy has been adversely impacted by the COVID-19 pandemic. At the reporting date, it is not possible to predict the future impact COVID-19 may have on the Foundation's operations. Management and the Trustee Board continue to monitor the situation on a regular basis.

Note 19. Additional information furnished under the *Charitable Fundraising Act 1991* and the Regulations

	2020 $	2019 $
a) Details of aggregate gross income and expenditure of fundraising appeals		
Gross proceeds from fundraising appeals[1]	1,656,393	3,335,984
Total costs of fundraising appeals	(407,055)	(974,115)
Net surplus from fundraising	1,249,338	2,361,869

[1]Gross proceeds from fundraising exclude donations

	2020 $	2019 $
b) Statement showing how funds received were applied to charitable purposes		
Net surplus from fundraising	1,249,338	2,361,869
This was applied to charitable purposes in the following manner:		
Distributions to eligible charities	(1,440,699)	(2,622,178)
Deficit in funds available from fundraising	(191,361)	(260,309)

c) Fundraising appeals conducted during the year

Events which would normally be held, such as National Hard Hat Day, Networking Forums, Annual Foundation Balls, Yachting Regattas, charity sleepouts and Cycling Rallies were either cancelled or held on a reduced scale due to COVID-19 restrictions.

d) Comparison of monetary figures and percentages

	2020 $	2019 $
Total cost of fundraising	407,055	974,115
Gross income from fundraising	1,656,393	3,335,984
% of fundraising cost over income	25%	29%
Net surplus from fundraising	1,249,338	2,361,869
Revenue	1,656,393	3,335,984
% of surplus over revenue	75%	71%
Total distributions to eligible charities	1,440,699	2,622,178
Net surplus from fundraising	1,249,338	2,361,869
% of total distributions to eligible charities over surplus	115%	111%

Declaration for the year ended 31 October 2020

I, Bob Johnston, Chairman of the Property Industry Foundation Pty Ltd as trustee for the Property Industry Foundation declare that in my opinion:

(a) the financial statements and notes set out on pages 5 to 21 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 2020 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 Foundation.

(e) the internal controls in operation by the Foundation are appropriate and effective in accounting for all income received and applied by the Foundation from any of its fundraising appeals.

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

Bob Johnston
Chairman
Sydney, 12 March 2021

Independent auditor's report

To the unitholders of The Property Industry Foundation

Report on the audit of the financial report

Our qualified opinion

In our opinion, except for the possible effects of the matter described in the *Basis for qualified opinion* section of our report, the accompanying financial report of The Property Industry Foundation (the Foundation) is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012*, including:

(a) giving a true and fair view of the Foundation's financial position as at 31 October 2020 and of its financial performance for the year then ended

(b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

What we have audited

The financial report comprises:

- the statement of financial position as at 31 October 2020
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the notes to the financial statements, which include significant accounting policies and other explanatory information
- the directors' declaration.

Basis for qualified opinion

Cash from donations and other fundraising activities are a significant source of revenue for the Foundation. The directors have determined that it is impracticable to establish control over the collection of revenue from these sources 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 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 fundraising activities is complete.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

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

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Independence

We are independent of the Foundation in accordance with the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Emphasis of matter - going concern no longer appropriate

We draw attention to Note 1(a)(vi) in the financial report, which discusses the directors of the Trustee's intention to wind up the Foundation within the next twelve months. As a result, the financial report has been prepared on a liquidation basis and not on a going concern basis. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 31 October 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors 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 (ACNC) Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

Report on the requirements of the Charitable Fundraising Act 1991 (NSW) and Charitable Fundraising Regulations 2015 (NSW)

Our opinion

We have audited the financial report as required by Section 24(2) of the NSW Charitable Fundraising Act (NSW) 1991.

In our opinion:

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 2020;

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 10(6) and 11 of the Charitable Fundraising Regulation 2008 (NSW) during the financial year ended 31 October 2020;

c) money received as a result of fundraising appeals conducted by the Foundation during the financial year ended 31 October 2020 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 2015 (NSW).

The directors 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 2015 (NSW). Our responsibility is to express an opinion on the financial report based on our audit.

PricewaterhouseCoopers

PricewaterhouseCoopers

Josephine Hellstern
Partner

Sydney
12 March 2021