The Property Industry Foundation

ACNC Group

Annual Report year ended 31 October 2021

Contents

The Directors of the Property Industry Foundation Pty Limited as trustee for The Property Industry Foundation and the Directors of The Property Industry Foundation Ltd (together "the Directors") present their report together with the financial report of The Property Industry Foundation ACNC Group (Property Industry Foundation or "the combined entity") for the year ended 31 October 2021. The combined financial report of the combined entity comprises the results of both foundations.

The financial report is presented in Australian currency and was authorised for issue by the directors on 16 March 2022.

Background to Combined Financial Report

The Property Industry Foundation was originally established in 1995 as a Public Ancillary Fund ("Old Foundation"), with Property Industry Foundation Pty Ltd ABN 81 071 443 797 as the trustee. In recent years the activities of the Foundation have evolved from simply funding programs run by other charities (as would be expected from a Public Ancillary Fund) to itself providing direct relief through the building of bedrooms and other facilities for homeless and at-risk youth (activities more befitting a Public Benevolent Institution). For this reason, and following consultation with the Foundation's legal advisers, the Australian Taxation Office and the Australian Charities and Not-for-profit Commission ("ACNC"), a new entity was established as a Public Benevolent Institution and registered as The Property Industry Foundation Ltd ABN 67 641 455 709 ("New Foundation") and is a company limited by guarantee.

During the financial year the Old Foundation was gradually wound down with new activities being performed by the New Foundation. While both the Old and New Foundations existed during the year, the activities and management of the combined entity as a whole remained unchanged and accordingly the accounts of the two entities have been grouped (combined) into a single set of Financial Statements in order to best reflect the Foundation's operations and financial position. Separate Financial Statements for the Old and New Foundations are not being presented in these accounts as individually they provide incomplete information and are of limited value to stakeholders. Permission for the Old Foundation and the New Foundation to satisfy their reporting obligations to the ACNC by lodging one combined financial report for the combined entity was given by the ACNC.

Directors of the Combined Entity

The persons listed below were directors of both the Old and New Foundations, with appointments & resignations also applying to both Foundations, except for Virginia Briggs who was a director of the New Foundation only. Directorships of the Old Foundation were for the whole of the year and ceased, unless otherwise indicated below, when it was wound up involving the trust's ABN and ACNC registration being cancelled on 12 November 2021 and the company's de-registration with ASIC on 26 January 2022. Directorships of the New Foundation were for the whole of the year and up to the date of this report unless noted otherwise.

Virginia Briggs (appointed 1 November 2021 – New Foundation only)
Daryl Browning
Gregory Clarke
Murray Coleman
Jane Fitzgerald (appointed 6 September 2021)
Steven Gatt
Peter Inge
Robert (Bob) Johnston (resigned 15 March 2021)
John W Kenny
Kathleen Mac Dermott (resigned 21 July 2021)
Penelope Ransom (Chairman from 15 March 2021)

Company Secretary

Terence Petry

Principal activities

The Property Industry Foundation provides funding and direct support for programs to assist homeless and at-risk youth.

Significant changes in the state of affairs
As with the previous financial year, 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, some vacant staff positions were initially 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 combined entity was an eligible employer for JobKeeper and JobSaver and received $115,200 in JobKeeper wage subsidies and $97,380 in JobSaver wage subsidies for the financial year ending 31 October 2021.

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

Review of operations
The combined entity's surplus for the year ended 31 October 2021 was $140,080 (2020: deficit of $321,142).

Matters subsequent to the end of the financial year
The Old Foundation, although a single legal entity, consisted of 2 components – a trust and a company. On 12 November 2021 the trust's ABN and ACNC registration were cancelled and on 26 January 2022 the company (Property Industry Foundation Pty Ltd ABN 81 071 443 797) was deregistered with ASIC.

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 combined entity's operations. Management and the Board continue to monitor the situation on a regular basis.

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

Environmental regulation
The combined entity 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 $3,741 to insure the directors, officers and secretary of the combined entity.

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 combined entity, 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 combined entity. 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 Property Industry Foundation Limited (New Foundation).

Penelope Ransom
Chairman (of the New Foundation and of the Old Foundation at time of de-registration)
Sydney
16 March 2022

Auditor's Independence Declaration

As lead auditor for the audit of The Property Industry Foundation ACNC Group for the year ended 31 October 2021, 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
16 March 2022

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The Property Industry Foundation
Statement of Comprehensive Income
For the financial year ended 31 October 2021

	Notes	2021 $	2020 $
REVENUE			
Donation & Fundraising Income			
Donations	3	**2,501,670**	**1,959,576**
Fundraising Income	3	**1,281,981**	**1,656,393**
		3,783,651	**3,615,969**
Investment Income			
Distributions & Dividends		**103,281**	**73,096**
Realised gains/(losses)		**(7,203)**	**(17,931)**
Unrealised gains/(losses)		**338,249**	**24,668**
Interest Income		**103**	**527**
		434,430	**80,360**
Other Income			
Government Subsidies (Jobkeeper & JobSaver)		**212,580**	**284,500**
		212,580	**284,500**
Total Revenue and Investment & Other income		**4,430,661**	**3,980,829**
EXPENSES			
Yachting regattas		**(121,481)**	**(119,499)**
Annual balls/dinners		**(10,833)**	**(96,595)**
Networking and other events		**(20,577)**	**(9,574)**
PA exclusive campaign		**-**	**(926)**
National Hard Hat Day		**(3,314)**	**(3,257)**
Cycling Rallies		**(74,511)**	**(142,973)**
Fitness Challenge		**(17,202)**	**(17,421)**
Appeals		**(24,951)**	**-**
Future Leaders SleepOut		**(1,960)**	**(16,810)**
Employee benefits expense	4	**(1,488,785)**	**(1,416,856)**
Depreciation	4	**(37,816)**	**(47,742)**
IT related services and charges		**(35,940)**	**(44,718)**
Office occupation expense	4	**(47,534)**	**(48,862)**
Office supplies expense		**(2,626)**	**(4,516)**
Marketing and travel expenses		**(85,788)**	**(96,885)**
Utilities expense		**(4,806)**	**(9,497)**
Insurance expense		**(13,682)**	**(16,017)**
Other expenses		**(171,794)**	**(108,787)**
Total Expenses		**(2,163,600)**	**(2,200,935)**
Surplus before income tax expense		**2,267,061**	**1,779,894**
Income tax expense	1(b)	**-**	**-**
Surplus after income tax expense		**2,267,061**	**1,779,894**
Distributions to eligible charities		**(2,126,981)**	**(2,101,036)**
Net surplus/(deficit)		**140,080**	**(321,142)**
Other Comprehensive income/(loss)		-	-
Total Comprehensive Income/(loss) for the year		**140,080**	**(321,142)**

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

The Property Industry Foundation
Statement of Financial Position
For the financial year ended 31 October 2021

	Notes	2021 $	2020 $
ASSETS			
Current assets			
Cash assets	5	**683,109**	**839,983**
Receivables	6	**101,745**	**98,225**
Other	7	**117,945**	**21,609**
Financial assets at fair value through profit or loss	8	**-**	**2,865,990**
Property, plant and equipment	9	**-**	**83,208**
Total current assets		**902,799**	**3,909,015**
Non-current assets			
Financial assets at fair value through profit or loss	8	**3,276,317**	**-**
Property, plant and equipment	9	**51,341**	**-**
Total non-current assets		**3,327,658**	**-**
Total assets		**4,230,457**	**3,909,015**
LIABILITIES			
Current liabilities			
Payables		**22,708**	**28,183**
Accruals		**8,522**	**30,844**
Employee benefit obligations		**129,255**	**90,725**
Provisions	10	**-**	**20,000**
Deferred Income		**170,628**	**-**
Total current liabilities		**331,113**	**169,752**
Non-current liabilities			
Provisions	10	**20,000**	**-**
Total liabilities		**351,113**	**169,752**
Net assets		**3,879,343**	**3,739,263**
EQUITY			
Units issued / Contributed Equity	11	**100**	**100**
Retained surpluses	12	**3,879,243**	**3,739,163**
Total equity		**3,879,343**	**3,739,163**

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 2019	100	-	4,060,305	4,060,405
Net surplus for the year	-	-	(321,142)	(321,142)
Other comprehensive income for the year:	-	-	-	-
Balance at 31 October 2020	100	-	3,739,163	3,739,263
Balance at 1 November 2020	100	-	3,739,163	3,739,263
Net surplus for the year	-	-	140,080	140,080
Other comprehensive income/(loss) for the year:	-	-	-	-
Total comprehensive income/(loss) for the year	100	-	140,080	140,080
Balance at 31 October 2021	100	-	3,879,243	3,879,343

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

	Notes	2021 $	2020 $
Cash flows from operating activities			
Receipts from donations and fundraising activities		3,161,040	3,105,137
Payments for fundraising activities		(353,062)	(578,406)
		2,807,978	2,526,731
Interest received		103	527
Payments to other suppliers and employees		(1,936,557)	(1,331,530)
Distributions to eligible charities		(1,046,449)	(1,440,699)
Net cash (outflow)/inflow from operating activities	21	(174,925)	(244,971)
Cash flows from investing activities			
Payments for property, plant and equipment		(5,949)	(46,007)
Receipts/(Payments) for fair value through profit and loss assets		(79,281)	(49,096)
Distributions received from fair value through profit and loss assets		103,281	73,096
Net cash (outflow)/inflow from investing activities		18,051	(22,007)
Cash flows from financing activities			
Net cash inflow from financing activities		-	-
Net increase/(decrease) in cash held		(156,874)	(266,978)
Cash at the beginning of the financial year		839,983	1,106,961
Cash at the end of the financial year	5	683,109	839,983

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

The Property Industry Foundation was originally established in 1996 as a Public Ancillary Fund ("Old Foundation"), with Property Industry Foundation Pty Ltd ABN 81 071 443 797 as the trustee. In recent years the activities of the Foundation have evolved from simply funding programs run by other charities (as would be expected from a Public Ancillary Fund) to itself providing direct relief through the building of bedrooms and other facilities for homeless and at-risk youth (activities more befitting a Public Benevolent Institution). For this reason, and following consultation with the Foundation's legal advisers, the Australian Taxation Office and the Australian Charities and Not-for-profit Commission ("ACNC"), a new entity was established as a Public Benevolent Institution and registered as The Property Industry Foundation Ltd ABN 67 641 455 709 ("New Foundation") a company limited by guarantee.

During the financial year the Old Foundation was gradually wound up with new activities performed through the New Foundation. Subsequent to the end of the financial year, the Old Foundation was deregistered with the ACNC on 12 November 2021 and the trustee was deregistered with ASIC on 26 January 2022. While both the Old and New Foundations existed during the year, the activities and management of the combined entity as a whole remained unchanged and accordingly the accounts of the two entities have been grouped (combined) into a single set of Financial Statements in order to best reflect the combined entity's operations and financial position. Separate Financial Statements for the Old and New Foundations are not being presented in these accounts as individually they provide incomplete information and are of limited value to stakeholders. Permission for the Old Foundation and the New Foundation to satisfy their reporting obligations to the ACNC by lodging one combined financial report for the combined entity was given by the ACNC.

These combined financial statements have been prepared by the directors of Property Industry Foundation Pty Ltd ("Trustee") as trustee of the Old Foundation and the directors of the New Foundation being The Property Industry Foundation Ltd (together "the Directors"). The principal accounting policies adopted in the preparation of these combined financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The combined entity 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) Basis of preparation

These general purpose combined financial statements have been prepared to satisfy the reporting obligations of the Old Foundation and the New Foundation for the purpose of complying with the Australia Charities and Not-for-profits Commission Act 2012 requirements. The combined financial statements present the combined results of Property Industry Foundation ("Old Foundation") and Property Industry Foundation Ltd ("New Foundation"; together referred to as 'combined entity' for the purpose of this report), for the year ended 31 October 2021.

The combined financial statements are an aggregation of financial information of the above entities for the specific purpose outlined above.

This note provides a list of all significant accounting policies adopted in the preparation of these combined financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the combined entity consisting of the entities listed above as if they had together formed a combined entity throughout the periods presented.

The combined financial statements have been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards and other mandatory professional requirements in Australia except that the combined entity does not constitute a group as defined in AASB 10 *Consolidated Financial Statements*.

The combined entity 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 combined entity comply with Australian Accounting Standards – Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board (AASB) except as described above.

(ii) Going Concern
Except as noted below, the combined financial report has been prepared on the basis that the entities are going concerns, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. Factors considered in making this assessment include the current year to date performance and forecasts.

The Old Foundation was wound down during the year with its net assets donated as a grant to the New Foundation during the reporting period. No assets and liabilities remained in the Old Foundation at 31 October 2021, and subsequent to the year end, the trust's ABN and ACNC registration was cancelled on 12 November 2021 and the company's de-registration with ASIC on 26 January 2022. The financial information for the Old Foundation has therefore been prepared on a liquidation basis. However, as there were no assets or liabilities remaining at the date of this report, adopting an alternative basis of accounting did not have any impact on the amounts reported in the financial statements. The accounting policies below therefore continue to apply to all transactions of the combined entity.

(iii) 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.

(iv) New and amended standards adopted
There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 November 2020 that would affect the amounts recognised by the combined entity in prior periods or that would require changes to the accounting policies which could be expected to significantly affect the current or future period. .

(v) Early adoption of standards
The combined entity has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 November 2020.

(vi) 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 combined entity's accounting policies. These include estimates of the fair value of financial assets held at fair value through Profit or Loss.

b) Principles of combination

The combined financial statements incorporate the assets and liabilities of the Old Foundation and the New Foundation as at 31 October 2021 and the results of these entities for the year then ended. These entities do not form a consolidated group of legal parents and subsidiaries. The combination process eliminates transactions between entities within the combined entity and any unrealised gains on transactions between entities in the combined entity. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred assets. Accounting policies of the combined entities have been changed where necessary to ensure consistency with the policies adopted by the combined entity.

c) Income tax

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

d) Revenue

Revenue is measured at the fair value of the consideration received or receivable. The combined entity 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 combined entity'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 combined entity 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 combined entity, are recognised as revenue with an equivalent expense. The amount of revenue recognised during the financial year was $1,080,532 (2020: $660,338). The combined entity 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.

e) Leases

The combined entity 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 combined entity has changed its accounting policy for leases where the combined entity 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 combined entity 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 combined entity.

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 combined entity has elected to recognise this at cost.

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

f) 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 combined entity 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 combined entity 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.

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 combined entity 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.

h) Payables

These amounts represent liabilities for goods and services provided to the combined entity 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 combined entity 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.

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 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.

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) Investments – managed funds

Investments in managed funds are 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.

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Note 2. Financial risk management

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

The combined entity 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

	2021 $	2020 $
Revenue		
Donations		
National donations	**640,500**	**536,000**
Platinum donations	**221,500**	**219,000**
Gold donations	**93,000**	**120,000**
Silver donations	**102,000**	**87,500**
General corporate donations	**30,925**	**86,898**
Regular Giving donations	**31,285**	**23,321**
Appeals	**80,928**	**-**
Building Fund donations	**221,000**	**226,519**
Building services contributions and other volunteer services	**1,080,532**	**660,338**
	2,501,670	**1,959,576**
Fundraising revenue		
National Hard Hat Day	**114,520**	**192,712**
Annual Balls/Dinners	**35,069**	**84,584**
Yachting regattas	**403,073**	**490,097**
Furniture Fund	**134,825**	**-**
PA exclusive campaign	**-**	**252**
Cycling rallies	**76,933**	**255,925**
Future Leaders SleepOut	**-**	**54,771**
Fitness Challenges	**250,302**	**326,992**
Networking and other events	**267,259**	**251,060**
	1,281,981	**1,656,393**
	3,783,651	**3,615,969**

Note 4. (Deficit)/Surplus

Surplus before income tax includes the following expenses:

	2021 $	2020 $
Depreciation of non-current assets	**37,816**	**47,742**
Employee benefits expense	**1,488,785**	**1,416,856**
Office occupation expense	**47,534**	**48,862**

Note 5. Cash and cash equivalents

	2021 $	2020 $
Cash at bank and on hand	**683,109**	**839,983**

Note 6. Receivables

	2021 $	2020 $
Receivables	**101,745**	**98,225**

These amounts generally arise from fundraising events.

Note 7. Other assets

	2021 $	2020 $
Prepayments	**92,583**	**6,000**
Other	**25,362**	**15,609**
Current assets - other	**117,945**	**21,609**

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:

	2021 $	2020 $
Financial assets at fair value through profit or loss		
Investments – Managed funds	**3,276,317**	**2,865,990**
	3,276,317	**2,865,990**

For financial year 2020 these assets were classified as current as the accounts of the Old Foundation were prepared on liquidation basis as outlined in Note 1a(ii). They have been re-classified as non current.

Note 9. Property, plant & equipment

	Furniture Fittings	Office Equipment	Total
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**
Year ended 31 October 2021			
Opening net book amount	6,688	76,520	83,208
Additions	-	5,949	5,949
Depreciation charge	(3,687)	(34,129)	(37,816)
Closing net book amount	**3,001**	**48,340**	**51,341**
At 31 October 2021			
Cost	163,533	269,675	433,208
Accumulated depreciation	(160,532)	(221,335)	(381,867)
Net book amount	**3,001**	**48,340**	**51,341**

Note 10. Provisions

	2021 $	2020 $
Make good provision	**20,000**	**20,000**
	20,000	**20,000**

(a) Make good provision

The combined entity 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

	2021 Units	2020 Units	2021 $	2020 $
Units issued	**100**	100	**100**	100

The units apply only to the Old Foundation as the New Foundation, being a company limited by guarantee, has no share capital. Members of the New Foundation are liable for the amount of their guarantee, which is $10 per member and there are currently 9 members.

Note 12. Retained surpluses

	2021 $	2020 $
Retained surplus at the beginning of the financial year	**3,739,163**	**4,060,305**
Investment Revaluation Reserve	**-**	**-**
Net surplus/(deficit) for the financial year	**140,080**	**(321,142)**
Retained surplus at the end of the financial year	**3,879,243**	**3,739,163**

Note 13. Remuneration of auditors

The audit of the combined entity for the year ended 31 October 2021 was carried out by PricewaterhouseCoopers. The audit is done on an honorary basis and therefore no expense was incurred by the combined entity.

Note 14. Related parties

The persons listed below were directors of both the Old and New Foundations, with appointments & resignations also applying to both Foundations, except for Virginia Briggs who was a director of the New Foundation only. Directorships of the Old Foundation were for the whole of the year and ceased, unless otherwise indicated below, when it was wound up involving the trust's ABN and ACNC registration being cancelled on 12 November 2021 and the company's de-registration with ASIC on 26 January 2022. Directorships of the New Foundation were for the whole of the year and up to the date of this report unless noted otherwise.

Virginia Briggs (appointed 1 November 2021 – New Foundation only)
Daryl Browning
Gregory Clarke
Murray Coleman
Jane Fitzgerald (appointed 6 September 2021)
Steven Gatt
Peter Inge
Robert (Bob) Johnston (resigned 15 March 2021)
John W Kenny
Kathleen Mac Dermott (resigned 21 July 2021)
Penelope Ransom (Chairman from 15 March 2021)

Company Secretary
Terence Petry

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 combined entity 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 combined entity.

Note 15. Commitments & Contingencies

Lease commitments:

(i) Non-cancellable operating leases
The combined entity leases office space in Sydney & Brisbane under non-cancellable operating leases expiring within 5 years.

	2021 $	2020 $
Commitments for minimum lease payments in relation to a non-cancellable operating lease are payable as follows:		
Within one year	**59,628**	**45,420**
Later than one year but not later than five years	**142,096**	**3,785**
	201,724	**49,205**

Charitable commitments:

The combined entity 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 which give rise to the following commitments:

	2021	2020
	$	$
Commitment to fund counsellors/youth workers:		
Within one year	300,000	300,000
Later than one year but not later than five years	525,000	825,000
	825,000	1,125,000

Contingencies:

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

Note 16. Charitable Disbursements

During the year the combined entity made distributions to charities totalling $2,126,981 (2020: $2,101,036). In addition, in the current and prior years the combined entity has approved in principle funding of a number of projects which are expected to proceed in the 2022.

Note 17. Cash flow information

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

	2021	2020
	$	$
Surplus/(Deficit) after income tax	140,080	(321,142)
Depreciation	37,816	47,742
Gain/Loss on disposal of investment funds	7,204	17,931
Unrealised (gain) on investment funds	(338,249)	(24,668)
Dividends reinvested in investment funds	(103,281)	(73,096)
Change in operating assets and liabilities:		
(Increase)/decrease in receivables	(3,520)	169,262
(Increase)/decrease in other assets	(96,336)	107,623
Increase/(decrease) in deferred income	170,628	(191,108)
Increase/(decrease) in payables	(12,659)	(16,190)
Increase in provisions	23,292	38,675
Net cash (outflow)/inflow from operating activities	(174,925)	(244,971)

Note 18. Events occurring after the balance sheet date

No matter or circumstances has arisen since 31 October 2021 that has significantly affected or may significantly affect the combined entity's operation or state of affairs.

The Old Foundation, although a single legal entity, consisted of 2 components – a trust and a company. On 12 November 2021 the trust's ABN and ACNC registration were cancelled and on 26 January 2022 the company (Property Industry Foundation Pty Ltd ABN 81 071 443 797) was deregistered with ASIC.

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 combined entity's operations. Management and the Board continue to monitor the situation on a regular basis.

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

	2021 $	2020 $
a) Details of combined gross income and expenditure of fundraising appeals		
Gross proceeds from fundraising appeals[1]	**1,281,981**	**1,656,393**
Total costs of fundraising appeals	**(274,829))**	**(407,055)**
Net surplus from fundraising	**1,007,152**	**1,249,338**

[1]Gross proceeds from fundraising exclude donations

	2021 $	2020 $
b) Statement showing how funds received were applied to charitable purposes		
Net surplus from fundraising	**1,007,152**	**1,249,338**
This was applied to charitable purposes in the following manner:		
Distributions to eligible charities	**(1,046,449)**	**(1,440,699)**
Deficit in funds available from fundraising	**(39,297)**	**(191,361)**

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

	2021 $	2020 $
Total cost of fundraising	**274,829**	**407,055**
Gross income from fundraising	**1,281,981**	**1,656,393**
% of fundraising cost over income	**21%**	**25%**
Net surplus from fundraising	**1,007,152**	**1,249,338**
Revenue	**1,281,981**	**1,656,393**
% of surplus over revenue	**79%**	**75%**
Total distributions to eligible charities	**1,046,449**	**1,440,699**
Net surplus from fundraising	**1,007,152**	**1,249,338**
% of total distributions to eligible charities over surplus	**104%**	**115%**

Declaration for the year ended 31 October 2021

The Directors of The Property Industry Foundation Ltd (New Foundation) declare that in our 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 the Trust Deed and the Constitution, 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 2021 and of its performance for the financial year ended on that date; and

(b) there are reasonable grounds to believe that the New Foundation will be able to pay its debts as and when they become due and payable. As disclosed in note 1(a), the Old Foundation has no remaining assets and liabilities and has been deregistered;

(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 of The Property Industry Foundation Ltd (New Foundation).

Penelope Ransom
Chairman (of the New Foundation and of the Old Foundation at time of de-registration)
Sydney
16 March 2022

Independent auditor's report

To the unitholders of The Property Industry Foundation and the shareholders of The Property Industry Foundation Ltd

Report on the audit of the financial report

Our qualified opinion

In our opinion, except for the possible effects of the matters described in the *Basis for qualified opinion* section of our report, the accompanying combined financial report of The Property Industry Foundation ACNC Group which comprises The Property Industry Foundation and The Property Industry Foundation Limited (together 'the combined entity') 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 combined entity's financial position as at 31 October 2021 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 2021
- 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 declaration of the directors.

Basis for qualified opinion

Cash from donations and other fundraising activities are a significant source of revenue for the combined entity. The directors of The Property Industry Foundation Limited 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 combined entity'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 combined entity 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 – basis of preparation

We draw attention to Note 1 in the financial report which describes the basis of preparation of the Combined financial report and indicates that The Property Industry Foundation was wound up on 12 November 2021, with its trustee was deregistered on 26 January 2022, and its assets donated to The Property Industry Foundation Limited. 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 2021, 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 combined entity 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 combined entity 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 combined entity'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 2021;

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 2021;

c) money received as a result of fundraising appeals conducted by the combined entity during the financial year ended 31 October 2021 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
16 March 2022