

**Property Industry Foundation
Annual report - 31 October 2010**

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

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

Property Industry Foundation Pty Limited
Suite 3 Level 2 Grafton Bond Building
201 Kent Street Sydney NSW 2000

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

The financial report was authorised for issue by the directors on 15 April 2011. The Foundation has the power to amend and reissue the financial report.

The directors of Property Industry Foundation Pty Limited as trustee for the Property Industry Foundation ("Foundation") present their report for the year ended 31 October 2010.

Directors of the Trustee

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

B Brakey (Appointed 16 April 2010)
V Chiodo (Appointed 19 November 2010)
N Collishaw
B Crotty
B Dennis (Resigned 19 November 2010)
K A Grayson (Resigned 15 November 2010)
K R Griffin
V P Hoog Antink
T Johansen
C Kirk

Principal activities

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

Significant changes in the state of affairs

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

Review of operations

The Foundation's surplus for the year ended 31 October 2010 was \$9,919 (2009: surplus of \$144,086)

Matters subsequent to the end of the financial year

No other matter or circumstance has arisen since 31 October 2010 that has significantly affected, or may significantly affect:

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

Likely developments and expected results of operations

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

Environmental regulation

The Foundation is not subject to any significant environmental regulation.

Insurance of officers

The Foundation did not pay a premium to insure the directors of the trustee of the Foundation during the year.

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



Victor P Hoog Antink
Chairman

Sydney
15 April 2011

Property Industry Foundation
Statement of Comprehensive Income
For the financial year ended 31 October 2010

	Notes	2010 \$	2009 \$
Revenue	3	2,155,789	1,754,890
Other income	3	215,575	196,531
Less Expenses:			
Yachting regatta		(145,555)	(124,380)
Annual ball		-	(134,148)
PA exclusive campaign		(26,030)	(10,595)
Government House cocktail party		(7,829)	(9,227)
National Hard Hat Day		(18,792)	(13,480)
Car Rally		(56,079)	(18,612)
Property Blitz		(30,571)	(9,129)
Employee benefits expense	4	(628,161)	(460,129)
Depreciation	4	(24,220)	(21,290)
Computer and internet expense		(24,459)	(18,391)
Rental Expense	4	(51,712)	(58,772)
Office supplies expense		(23,605)	(12,034)
Marketing expenses		(7,060)	(14,555)
Other expenses		(148,352)	(144,143)
Surplus before related income tax expense		1,178,939	902,536
Income tax expense	1(b)	-	-
Surplus after related income tax expense		1,178,939	902,536
Distributions to eligible charities		(1,169,020)	(758,450)
Net surplus		9,919	144,086
Other Comprehensive Income			
Changes in the fair value of available-for-sale financial assets		5,711	22,169
Total Comprehensive Income for the year		15,630	166,255

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

Property Industry Foundation
Balance Sheet
As at 31 October 2010

	Notes	2010 \$	2009 \$
ASSETS			
Current assets			
Cash assets	5	1,294,392	1,331,088
Receivables	6	94,564	9,450
Other	7	61,843	45,709
Total current assets		<u>1,450,799</u>	<u>1,386,247</u>
Non-current assets			
Other financial assets	8	1,757,144	1,568,144
Property, plant and equipment	9	38,279	61,819
Total non-current assets		<u>1,795,423</u>	<u>1,629,963</u>
Total assets		<u>3,246,222</u>	<u>3,016,210</u>
 LIABILITIES			
Current liabilities			
Payables	10	65,990	46,489
Provisions	11	135,479	33,842
Deferred Income		174,921	62,124
Total current liabilities		<u>376,390</u>	<u>142,455</u>
Non current liabilities			
Provisions	12	80,064	99,617
Total liabilities		<u>456,454</u>	<u>242,072</u>
Net assets		<u>2,789,768</u>	<u>2,774,138</u>
EQUITY			
Units issued	13	100	100
Reserves	14	27,880	22,169
Retained surpluses	15	2,761,788	2,751,869
Total equity		<u>2,789,768</u>	<u>2,774,138</u>

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

Property Industry Foundation
Statement of changes in equity
For the financial year ended 31 October 2010

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

	Contributed Equity	Reserves	Accumulated Surplus	Total
	\$	\$	\$	\$
Balance at 1 November 2008	100	-	2,607,783	2,607,883
Total comprehensive income for the year	-	22,169	144,086	166,255
Balance at 31 October 2009	100	22,169	2,751,869	2,774,138
Balance at 1 November 2009	100	22,169	2,751,869	2,774,138
Total comprehensive income for the year	-	5,711	9,919	15,630
Balance at 31 October 2010	100	27,880	2,761,788	2,789,768

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

Property Industry Foundation
Statement of Cash Flows
For the financial year ended 31 October 2010

	Notes	2010 \$	2009 \$
Cash flows from operating activities			
Receipts from donations and fundraising activities		2,286,254	1,736,078
Payments for fundraising activities		<u>(416,984)</u>	<u>(319,571)</u>
		1,869,270	1,416,507
Interest received		58,286	48,177
Payments to other suppliers and employees		(794,552)	(652,282)
Distributions to eligible charities		<u>(1,169,020)</u>	<u>(758,450)</u>
Net cash inflow/(outflow) from operating activities	20	<u>(36,016)</u>	53,952
Cash flows from investing activities			
Payments for property, plant and equipment		(680)	(13,620)
Payments for available-for-sale financial assets		(157,289)	(427,310)
Distribution received from available-for-sale financial assets		<u>157,289</u>	<u>148,354</u>
Net cash outflow from investing activities		<u>(680)</u>	<u>(292,576)</u>
Cash flows from financing activities			
Net cash inflow/(outflow) from financing activities		<u>-</u>	<u>-</u>
Net increase / (decrease) in cash held		(36,696)	(238,624)
Cash at the beginning of the financial year		<u>1,331,088</u>	1,569,712
Cash at the end of the financial year	5	<u>1,294,392</u>	<u>1,331,088</u>

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

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Note 1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial report 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 – Reduced Disclosure Requirements, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001*.

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

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

(iii) Early adoption of standards

The group has elected to apply the following pronouncements to the annual reporting period beginning 1 November 2009:

- AASB 2010-4 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project*
- AASB 1053 *Application of Tiers of Australian Accounting Standards* and AASB 2010-2 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*

This includes applying the revised pronouncement to the comparatives in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. None of the items in the financial statements had to be restated as the result of applying this standard. The adoption of AASB 1053 and AASB 2011-2 allowed the entity to remove a number of disclosures. There was no other impact on the current or prior year financial statements.

Historical cost convention

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

Critical accounting estimates

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

Going concern

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

(b) Income tax

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

(c) Revenue recognition

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

Note 1. Summary of significant accounting policies (continued)

Revenue is recognised for the major business activities as follows:

(i) Functions

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

(ii) Donations

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

(iii) Interest income

Interest income is recognised using the effective interest rate method.

(iv) Investment income

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

(d) Leases

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

(e) Receivables

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

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

(f) Investments and other financial assets

Classification

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

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

Note 1. Summary of significant accounting policies (continued)

Recognition and de-recognition

Regular purchases and sales of financial assets are recognised on trade-date - the date on which the Foundation commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through the statement of comprehensive

income. Financial assets carried at fair value through the statement of comprehensive income are initially recognised at fair value and transaction costs are expensed in the statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Foundation has transferred substantially all the risks and rewards of ownership.

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

Subsequent measurement

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

Impairment

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

(g) Property, plant and equipment

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

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

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

Office equipment	3 years
Furniture and fittings	5 years

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

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

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

Note 1. Summary of significant accounting policies (continued)

(h) Payables

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

(i) Provisions

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

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

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 non-monetary benefits and annual leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Long service leave

A liability for long service leave is recognised for all employees with service beyond 5 years. The liability is calculated as the employee salary multiplied by the number of weeks long service leave accrued at present value.

(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.

Note 1. Summary of significant accounting policies (continued)

(m) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 31 October 2010 reporting periods. The Foundation's assessment of the impact of these new standards and interpretations is that there is not expected to be any material effect on the Foundation in future reporting periods.

Note 2. Financial risk management

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

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

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

Note 3. Revenue

	2010	2009
	\$	\$
Revenue from operating activities		
Donations		
Platinum donations	602,500	457,500
Gold donations	187,375	126,750
Silver donations	105,000	75,000
General corporate donations	86,417	9,707
	981,292	668,957
Fundraising revenue		
National Hard Hat Day	320,464	274,826
Annual ball	101,283	322,534
Yachting regatta	510,716	417,899
PA exclusive campaign	36,698	20,771
Charity Property Auction	19,706	-
Car Rally	149,736	35,503
Property Blitz	21,480	-
Government House cocktail party	14,414	14,400
	1,174,497	1,085,933
	2,155,789	1,754,890

Other Income

	2010	2009
	\$	\$
Interest income	58,286	48,177
Managed fund distributions	157,289	148,354
	215,575	196,531
Total revenue	2,371,364	1,951,421

Note 4. Surplus

Surplus before income tax includes the following expenses:

	2010	2009
	\$	\$
Depreciation of non-current assets	24,220	21,290
Employee benefits expense	628,161	460,129
Rental lease expense relating to operating leases	51,712	58,772

Note 5. Current assets - Cash and cash equivalents

	2010	2009
	\$	\$
Cash at bank and on hand	<u>1,294,392</u>	<u>1,331,088</u>

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

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

	2010	2009
	\$	\$
Balances as above	<u>1,294,392</u>	<u>1,331,088</u>
Balances per statement of cash flows	<u>1,294,392</u>	<u>1,331,088</u>

Note 6. Current assets - Receivables

	2010	2009
	\$	\$
Receivables	<u>94,564</u>	<u>9,450</u>

These amounts generally arise from fund raising events. There are no impaired receivables to be written-off for 2010.

Note 7. Current assets - Other

	2010	2009
	\$	\$
Prepayments	<u>61,843</u>	<u>45,709</u>

Note 8. Non-current assets - Other financial assets

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

	2010	2009
	\$	\$
Securities managed funds and listed trusts	<u>1,757,144</u>	<u>1,568,144</u>

The fair value of available-for-sale financial assets is determined by the market price available in relation to the investment in the managed funds as of 31 October 2010.

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

	Furniture Fittings	Office Equipment	Total
At 1 November 2008			
Cost	100,527	16,809	117,336
Accumulated depreciation	(31,702)	(16,145)	(47,847)
Net book amount	68,825	664	69,489
Year ended 31 October 2009			
Opening net book amount	68,825	664	69,489
Additions	13,620	-	13,620
Depreciation charge	(20,626)	(664)	(21,290)
Closing net book amount	61,819	-	61,819
At 1 November 2009			
Cost	114,147	16,809	130,956
Accumulated depreciation	(52,328)	(16,809)	(69,137)
Net book amount	61,819	-	61,819
Year ended 31 October 2010			
Opening net book amount	61,819	-	61,819
Additions	680	-	680
Depreciation charge	(24,220)	-	(24,220)
Closing net book amount	38,279	-	38,279
At 31 October 2010			
Cost	114,827	16,809	131,636
Accumulated depreciation	(76,548)	(16,809)	(93,357)
Net book amount	38,279	-	38,279

Note 10. Current liabilities - Payables

	2010	2009
	\$	\$
Payables	65,990	46,489
Other payables and accruals	-	-
	65,990	46,489

Note 11. Current liabilities - Provisions

	2010	2009
	\$	\$
Employee benefits	135,479	33,842

Note 12. Non current liabilities - Provisions

	2010	2009
	\$	\$
Employee Benefits	19,758	17,514
Lease Incentive	41,909	64,829
Make good provision	18,397	17,274
	80,064	99,617

(a) Make good provision

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

(b) Movements in provision

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

	2010	2009
	\$	\$
Non-current provision – Lease incentive		
Carrying amount in the beginning of the financial year	64,829	87,749
Amortisation of lease incentives	(22,920)	(22,920)
Carrying amount at the end of the financial year	41,909	64,829
Non-current provision – Make good provision		
Carrying amount in the beginning of the financial year	17,274	16,221
Additional provision recognised	1,123	1,053
Carrying amount at the end of the financial year	18,397	17,274

Note 13. Units issued

	2010 Units	2009 Units	2010 \$	2009 \$
Units issued	<u>100</u>	100	<u>100</u>	100

Note 14. Reserves

	2010 \$	2009 \$
Available-for-sale investments revaluation reserve	<u>27,880</u>	<u>22,169</u>
Movements in the available-for-sale investments revaluation reserve are set out below:		
	2010 \$	2009 \$
Balance at the beginning of the financial year	22,169	-
Transferred to the statement of comprehensive income	-	-
Movement in fair value of investments	5,711	22,169
Balance at the end of the financial year	<u>27,880</u>	<u>22,169</u>

Note 15. Retained surpluses

	2010 \$	2009 \$
Retained surplus at the beginning of the financial year	2,751,869	2,607,783
Net surplus for the financial year	9,919	144,086
Retained surplus at the end of the financial year	<u>2,761,788</u>	<u>2,751,869</u>

Note 16. Remuneration of auditors

The audit of the Foundation for the year ended 31 October 2010 was carried out by PricewaterhouseCoopers. The audit is done on an honorary basis and therefore no expense was incurred by the Foundation.

Note 17. Related parties

Directors of the trustee

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

B Brakey (Appointed 16 April 2010)
V Chiodo (Appointed 19 November 2010)
N Collishaw
B Crotty
B Dennis (Resigned 19 November 2010)
K A Grayson (Resigned 15 November 2010)
K R Griffin
V P Hoog Antink
T Johansen
C Kirk

Note 17. Related parties (continued)

Remuneration of trustee directors

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

Transactions with trustee director-related entities

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

Note 18. Commitments

Lease commitments:

(i) Non-cancellable operating leases

The Foundation leases one office under – non cancellable operating leases expiring within 5 years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

	2010	2009
	\$	\$
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	93,460	90,067
Later than one year but not later than five years	38,942	120,090
	132,402	210,157

Note 19. Charitable Disbursements

During the year the Foundation made distributions to charities totalling \$1,169,020 (2009: \$728,450). In addition, the Foundation has approved in the current and prior years a number of projects which are expected to proceed in the 2010 year. The outstanding approvals amount to \$598,000 as at 31 October 2010.

Note 20. Cash flow information

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

	2010	2009
	\$	\$
(Deficit)/Surplus after income tax	9,919	144,086
Depreciation	24,220	21,290
Change in operating assets and liabilities:		
Increase/(decrease) in receivables	(85,114)	11,188
Increase in other assets	(16,133)	(18,118)
Increase in Deferred Income	112,795	62,124
(Decrease)/increase in payables	19,501	(3,841)
(Decrease)/increase in provisions	56,085	(14,423)
Dividends received from available-for-sale financial assets	(157,289)	(148,354)
	(36,016)	53,952

Note 21. Events occurring after the balance sheet date

No matter or circumstances has arisen since 31 October 2010 that has significantly affected, or may significantly affect:

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

Note 22. Additional information furnished under the *Charitable Fundraising Act 1991* and the Regulations

	2010	2009
	\$	\$
a) Details of aggregate gross income and expenditure of fundraising appeals		
Gross proceeds from fundraising appeals (i)	1,174,497	1,085,933
Total costs of fundraising appeals	<u>(416,984)</u>	<u>(319,571)</u>
Net surplus from fundraising	<u>757,513</u>	<u>766,362</u>

(i) Gross proceeds from fundraising exclude donations

	2010	2009
	\$	\$

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

Net surplus from fundraising	757,513	766,362
This was applied to charitable purposes in the following manner:		
Distributions to eligible charities	<u>1,169,020</u>	<u>758,450</u>
Surplus /(deficit) in funds available from fundraising	<u>(411,507)</u>	<u>7,912</u>

c) Fundraising appeals conducted during the year

Special events held during the year included National Hard Hat Day, Annual Foundation Ball, Yachting Regatta, PA Exclusive Campaign, Car Rally & Cycling Challenge and the Government House Cocktail Party.

d) Comparison of monetary figures and percentages

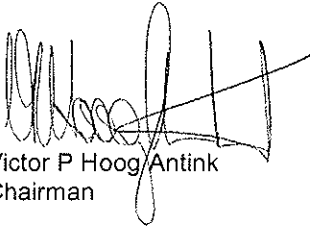
	2010	2009
	\$	\$
Total cost of fundraising	416,984	319,571
Gross income from fundraising	<u>1,174,497</u>	<u>1,085,933</u>
% of fundraising cost over income	<u>35%</u>	<u>29%</u>
Surplus	1,178,939	902,536
Revenue	<u>2,155,789</u>	<u>1,754,890</u>
% of surplus over revenue	<u>55%</u>	<u>51%</u>
Total distributions to eligible charities	1,169,020	758,450
Surplus	<u>1,178,939</u>	<u>902,536</u>
% of total distributions to eligible charities over surplus	<u>99%</u>	<u>84%</u>

Property Industry Foundation
Declaration by the Chairman of the Trustee
31 October 2010

I, Victor Hoog Antink, Chairman of the trustee for the Property Industry Foundation declare that in my opinion:

- (a) the financial statements and notes set out on pages 4 to 20 are in accordance with the Trust Deed, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the entity's financial position as at 31 October 2010 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.

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



Victor P Hoog Antink
Chairman

Sydney
15 April 2011

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

Report on the financial report and fundraising appeals

We have audited the accompanying financial report of Property Industry Foundation (the Foundation), which comprises the balance sheet as at 31 October 2010, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes and the trustee's declaration.

The responsibility of the Directors of the Trustee for the financial report

The directors of the trustee of the Foundation are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, the NSW Charitable Fundraising Act 1991 and the NSW Charitable Fundraising Regulation 2008. This responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

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

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

The financial report has been prepared for distribution to unitholders for the purpose of fulfilling the financial reporting obligations of the directors of the trustee of the Foundation under the NSW Charitable Fundraising Act 1991 and the NSW Charitable Fundraising Regulation 2008. We disclaim any assumption of responsibility for any reliance on this audit report or on the financial report to which it relates to any person other than the unitholders or for any purpose other than that for which they were prepared.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors of the trustee of the Foundation or management.

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

Basis for qualified auditor's opinion

Cash from donations and other fundraising activities are a significant source of revenue for the Foundation. The Foundation's committee of management has determined that it is impracticable to establish controls over the collection of cash donations and other fundraising activities prior to entry into its financial records. Accordingly, as the evidence available to us regarding revenue from these sources was limited, our audit procedures with respect to cash donations and other fundraising activities had to be restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion as to whether revenue from cash donations and other fundraising activities is complete.

Qualified auditor's opinion on the financial report

In our opinion, except for the effects on the financial report of such adjustments, if any, as might have been required had the limitation on our audit procedures referred to in the qualification paragraph not existed,

- (a) the financial report presents fairly, in all material respects, the financial position of Property Industry Foundation as at 31 October 2010 and its financial performance for the year then ended in accordance with Australian Accounting Standards; – Reduced Disclosure Requirements.
- (b) the financial report and associated records have been properly kept during the year ended 31 October 2010 in accordance with:
 - I. section 20(1) and section 22(1-2) of the NSW Charitable Fundraising Act 1991 (the Act); and
 - II. section 10 of the NSW Charitable Fundraising Regulation 2008 (the Regulations) and section 7 of Schedule 1 to the Regulations, and;
- (c) the money received as a result of fundraising appeals conducted during the year ended 31 October 2010 have been properly accounted for and applied in accordance with the above mentioned sections in the Act and the Regulations.


PricewaterhouseCoopers


N R McConnell
Partner

Sydney
15 April 2011

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

Report on the financial report and fundraising appeals

We have audited the accompanying financial report of Property Industry Foundation (the Foundation), which comprises the balance sheet as at 31 October 2010, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes and the trustee's declaration.

The responsibility of the Directors of the Trustee for the financial report

The directors of the trustee of the Foundation are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, the NSW Charitable Fundraising Act 1991 and the NSW Charitable Fundraising Regulation 2008. This responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

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

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

The financial report has been prepared for distribution to unitholders for the purpose of fulfilling the financial reporting obligations of the directors of the trustee of the Foundation under the NSW Charitable Fundraising Act 1991 and the NSW Charitable Fundraising Regulation 2008. We disclaim any assumption of responsibility for any reliance on this audit report or on the financial report to which it relates to any person other than the unitholders or for any purpose other than that for which they were prepared.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

Independent auditor's report to the unitholders of Property Industry Foundation (continued)

Our audit did not involve an analysis of the prudence of business decisions made by directors of the trustee of the Foundation or management.

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

Basis for qualified auditor's opinion

Cash from donations and other fundraising activities are a significant source of revenue for the Foundation. The Foundation's committee of management has determined that it is impracticable to establish controls over the collection of cash donations and other fundraising activities prior to entry into its financial records. Accordingly, as the evidence available to us regarding revenue from these sources was limited, our audit procedures with respect to cash donations and other fundraising activities had to be restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion as to whether revenue from cash donations and other fundraising activities is complete.

Qualified auditor's opinion on the financial report

In our opinion, except for the effects on the financial report of such adjustments, if any, as might have been required had the limitation on our audit procedures referred to in the qualification paragraph not existed,

- (a) the financial report presents fairly, in all material respects, the financial position of Property Industry Foundation as at 31 October 2010 and its financial performance for the year then ended in accordance with Australian Accounting Standards – Reduced Disclosure Requirements;
- (b) the financial report and associated records have been properly kept during the year ended 31 October 2010 in accordance with:
 - I. section 20(1) and section 22(1-2) of the NSW Charitable Fundraising Act 1991 (the Act); and
 - II. section 10 of the NSW Charitable Fundraising Regulation 2008 (the Regulations) and section 7 of Schedule 1 to the Regulations, and;
- (c) the money received as a result of fundraising appeals conducted during the year ended 31 October 2010 have been properly accounted for and applied in accordance with the above mentioned sections in the Act and the Regulations.


PricewaterhouseCoopers


N R McConnell
Partner

Sydney
15 April 2011

