Property Industry Foundation
Annual report - 31 October 2009

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Contents

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 pages 3, which is not part of this financial report.

The financial report was authorised for issue by the directors on 16 April 2010 The Foundation has the power to amend and reissue the financial report.

The directors of Property Industry Foundation Pty Limited for the Property Industry Foundation ("Foundation") present their report for the year ended 31 October 2009.

Directors of the Trustee

The following persons were directors of the trustee of Property Industry Foundation at the date of this report:

G Munro
G Rothwell
K A Grayson
C Kirk
B Crotty
T Johansen
K R Griffin

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 deficit for the year ended 31 October 2009 was $4,268 (2008: deficit of $19,192)

Investments

The Income Statement for the year to October 2008 showed a Loss on Financial Assets of $450,470 attributable to the write-down of the carrying value of the Foundation's investment portfolio as a consequence of the Global Financial Crisis. As directors could not have foreseen the extent of the recovery in financial markets in October 2008, the write-down was expensed.

Careful management of the Foundation's investment portfolio together with a general recovery in financial markets has enabled the Foundation to record a net increase in the value of its portfolio of $170,528 during the period under review of which $148,354 (dividends) has been recognised in the Income Statement and the balance reflected in an increase in the carrying value of the Foundation's portfolio.

Further increases in the value of the Foundation's investment portfolio since balance date have brought its total carrying value back to a level that is slightly more than the aggregate funds that have been progressively allocated to the portfolio over the years.

Matters subsequent to the end of the financial year

No other matter or circumstance has arisen since 31 October 2009 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.

Brendan Patrick Crotty
Chairman

Sydney
16 April 2010

Property Industry Foundation
Income Statement
As at 31 October 2009

	Notes	2009 $	2008 $
Revenue	3	**1,754,890**	2,027,965
Other income	3	**196,531**	46,398
Less Expenses:			
Yachting regatta		**(124,380)**	(185,896)
Annual ball		**(134,148)**	(119,859)
PA exclusive campaign		**(10,595)**	(22,653)
Government House cocktail party		**(9,227)**	(14,059)
National Hard Hat Day		**(13,480)**	(19,205)
Car Rally		**(18,612)**	(30,574)
Property Blitz		**(9,129)**	(11,945)
Employee benefits expense	4	**(460,129)**	(445,314)
Depreciation	4	**(21,290)**	(30,115)
Computer and internet expense		**(18,391)**	(16,678)
Rental Expense	4	**(58,772)**	(59,523)
Office supplies expense		**(12,034)**	(16,557)
Marketing expenses		**(14,555)**	(45,224)
Fair value loss on other financial assets	4	**-**	(450,470)
Other expenses		**(144,143)**	(132,688)
Surplus before related income tax expense		**902,536**	473,603
Income tax expense	1(b)	**-**	-
Surplus after related income tax expense		**902,536**	473,603
Distributions to eligible charities		**(758,450)**	(492,795)
Net surplus		**144,086**	(19,192)

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

Property Industry Foundation
Balance Sheet
As at 31 October 2009

	Notes	2009 $	2008 $
ASSETS			
Current assets			
Cash assets	5	**1,331,088**	1,569,712
Receivables	6	**9,450**	20,638
Other	7	**45,709**	27,591
Total current assets		**1,386,247**	1,617,941
Non-current assets			
Other financial assets	8	**1,568,144**	1,118,665
Property, plant and equipment	9	**61,819**	69,489
Total non-current assets		**1,629,963**	1,188,154
Total assets		**3,016,210**	2,806,095
LIABILITIES			
Current liabilities			
Payables	10	**46,489**	50,330
Provisions	11	**33,842**	29,182
Deferred Income		**62,124**	-
Total current liabilities		**142,455**	79,512
Non current liabilities			
Provisions	12	**99,617**	118,700
Total liabilities		**242,072**	198,212
Net assets		**2,774,138**	2,607,883
EQUITY			
Units issued	13	**100**	100
Reserves	14	**22,169**	-
Retained surpluses	15	**2,751,869**	2,607,783
Total equity		**2,774,138**	2,607,883

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

Property Industry Foundation
Statement of changes in equity
For the year ended 31 October 2009

	Note	**2009** **$**	2008 $
Total equity at the beginning of the financial year		**2,607,883**	2,545,241
Net surplus for this year	15	**144,086**	(19,192)
Changes in the fair value of available-for-sale financial assets	14	**22,169**	81,834
Total recognised (deficit)/surplus for the year		**166,255**	62,642
Total equity at the end of the financial year		**2,774,138**	2,607,883

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

	Notes	2009 $	2008 $
Cash flows from operating activities			
Receipts from donations and fundraising activities		**1,736,078**	2,067,437
Payments for fundraising activities		**(319,571)**	(404,191)
		1,416,507	1,663,246
Interest received		**48,177**	45,290
Payments to other suppliers and employees		**(652,282)**	(705,261)
Distributions to eligible charities		**(758,450)**	(492,795)
Managed fund distribution		**-**	1,108
Net cash inflow from operating activities	20	**53,952**	511,588
Cash flows from investing activities			
Payments for property, plant and equipment		**(13,620)**	(17,198)
Payments for available-for-sale financial assets		**(427,310)**	-
Distribution received from available-for-sale financial assets		**148,354**	139,110
Net cash outflow from investing activities		**(292,576)**	121,912
Cash flows from financing activities			
Net cash inflow/(outflow) from financing activities		**-**	-
Net increase /(decrease) in cash held		**(238,624)**	633,500
Cash at the beginning of the year		**1,569,712**	936,212
Cash at the end of the year	5	**1,331,088**	1,569,712

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

Content of the notes to the financial statements

Note 1. Summary of significant accounting policies (continued)

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

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and Urgent Issues Group Interpretations.

Compliance with IFRS
Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements of Property Industry Foundation comply with International Financial Reporting Standards (IFRS).

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 in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in applying the Foundation's accounting policies. However, there are no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements.

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 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 and investment income
Interest and investment income are recognised on an accrual basis.

(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 income statement on a straight-line basis over the period of the lease.

Note 1. Summary of significant accounting policies (continued)

(e) Receivables

All receivables primarily represent donations. The amounts due from are recognised initially at fair value and 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. A provision for doubtful receivables is established when there is objective evidence that the Foundation will not be able to collect all amounts due according to the original terms of 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 income statement.

(f) Investments and other financial assets

The Foundation classifies its investment portfolio as available for sale financial assets. Management determines the classification of its investments at the time of initial recognition.

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in another category. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

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 profit or loss. 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 equity are included in the income statement as gains and losses from investment securities.

(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 income statement during the financial 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 residual values, over their estimated useful lives, as follows:

Office equipment	3 years
Furniture and fittings	5 years

Note 1. Summary of significant accounting policies (continued)

(g) Property, plant and equipment (continued)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet 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 income statement.

(h) Payables

Theses 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.

(i) Provisions

Provisions are recognised when the Foundation has a present legal or constructive obligation as a result of past events; 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 balance sheet 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 of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(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 deposits at call with financial institutions and 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.

Note 1. Summary of significant accounting policies (continued)

(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 flow.

(m) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 31 October 2009 reporting periods. The Foundation's assessment of the impact of these new standards and interpretations is set out below:

AASB 9 *Financial Instruments* and AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9* (effective from 1 January 2013)
AASB 9 *Financial Instruments* addresses the classification and measurement of financial assets and is likely to affect the Foundation' accounting for its financial assets. The standard is not applicable until 1 January 2013 but is available for early adoption. The Foundation is yet to assess its full impact. However, initial indications are that it may affect the group's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. The Foundation has not yet decided when to adopt AASB 9.

Revised AASB 101 Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101 (effective from 1 January 2009)
The September 2007 revised AASB 101 requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in equity, but will not affect any of the amounts recognised in the financial statements. If the Foundation has made a prior period adjustment or has reclassified items in the financial statement, it will need to disclose a third balance sheet (statement of financial position), this one at the beginning of the comparative period. The Foundation will apply the revised standard from 1 July 2009.

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 cashflow 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.

2 Financial risk management (continued)

(a) Credit risk

Credit risk is managed on a portfolio basis. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to outstanding receivables and committed transactions. Management continuously monitors the existing and new donors to ensure that they are able to continue with their contributions.

The Foundation has no significant concentrations of credit risk. The Foundation has policies in place to ensure that there will be sufficient funds for its activities and also limit the amount of credit exposure to any one financial institution.

(b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash reserves to meet the Foundation's liabilities as and when they fall due.

The Foundation manages liquidity risk by continuously monitoring forecast and actual cash flows. In addition, the Group seeks to stagger the maturity profile of its liabilities and employ financing when required.

At 31 October 2009	**Less than a year**	**Between 2 and 5 years**	**Over 5 years**	**Total contractual cash flows**	**Carrying Amount (assets)/ liabilities**
Non-derivatives					
Payables	**46,489**	**-**	**-**	**46,489**	**46,489**
Total Non-derivatives	**46,489**	**-**	**-**	**46,489**	**46,489**

At 31 October 2008	**Less than a year**	**Between 2 and 5 years**	**Over 5 years**	**Total contractual cash flows**	**Carrying Amount (assets)/ liabilities**
Non-derivatives					
Payables	50,330	-	-	50,330	50,330
Total Non-derivatives	50,330	-	-	50,330	50,330

Note 3. Revenue

	2009 $	2008 $
Revenue from operating activities		
Donations		
Platinum donations	**457,500**	360,000
Gold donations	**126,750**	214,500
Silver donations	**75,000**	81,000
General corporate donations	**9,707**	73,461
National Hard Hat Day	**14,582**	-
	683,539	728,961
Fundraising revenue		
National Hard Hat Day	**260,244**	315,281
Annual ball	**322,534**	232,833
Yachting regatta	**417,899**	654,719
PA exclusive campaign	**20,771**	14,701
Car Rally	**35,503**	47,150
Property Blitz	**-**	6,520
Government House cocktail party	**14,400**	27,800
	1,071,351	1,299,004
	1,754,890	2,027,965

Note 3. Other Income

	2009 $	2008 $
Interest income	**48,177**	45,290
Managed fund distributions	**148,354**	1,108
	196,531	46,398
Total revenue	**1,951,421**	2,074,363

Note 4. Surplus

Surplus before income tax includes the following expenses:	2009 $	2008 $
Depreciation of non-current assets: Office equipment	**21,290**	30,115
Employee benefits expense	**460,129**	445,314
Rental lease expense relating to operating leases	**58,772**	59,523
Fair value loss on investment securities	**-**	450,470

Note 5. Current assets - Cash and cash equivalents

	2009 $	2008 $
Cash at bank and on hand	**1,331,088**	1,569,712

Cash balances are at floating interest rates. The weighted average interest rate for cash balances is between 3.7% and 4% (2008: 5.60% and 6.30%)

(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:

	2009 $	2008 $
Balances as above	1,331,088	1,569,712
Balances per statement of cash flows	1,331,088	1,569,712

Note 5. Current assets - Cash and cash equivalents

(b) Risk exposure

The Foundation's exposure to interest rate risk is discussed in note 2. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of cash and cash equivalents mentioned above.

Note 6. Current assets - Receivables

	2009 $	2008 $
Receivables	**9,450**	20,638

There are no impaired receivables to be written off for both 2009 and 2008.

(a) Impaired trade receivables

The creation and release of the provision for impaired receivables where present has been included in "expenses' in the income statement. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

(b) Past due but not impaired

As of 31 October 2009, receivables of $9,450 (2008 – $20,638) were past due but not impaired. These relate to a number of donors for whom there is no recent history of default. The ageing analysis of these receivables is as follows:

	2009 $	2008 $
Up to 3 months	**9,450**	20,638

Note 6. Current assets – Receivables (continued)

The Group does not hold any collateral in relation to these receivables.

(c) Receivables
These amounts generally arise from fund raising events.

(d) Foreign exchange and interest rate risk
The Foundation is not exposed to foreign currency risk and interest rate risk in relation to receivables.

(e) Fair value and credit risk
Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above. Refer to note 2 for more information on the risk management policy of the Foundation.

Note 7. Current assets - Other

	2009	2008
	$	$
Prepayments	**45,709**	27,591

Note 8. Non-current assets - Other financial assets

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

	2009	2008
	$	$
Securities		
Managed funds and listed trusts	**1,568,144**	1,118,665

(a) Impairment and risk exposure

The maximum exposure to credit risk at the reporting date is the fair value of the debentures classified as available-for-sale.

None of the financial assets are either past due or impaired.

All available-for-sale financial assets are denominated in Australian currency.

The fair value of available-for- sale financial asset is determined by the market price available in relation to the investment in the managed funds as of 31 October 2009.

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

	Furniture Fittings	Office Equipment	Total
At 1 November 2007			
Cost	83,329	16,809	100,138
Accumulated depreciation	(6,944)	(10,788)	(17,732)
Net book amount	**76,385**	**6,021**	**82,406**
Year ended 31 October 2008			
Opening net book amount	76,385	6,021	82,406
Additions	17,198	-	17,198
Depreciation charge	(24,758)	(5,357)	(30,115)
Closing net book amount	**68,825**	**664**	**69,489**
At 31 October 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	(18370)	(2,920)	(21,290)
Closing net book amount	**55,007**	**6,812**	**61,819**
At 31 October 2009			
Cost	116,358	14,598	130,956
Accumulated depreciation	(61,351)	(7,786)	(69,137)
Net book amount	**55,007**	**6,812**	**61,819**

Note 10. Current liabilities - Payables

	2009 $	2008 $
Payables	**46,489**	3,232
Other payables and accruals	**-**	47,098
	46,489	50,330

Due to the short-term nature of these payables, their carrying amount is assumed to approximate their fair value.

Note 11. Current liabilities - Provisions

	2009 $	2008 $
Employee benefits	**33,842**	29,182

Note 12. Non current liabilities - Provisions

	2009 $	2008 $
Employee Benefits	**17,514**	14,730
Lease Incentive	**64,829**	87,749
Make good provision	**17,274**	16,221
	99,617	118,700

(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:

Non-current provision –Lease incentive	2009 $	2008 $
Carrying amount in the beginning of the year	**87,749**	30,943
Additional provision recognised	**(22,920)**	56,806
Carrying amount at the end of the year	**64,829**	87,749

Non-current provision –Make good provision	2009 $	2008 $
Carrying amount in the beginning of the year	**16,221**	2,880
Additional provision recognised	**1,053**	13,341
Carrying amount at the end of the year	**17,274**	16,221

Note 13. Units issued

	2009 Units	2008 Units	2009 $	2008 $
Units issued	**100**	100	**100**	100

Note 14. Reserves

	2009 $	2008 $
Available-for-sale investments revaluation reserve	**22,169**	-

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

	2009 $	2008 $
Balance at the beginning of the year	-	**(81,834)**
Transferred to the income statement	-	**81,834**
Movement in fair value of investments	**22,169**	-
Balance at the end of the year	**22,169**	-

Note 15. Retained surpluses

	2009 $	2008 $
Retained surplus at the beginning of the year	**2,607,783**	2,626,975
Net Deficit/surplus for the year	**144,086**	(19,192)
Retained surplus at the end of the year	**2,751,869**	2,607,783

Note 16. Remuneration of auditors

The audit of the Foundation for the year ended 31 October 2009 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 directors of the trustee during the year were:
G Munro
G Rothwell
K A Grayson
C Kirk
B Crotty
T Johansen
K R Griffin

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.

	2009 $	2008 $
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	**90,067**	54,255
Later than one year but not later than five years	**120,090**	126,595
	210,157	180,850

Note 19. Charitable Disbursements

During the year the Foundation made distributions to charities totalling $728,450 (2008: $492,795). 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 $1,166,000 as at 31 October 2009.

Note 20. Cash flow information

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

	2009 $	2008 $
(Deficit)/Surplus after income tax	**144,086**	(19,192)
Depreciation	**21,290**	30,115
Net loss/(gain) on impairment of available-for-sale financial assets	-	450,470
Change in operating assets and liabilities:		
Increase/(decrease) in receivables	**11,188**	39,472
Increase in other assets	**(18,118)**	(19,749)
Increase in Deferred Income	**62,124**	-
(Decrease)/increase in payables	**(3841)**	(49,109)
(Decrease) in provisions	**(14,423)**	79,581
Dividends received from available-for-sale financial assets	**(148,354)**	-
	53,952	511,588

Note 21. Matters subsequent to the end of the financial year

No matter or circumstances has arisen since 31 October 2009 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

	2009 $	2008 $
a) Details of aggregate gross income and expenditure of fundraising appeals		
Gross proceeds from fundraising appeals (i)	**1,071,351**	1,299,044
Total costs of fundraising appeals	**(319,571)**	(404,191)
Net surplus from fundraising	**751,780**	894,853

(i) Gross proceeds from fundraising exclude donations

	2009 $	2008 $
b) Statement showing how funds received were applied to charitable purposes		
Net surplus from fundraising	**751,780**	894,853
This was applied to charitable purposes in the following manner:		
Distributions to eligible charities	**758,450**	(492,795)
Surplus /(deficit) in funds available from fundraising	**(6,670)**	402,058

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 and the Government House Cocktail Party.

d) Comparison of monetary figures and percentages

	2009 $	2008 $
Total cost of fundraising	**319,571**	404,191
Gross income from fundraising	**1,071,351**	1,299,044
% of fundraising cost over income	**30%**	31%
Surplus	**902,536**	473,603
Revenue	**1,754,890**	2,027,965
% of surplus over revenue	**51%**	23%
Total distributions to eligible charities	**758,450**	492,795
Surplus	**902,536**	473,603
% of total distributions to eligible charities over surplus	**84%**	104%

I, Brendan Patrick Crotty, Chairman of the trustee for the Property Industry Foundation declare that in my opinion:

(a) the financial statements and notes set out on pages 5 to 22 are in accordance with the Trust Deed, including:
   (i) complying with Accounting Standards and other mandatory professional reporting requirements; and
   (ii) giving a true and fair view of the entity's financial position as at 31 October 2009 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.

Brendan Patrick Crotty
Chairman

Sydney
16 April 2010

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

Report on the financial report

We have audited the accompanying financial report of Property Industry Foundation (the "Foundation"), which comprises the balance sheet as at 31 October 2009, the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the trustees' declaration.

The responsibility of the directors of the trustee of the Foundation 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 (including the Australian Accounting Interpretations), the NSW Charitable Fundraising Act 1991 and the NSW Charitable Fundraising Regulation 2008. This responsibility also includes establishing and maintaining internal controls 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. In Note 1(a), the directors of the trustee also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

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 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.

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

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 the financial report presents fairly, in all material respects, the financial position of Property Industry Foundation as at 31 October 2009 and its financial performance for the year then ended in accordance with Australian Accounting Standards (including Australian Accounting Interpretations). The financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

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 and associated records have been properly kept during the year ended 31 October 2009 in accordance with:

  I. section 20(1) and section 22(1-2) of the NSW Charitable Fundraising Act 1991 (the Act);

  II. section 10 of the NSW Charitable Fundraising Regulation 2008 (the Regulations) and section 7 of Schedule 1 to the Regulations

(b) the money received as a result of the fundraising appeals conducted during the year ended 31 October 2009 have been properly accounted for and applied in accordance with the above mentioned sections in the Act and the Regulations.

PricewaterhouseCoopers

PricewaterhouseCoopers

N R McConnell
Partner

Sydney
16 April 2010