Property Industry Foundation
Annual report - 31 October 2013

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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 4 April 2014. The Foundation has the power to amend and reissue the financial report

The directors of Property Industry Foundation Pty Limited as trustee for Property Industry Foundation ("the Foundation") present their report for the year ended 31 October 2013.

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
V Chiodo
N Collishaw
B Crotty (Resigned 9 November 2012)
K R Griffin
V P Hoog Antink
T Johansen
C Kirk
C J Hanan
B Johnston
J W Kenny (Appointed 5 April 2013)
E A Pidgeon (Appointed 17 April 2013)

Company Secretary
J L Tipton (Resigned 5 April 2013)
T D Petry (Appointed 5 April 2013)

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

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

Review of operations
The Foundation's surplus for the year ended 31 October 2013 was $684,475 (2012: surplus of $185,430)

Matters subsequent to the end of the financial year
No other matter or circumstance has arisen since 31 October 2013 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
During the financial year, Property Industry Foundation paid a premium of $6,462 to insure the directors and secretaries of the Foundation.

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

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

Robert William Johnston
Chairman
Sydney, 4 April 2014

Property Industry Foundation
Statement of Comprehensive Income
For the financial year ended 31 October 2013

	Notes	2013 $	2012 $
Revenue	3	**3,227,666**	3,482,750
Other income	3	**308,846**	205,500
Less Expenses:			
Yachting regattas		**(195,184)**	(232,524)
Annual balls		**(164,513)**	(177,004)
Networking and Other Events		**(28,559)**	(24,098)
PA exclusive campaign		**(19,758)**	(26,367)
Government House cocktail party		**(13,282)**	(12,453)
National Hard Hat Day		**(1,716)**	(4,795)
Cycling / Car Rallies		**(39,220)**	(77,431)
Property Blitz		**(13,958)**	(34,890)
Employee benefits expense	4	**(684,586)**	(687,188)
Depreciation	4	**(8,651)**	(17,033)
Computer and internet expense		**(28,144)**	(43,697)
Rental Expense	4	**(71,521)**	(54,217)
Office supplies expense		**(10,906)**	(10,165)
Marketing and travel expenses		**(64,599)**	(29,731)
Utilities expense		**(25,874)**	(23,772)
Insurance expense		**(15,704)**	(12,731)
Other expenses		**(154,060)**	(136,612)
Total Expenses		**(1,540,235)**	(1,604,708)
Surplus before income tax expense		**1,996,277**	2,083,542
Income tax expense	1(b)	-	-
Surplus after income tax expense		**1,966,277**	2,083,542
Distributions to eligible charities		**(1,311,802)**	(1,898,112)
Net surplus		**684,475**	185,430
Other Comprehensive Income			
Items that may be reclassified to profit and loss			
Changes in the fair value of available-for-sale financial assets		**310,081**	4,457
Gain on disposal of available-for-sale assets reclassified to profit and loss		**(132,642)**	-
Total Comprehensive Income for the year		**861,914**	189,987

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

Property Industry Foundation
Balance Sheet
As at 31 October 2013

	Notes	**2013**	2012
		$	$
ASSETS			
Current assets			
Cash assets	5	**1,963,939**	1,632,618
Receivables	6	**117,254**	74,838
Other	7	**25,743**	37,573
Total current assets		**2,106,936**	1,745,029
Non-current assets			
Other financial assets	8	**2,500,547**	2,070,045
Property, plant and equipment	9	**-**	8,651
Total non-current assets		**2,500,547**	2,078,696
Total assets		**4,607,483**	3,823,725
LIABILITIES			
Current liabilities			
Payables	10	**44,766**	128,620
Provisions	11	**100,355**	110,660
Deferred Income		**32,031**	22,211
Total current liabilities		**177,151**	261,491
Non-current liabilities			
Provisions	12	**47,732**	41,549
Total liabilities		**224,884**	303,040
Net assets		**4,382,599**	3,520,685
EQUITY			
Units issued	13	**100**	100
Reserves	14	**100,648**	(76,791)
Retained surpluses	15	**4,281,851**	3,597,376
Total equity		**4,382,599**	3,520,685

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

	Contributed Equity	Reserves	Accumulated Surplus	Total
		Attributable to the equity holders of the Property Industry Foundation		
	$	$	$	$
Balance at 1 November 2011	100	(81,248)	3,411,946	3,330,798
Net surplus for the year	-	-	185,430	185,430
Other comprehensive income for the year:				
Changes in the fair value of available-for-sale financial assets	-	4,457	-	4,457
Total comprehensive income for the year	-	4,457	185,430	189,887
Balance at 31 October 2012	100	(76,791)	3,597,376	3,520,685
Balance at 1 November 2012	**100**	**(76,791)**	**3,597,376**	**3,520,685**
Net surplus for the year	-	-	**684,475**	**684,475**
Other comprehensive income for the year:				
Changes in the fair value of available-for-sale financial assets	-	**310,081**	-	**310,081**
Gain on disposal of available-for-sale assets reclassified to profit and loss	-	**(132,642)**	-	**(132,642)**
Total comprehensive income for the year	-	**177,439**	**684,475**	**861,914**
Balance at 31 October 2013	**100**	**100,648**	**4,281,851**	**4,382,599**

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

	Notes	2013 $	2012 $
Cash flows from operating activities			
Receipts from donations and fundraising activities		**2,948,041**	2,942,405
Payments for fundraising activities		**(660,515)**	(741,455)
		2,287,526	2,200,950
Interest received		**49,919**	64,133
Payments to other suppliers and employees		**(1,131,540)**	(934,951)
Distributions to eligible charities		**(880,448)**	(1,097,412)
Net cash inflow from operating activities	20	**325,457**	232,720
Cash flows from investing activities			
Payments for property, plant and equipment		**-**	(5,616)
Payments for available-for-sale financial assets		**(99,482)**	(138,276)
Distribution received from available-for-sale financial assets		**105,346**	138,276
Net cash inflow/(outflow) from investing activities		**5,864**	(5,616)
Cash flows from financing activities			
Net cash inflow from financing activities		**-**	-
Net increase in cash held		**331,321**	227,104
Cash at the beginning of the financial year		**1,632,618**	1,405,514
Cash at the end of the financial year	5	**1,963,939**	1,632,618

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

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Note 1. Summary of significant accounting policies

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

(a) Basis of preparation

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

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

(ii) New and amended standards adopted by the group
None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 November 2012 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods.

(iii) Early adoption of standards
The Foundation has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 November 2012.

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

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

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

(b) Income tax

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

(c) Revenue recognition

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

Revenue is recognised for the major business activities as follows:

(i) Functions

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

(ii) Donations
Amounts disclosed as donation revenues are recognised on a cash received basis.

Note 1. Summary of significant accounting policies (continued)

(iii) Interest income
Interest income is recognised using the effective interest rate method.

(iv) Investment income
Distributions are recognised as revenue when the right to receive payment is established.

(d) Leases

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

(e) Receivables

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

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

(f) Investments and other financial assets

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

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

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

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

Note 1. Summary of significant accounting policies (continued)

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

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

(g) Property, plant and equipment

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

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

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

Office equipment	3 years
Furniture and fittings	5 years

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

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

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

(h) Payables

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

(i) Provisions

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

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

Note 1. Summary of significant accounting policies (continued)

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

(j) Employee benefits

(i) Wages, salaries and annual leave

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

(ii) Long service leave

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

(iii) Retirement Benefit Obligations

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

(k) Cash and cash equivalents

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

(l) Goods and services tax (GST)

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

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

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

(m) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 31 October 2013 reporting periods. The Foundation's assessment of the impact of these new standards and interpretations is that there is not expected to be any material effect on the Foundation in future reporting periods.

Note 1. Summary of significant accounting policies (continued)

(n) Pro bono services and In kind support

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

The Property Industry Foundation has assessed the fair or market value of professional services or goods as totalling $431,354 (PY $800,700). They relate to the building of the Lighthouse Foundation's house, which is now used as a youth refuge. The value of these services or goods are recognised in the accounts as income with an equivalent expense.

Note 2. Financial risk management

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

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

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

Note 3. Revenue

	2013 $	2012 $
Revenue from operating activities		
Donations		
Platinum donations	**576,250**	541,500
Gold donations	**171,979**	226,000
Silver donations	**100,500**	82,500
General corporate donations	**104,350**	69,188
In Kind Donations	**431,354**	800,700
	1,384,433	1,719,888
Fundraising revenue		
National Hard Hat Day	**265,966**	272,846
Annual balls	**463,146**	420,607
Yachting regattas	**680,123**	696,449
PA exclusive campaign	**21,654**	31,680
Cycling / Car Rallies	**224,994**	0
Property Blitz	**112,902**	249,742
Government House cocktail party	**26,304**	73,634
Networking and Other Events	**48,144**	17,905
	1,843,233	1,762,862
	3,227,666	3,482,750

Other Income

	2013 $	2012 $
Interest income	**49,919**	64,133
Managed fund distributions	**105,346**	141,367
Gain on disposal of available for sale assets reclassified to profit and loss from reserves	**132,642**	-
Gain on disposal of available for sale assets for the year	**20,939**	-
	308,846	205,500
Total revenue	**3,536,512**	3,688,250

Note 4. Surplus

Surplus before income tax includes the following expenses:

	2013 $	2012 $
Depreciation of non-current assets	**8,651**	17,033
Employee benefits expense	**684,586**	693,569
Rental lease expense relating to operating leases	**71,521**	54,217

Note 5. Current assets - Cash and cash equivalents

	2013 $	2012 $
Cash at bank and on hand	**1,963,939**	1,632,618

(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:

	2013 $	2012 $
Balances as above	**1,963,939**	1,632,618
Balances per statement of cash flows	**1,963,939**	1,632,618

Note 6. Current assets - Receivables

	2013 $	2012 $
Receivables	**117,254**	74,838

These amounts generally arise from fundraising events. There are no impaired receivables to be written-off for the year ended 31 October 2013.

Note 7. Current assets - Other

	2013 $	2012 $
Prepayments	**25,389**	37,573
Other	**354**	-
Current assets - other	**25,743**	37,573

Note 8. Non-current assets - Other financial assets

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

	2013 $	2012 $
Listed securities	**597,398**	174,935
Managed funds and listed trusts	**1,903,149**	1,895,110
Available-for-sale financial assets	**2,500,547**	2,070,045

Available-for- sale financial assets are comprised of listed securities, listed trusts and unlisted managed funds. The fair value of listed securities and listed trusts is determined by the market price available in relation to the investment as of 31 October 2013. The fair value of unlisted managed funds is determined using market data and rely as little as possible on specific estimates and is provided by the fund manager.

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

	Furniture Fittings	Office Equipment	Total
At 1 November 2011			
Cost	121,736	16,809	138,545
Accumulated depreciation	(101,668)	(16,809)	(118,477)
Net book amount	**20,068**	-	**20,068**
Year ended 31 October 2012			
Opening net book amount	20,068	-	20,068
Additions	5,616	-	5,616
Depreciation charge	(17,033)	-	(17,033)
Closing net book amount	**8,651**	-	**8,651**
At 31 October 2012			
Cost	127,352	16,809	144,161
Accumulated depreciation	(118,701)	(16,809)	(135,510)
Net book amount	**8,651**	-	**8,651**
Year ended 31 October 2013			
Opening net book amount	8,651	-	8,651
Additions	-	-	-
Depreciation charge	8,651	-	8,651
Closing net book amount	-	-	-
At 31 October 2013			
Cost	127,352	16,809	144,161
Accumulated depreciation	(127,352)	(16,809)	(144,161)
Net book amount	-	-	-

Note 10. Current liabilities - Payables

	2013 $	2012 $
Payables	**44,766**	128,620
	44,766	128,620

Note 11. Current liabilities - Provisions

	2013 $	2012 $
Employee benefits	**43,511**	39,842
Accruals	**56,844**	70,818
	100,355	**110,660**

Note 12. Non current liabilities - Provisions

	2013 $	2012 $
Employee Benefits	**28,859**	26,276
Make good provision	**18,873**	15,273
	47,732	41,549

(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 – Make good provision	2013 $	2012 $
Carrying amount in the beginning of the financial year	**15,273**	19,593
Additional provision recognised	**3,600**	(4,320)
Carrying amount at the end of the financial year	**18,873**	15,273

Note 13. Units issued

	2013 Units	2012 Units	2013 $	2012 $
Units issued	**100**	100	**100**	100

Note 14. Reserves

	2013 $	2012 $
Available-for-sale investments revaluation reserve	**100,648**	(76,791)

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

	2013 $	2012 $
Balance at the beginning of the financial year	**(76,791)**	(81,248)
Transferred to the statement of comprehensive income	**(132,642)**	-
Movement in fair value of investments	**310,081**	4,457
Balance at the end of the financial year	**100,648**	(76,791)

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

Note 15. Retained surpluses

	2013 $	2012 $
Retained surplus at the beginning of the financial year	**3,597,376**	3,411,946
Net surplus for the financial year	**684,475**	185,430
Retained surplus at the end of the financial year	**4,281,851**	3,597,376

Note 16. Remuneration of auditors

The audit of the Foundation for the year ended 31 October 2013 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
V Chiodo
N Collishaw
B Crotty (Resigned 9 November 2012)
K R Griffin
V P Hoog Antink
T Johansen
C Kirk
C J Hanan
B Johnston
J W Kenny (Appointed 5 April 2013)
E A Pidgeon (Appointed 17 April 2013)

Transactions with trustee director-related entities
Several of the directors of the trustee are employees or directors of donor companies who have paid donations in the year to become members of the Foundation.

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

Note 18. Commitments & Contingencies

Lease commitments:

(i) Non-cancellable operating leases
The Foundation leases one office (Sydney) 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.

	2013	2012
	$	$
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within one year	**67,742**	80,027
Later than one year but not later than five years	**-**	-
	67,742	80,027

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

Note 19. Charitable Disbursements

During the year the Foundation made distributions to charities totalling $1,311,802 (2012: $1,898,112). In addition, the Foundation has approved in the current and prior years a number of projects which are expected to proceed in the 2014 year. The outstanding approvals amount to $500,214 (PY $162,672) as at 31 October 2013.

Note 20. Cash flow information

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

	2013	2012
	$	$
Surplus after income tax	**684,475**	185,430
Depreciation	**8,651**	17,033
Change in operating assets and liabilities:		
(Decrease) in receivables	**(42,416)**	(7,850)
Increase in other assets	**11,830**	152,672
Increase/(decrease) in Deferred Income	**9,820**	(11,960)
Increase/(decrease) in payables	**(83,854)**	69,740
(Decrease) in provisions	**(4,122)**	(60,862)
Gain on disposal of available-for-sale financial assets	**(153,581)**	-
Dividends received from available-for-sale financial assets	**(105,346)**	(111,483)
	325,457	232,720

Note 21. Events occurring after the balance sheet date

No matter or circumstances has arisen since 31 October 2013 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

	2013 $	2012 $
a) Details of aggregate gross income and expenditure of fundraising appeals		
Gross proceeds from fundraising appeals (i)	**1,843,233**	1,762,862
Total costs of fundraising appeals	**(476,190)**	(573,987)
Net surplus from fundraising	**1,367,043**	1,188,875

(i) Gross proceeds from fundraising exclude donations

	2013 $	2012 $
b) Statement showing how funds received were applied to charitable purposes		
Net surplus from fundraising	**1,367,043**	1,188,875
This was applied to charitable purposes in the following manner:		
Distributions to eligible charities	**880,448**	1,898,112
Surplus /(deficit) in funds available from fundraising	**486,595**	(709,237)

c) Fundraising appeals conducted during the year

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

d) Comparison of monetary figures and percentages

	2013	2012
Total cost of fundraising	**476,190**	573,987
Gross income from fundraising	**1,843,233**	1,762,862
% of fundraising cost over income	**26%**	33%
Net surplus from fundraising	**1,367,043**	1,188,875
Revenue	**1,843,233**	1,762,862
% of surplus over revenue	**74%**	67%
Total distributions to eligible charities	**880,448**	1,898,112
Net surplus from fundraising	**1,367,043**	1,188,875
% of total distributions to eligible charities over surplus	**64%**	160%

Property Industry Foundation
Declaration by the Chairman of the Trustee
31 October 2013

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

(a) the financial statements and notes set out on pages 4 to 21 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 2013 and of its performance for the financial year ended on that date; and

(b) there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they become due and payable.

(c) the accounts give a true and fair view of all income and expenditure with respect to fundraising appeals;

(d) the provisions and regulations of the *Charitable Fundraising Act 1991 (NSW)* and the conditions attached to the fundraising authority have been complied with by the trust

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

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

R Johnston

Robert William Jonhston
Chairman

Sydney
4 April 2014

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 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors of the Trustee responsibility for the financial report

The directors of Property Industry Foundation Pty Limited (the trustee) are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards- Reduced Disclosure Requirements and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

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

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

Basis for Qualified Opinion

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

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Qualified Auditor's opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial report of Property Industry Foundation:

(a) gives a true and fair view of the Foundation's financial position as at 31 October 2013 and of its performance for the year ended on that date; and

(b) complies with Australian Accounting Standards including the Australian Accounting Interpretations.

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

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

Auditor's opinion

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

a) The financial report of the Foundation has been properly drawn up and associated records have been properly kept from 1 November 2012 to 31 October 2013 in accordance with:

   i. Sections 20 (1), 22 (1-2) of the *Charitable Fundraising Act 1991 (NSW)* ("the Act");

   ii. Section 10 of the *Charitable Fundraising Regulation 2008 (NSW)* ("the Regulations") and section 7 of Schedule 1 of the Regulations; and

b) the funds received as a result of fundraising appeals conducted for the year ended 31 October 2013 have been properly accounted for and applied in accordance with the above mentioned sections of the Act and Regulations.

PricewaterhouseCoopers

N R McConnell
Partner

Sydney
4 April 2014