

The Primary Club of Australia Incorporated

Financial Statements for the
Year ended 30 June 2009

Carl Millington
Partner

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The Primary Club of Australia Incorporated Committee Report

Committee Report

Your committee presents their report on the company for the year ended 30 June, 2009.

Committee Members

The following persons were committee members of the Primary Club of Australia Incorporated ("The Club") during the financial year and up to the date of this report.

| | | | |
|------------------|-----------|-------------------|-----------|
| Bruce Collins QC | President | William Carroll | Committee |
| Geoffrey Verco | Secretary | Benjamin Richards | Committee |
| Gordon Davis | Treasurer | Mark Skipper | Committee |
| Justin Hooper | Committee | Lindy Stuart | Committee |
| Rosemary Coleman | Committee | Richard Glover | Committee |
| Ernest Pope | Committee | Linton Ritchie | Committee |
| Joe Scarcella | Committee | | |

Principal Activities

The Club's principal continuing activities during the year consisted of organizing and undertaking fundraising activities with the purpose of donating funds raised to specific causes as agreed upon by the Club, in accordance with the Club's Charter.

Review of Operations

A summary of financial performance is set out below:

| | 2009 | 2008 |
|----------------------------|-------------|-------------|
| | \$ | \$ |
| Total Revenue | 347,810 | 363,499 |
| Surplus before donations | 207,072 | 215,807 |
| Donations paid | (243,477) | (166,949) |
| Operating surplus / (loss) | (36,405) | 48,858 |

Comments on the operations and the results of those operations are set out below:

- a) The Club had an operating loss during 2009. This is directly attributable to a 45% increase in donations during the year. Donations were made to fifteen (15) charities during the past year. Riding for the Disabled at Raymond Terrace received \$57,000 & three other charities received in excess of \$30,000.

**The Primary Club of Australia Incorporated
Committee Report (cont'd)**

The table provides a breakdown of donations made during the year

| Range | No. of Donations | Donations \$ |
|---------------------|-------------------------|---------------------|
| \$<1,000 | 1 | \$954 |
| \$1,001 - \$2,500 | 2 | \$3,848 |
| \$2,501 - \$5,000 | 3 | \$11,254 |
| \$5,001 - \$10,000 | 2 | \$10,688 |
| \$10,001 - \$25,000 | 3 | \$40,282 |
| \$25,001 - \$50,000 | 3 | \$118,506 |
| >\$50,001 | 1 | \$57,946 |
| | 15 | \$243,477 |

- b) In spite of the difficult financial times we have maintained our revenue from functions & have also increased the gross margin from 43.5% to 45.3%.
- c) We have maintained control over our expenditure costs during the year. Overall costs for the year were reduced by around 3.5 %. The costs of running the club remain cash neutral, so every tax deductible donation received is used in our charity program.

Insurance

During the financial year the Company paid a premium of \$2,298 (2008 \$3,554) to insure the committee members, volunteers & special risks.

Auditors

Carl Millington of Pitcher Partners continues as the Club's Honorary Auditor.

The Primary Club of Australia Incorporated
Income Statement
Year ended 30 June 2009

| | Note | 2009 \$ | 2008 \$ |
|---|-----------|-----------------|----------------|
| Income | | | |
| Gross proceeds of function and project activities | 2 | 141,460 | 137,020 |
| Subscriptions | | 34,660 | 36,182 |
| Merchandise sales | | 459 | 3,129 |
| Interest, dividends & distributions revenue | | 22,504 | 29,788 |
| Donations received | | 73,841 | 67,894 |
| Sponsorship income | | 71,590 | 86,200 |
| Ground & other income | | 3,296 | 3,286 |
| Total income | | <u>347,810</u> | <u>363,499</u> |
| Operating expenses | | | |
| Direct expenses of fundraising activities | 2 | 77,426 | 77,153 |
| Donations paid | 11 | 243,477 | 166,949 |
| Salaries & on costs | | 37,696 | 37,760 |
| Cost of merchandise sold | | 203 | 1,953 |
| Cricket match fees | | 175 | 515 |
| Bank fees | | 3,049 | 3,534 |
| Sundry Office expenses | | 7,399 | 7,740 |
| Depreciation | | 155 | 382 |
| Postage Printing and Stationery | | 10,514 | 12,732 |
| Telephone | | 1,717 | 1,545 |
| Total Expenses | | <u>381,811</u> | <u>310,263</u> |
| Non-operating expenses | | | |
| Write down/(up) of investment | 7 | 2,404 | 4,378 |
| Total expenses | | <u>384,215</u> | <u>314,641</u> |
| OPERATING (DEFICIT) / SURPLUS | | <u>(36,405)</u> | <u>48,858</u> |

The Primary Club of Australia Incorporated
Balance Sheet at 30 June 2009

| | Note | 2009 \$ | 2008 \$ |
|----------------------------------|------|----------------|----------------|
| Current assets | | | |
| Cash | 4 | 472,376 | 518,577 |
| Inventories | 5 | 7,904 | 7,630 |
| Debtors & Deposits | | 11,047 | - |
| Total current assets | | <u>491,327</u> | <u>526,207</u> |
| Non-current assets | | | |
| Property, plant and equipment | 6 | 172 | 327 |
| Investments - shares | 7 | 5,863 | 8,070 |
| Total non-current assets | | <u>6,035</u> | <u>8,397</u> |
| Total assets | | <u>497,362</u> | <u>534,604</u> |
| Current liabilities | | | |
| Accrued Expenses | 8 | 1,412 | 2,689 |
| Income in advance | 9 | 14,290 | 13,850 |
| Total current liabilities | | <u>15,702</u> | <u>16,539</u> |
| Total liabilities | | <u>15,702</u> | <u>16,539</u> |
| Net assets | | <u>481,660</u> | <u>518,065</u> |
| Accumulated Funds | | <u>481,660</u> | <u>518,065</u> |

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

The Primary Club of Australia Incorporated
Statement of Changes in Funds
Year ended 30 June 2009

| | Note | 2009 \$ | 2008 \$ |
|--|------|-----------------|----------------|
| Total funds at the beginning of the financial year | | 518,065 | 469,207 |
| (Loss) / surplus for the year | | <u>(36,405)</u> | <u>48,858</u> |
| Total funds at the end of the financial year | | <u>481,660</u> | <u>518,065</u> |

The Primary Club of Australia Incorporated
Statement of Cash Flows
Year ended 30 June 2009

| | Note | 2009 \$ | 2008 \$ |
|--|------|-----------------------|-----------------------|
| Cash flows from operating activities | | | |
| Receipts from operating activities | | 314,502 | 340,031 |
| Payments to suppliers, employees and benefactors | | (383,207) | (307,582) |
| Interest, dividends & distributions received | | 22,504 | 29,788 |
| Net cash inflow from operating activities | 10 | <u>(46,201)</u> | <u>62,237</u> |
| Cash flows from investing activities | | | |
| Return of investment capital | | - | - |
| Payments for property, plant and equipment | | - | - |
| Net cash outflows from investing activities | | <u>-</u> | <u>-</u> |
| Net (decrease) / increase in cash held | | (46,201) | 62,237 |
| Cash at the beginning of the financial year | | 518,577 | 456,340 |
| Cash at the end of the financial year | 4 | <u><u>472,376</u></u> | <u><u>518,577</u></u> |

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

The Primary Club of Australia Incorporated
Notes to the financial statements
Year ended 30 June 2009

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, the Associations Incorporation Act (NSW) 1984 and the Charitable Fundraising Act 1991.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). A statement of compliance with International Financial Reporting Standards cannot be made due to the economic entity applying the not-for-profit sector specific requirements contained in the AIFRS. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(b) Acquisitions of assets

The cost method of accounting is used for all acquisitions of assets, regardless of whether shares or other assets are acquired. Cost is determined as the fair value of assets given up, shares issued or liabilities undertaken at the date of acquisition plus costs incidental to the acquisition. Where shares are issued in an acquisition, the value of the shares is determined having reference to the fair value of the assets or net assets acquired, including goodwill or discount on acquisitions where applicable.

(c) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised.

Subscriptions and Functions - Revenue and expenses are recognised in the period in which they relate to.

Interest - Interest revenue is recognised in the period it is received.

Donations and Golden Duck Sponsorship - Donations and Golden Duck Sponsorship is recognised in the period it is received.

Ground income - Ground income is recognised in the period it is received

The Primary Club of Australia Incorporated
Notes to the financial statements
Year ended 30 June 2009

Summary of Significant Accounting Policies (cont'd)

(d) Donations paid

Donations are paid to approved charities from the Trust account established to hold donations received.

(e) Cash

For the purposes of the statement of cash flows, cash includes deposits at call and deposits held in a unit trust which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

(f) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is equivalent to the purchase price paid.

(g) Investment

Listed shares are carried at net market value.

(h) Property, plant and equipment

Cost

All classes of property, plant and equipment are measured at cost.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment.

Major depreciation periods are: **2009** **2008**

Plant and equipment 3 years 3 years

The Primary Club of Australia Incorporated
Notes to the financial statements
Year ended 30 June 2009

Summary of Significant Accounting Policies (cont'd)

(i) Income in Advance

Subscription fees received in the reporting period relating to the following financial period are recognised as Income in Advance.

(j) Employee Entitlements

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and annual leave.

Liabilities in respect of wages and annual leave expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled.

(k) Financial Instruments

The accounting policies adopted in relation to financial instruments are set out in Note 17.

The Club's credit risk exposure is to its member base and other external donors. As donations vary in size and frequency, from time to time, this exposure will vary. The net fair value of the Club's financial assets and liabilities can be determined from the accounting policies disclosed in Note 17.

(l) Comparative Figures

The comparative figures in Note 4 have been adjusted to correct an error in presentation in the 2008 year.

The Primary Club of Australia Incorporated
Notes to the financial statements
Year ended 30 June 2009

NOTE 2: REVENUES FROM OPERATING ACTIVITIES

| | 2009 | 2008 |
|--|----------------|----------------|
| | \$ | \$ |
| Gross proceeds of fundraising appeals | | |
| Pymble Golf Day | 25,065 | 20,805 |
| Test Breakfast | 47,455 | 50,630 |
| Melbourne ODI Breakfast | 11,580 | 13,295 |
| Terry Hills Golf Day | - | 13,688 |
| Tattersalls Lunch | - | 26,097 |
| Elanora Golf Day | 28,553 | - |
| Rosehill Race Day | 4,750 | - |
| Secret Women's Business Lunch | 12,892 | - |
| Melbourne Golf Day | 11,165 | 12,505 |
| Total proceeds | <u>141,460</u> | <u>137,020</u> |
| Cost of fundraising appeals | | |
| Pymble Golf Day | 12,785 | 10,550 |
| Test Breakfast | 29,590 | 31,131 |
| Melbourne ODI Breakfast | 6,225 | 6,625 |
| Terry Hills Golf Day | - | 7,860 |
| Tattersalls Lunch | - | 15,672 |
| Elanora Golf Day | 12,496 | - |
| Rosehill Race Day | 3,450 | - |
| Secret Women's Business Lunch | 7,790 | - |
| Melbourne Golf Day | 5,090 | 5,315 |
| Total expenses | <u>77,426</u> | <u>77,153</u> |
| Net proceeds from fundraising | <u>64,034</u> | <u>59,867</u> |

The Primary Club of Australia Incorporated
Notes to the financial statements
Year ended 30 June 2009

NOTE 3: INCOME TAX

The Primary Club of Australia Incorporated is a tax exempt incorporated association under the Income Tax Act (1997).

| NOTE 4: CASH | 2009 | 2008 |
|---------------------|-----------------------|-----------------------|
| | \$ | \$ |
| General | <u>16,715</u> | <u>25,268</u> |
| Trust | | |
| Cash at bank | 280,501 | 162,989 |
| Mortgage Funds | <u>175,160</u> | <u>330,320</u> |
| | <u>455,661</u> | <u>493,309</u> |
| Total | <u><u>472,376</u></u> | <u><u>518,577</u></u> |

The above figures are reconciled to cash at the end of the financial year as shown in the Statement of Cash Flows and in Note 10.

| | 2009 | 2008 |
|---|-----------------------|-----------------------|
| | \$ | \$ |
| Reconciliation of the trust account: | | |
| Movement in Trust Funds | | |
| Trust funds at bank - 1 July | 493,309 | 442,612 |
| Add: Receipts during the year | | |
| Donations received | 73,841 | 67,894 |
| Golden Duck sponsorship | 71,590 | 86,200 |
| Interest received | 21,754 | 28,698 |
| Amount transferred from General Account | <u>38,644</u> | <u>34,854</u> |
| | <u>699,138</u> | <u>660,258</u> |
| Less: Payments during the year | | |
| Donations made | 243,477 | 166,949 |
| Trust funds at 30 June 2009 | <u><u>455,661</u></u> | <u><u>493,309</u></u> |

The Primary Club of Australia Incorporated
Notes to the financial statements
Year ended 30 June 2009

| NOTE 5: INVENTORIES | 2009 | 2008 |
|--|--------------|--------------|
| | \$ | \$ |
| Inventory - at cost | 7,904 | 7,630 |
| Less: Provision for stock obsolescence | - | - |
| | <u>7,904</u> | <u>7,630</u> |

| NOTE 6: NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT | 2009 | 2008 |
|---|-------------|-------------|
| | \$ | \$ |
| Plant and equipment - at cost | 1,434 | 1,434 |
| Less: Accumulated depreciation | (1,262) | (1,107) |
| | <u>172</u> | <u>327</u> |
| Total assets | 1,434 | 1,434 |
| Less: Accumulated depreciation | (1,262) | (1,107) |
| | <u>172</u> | <u>327</u> |
| Closing written down value | <u>172</u> | <u>327</u> |
| Depreciation expense - plant and equipment | <u>155</u> | <u>382</u> |

| NOTE 7: INVESTMENT | 2009 | 2008 |
|------------------------------|--------------|--------------|
| | \$ | \$ |
| Shares in AMP& Henderson PLC | <u>5,863</u> | <u>8,070</u> |

The shares have been stated at the market value at 30 June 2009.

The Club holds two remaining life insurance policy with AMP taken out by members in 1986. On the death of these members the Club will receive the proceeds of these policies. The premiums for these policies, payable yearly, are paid by the Club. One policy was converted to an endowment policy and matured during the last year. The proceeds were received in July 2009.

| NOTE 8: ACCRUED EXPENSES | 2009 | 2008 |
|---------------------------------|--------------|--------------|
| | \$ | \$ |
| Salary and Superannuation | 254 | 254 |
| PAYG Tax | 1,158 | 1,353 |
| GST Payable | - | 1,082 |
| | <u>1,412</u> | <u>2,689</u> |

The Primary Club of Australia Incorporated
Notes to the financial statements
Year ended 30 June 2009

NOTE 9: INCOME IN ADVANCE

| | 2009 | 2008 |
|---------------------------------|---------------|---------------|
| | \$ | \$ |
| Annual subscriptions in advance | 14,290 | 13,850 |
| | <u>14,290</u> | <u>13,850</u> |

NOTE 10: NOTES TO THE STATEMENT OF CASH FLOWS

| | 2009 | 2008 |
|---|-----------------|---------------|
| | \$ | \$ |
| Operating (deficit) / surplus | (36,405) | 48,858 |
| Depreciation and amortisation | 155 | 382 |
| Change in operating assets and liabilities: | | |
| (Increase) / decrease function debtors & deposits | (11,047) | 3,940 |
| (Increase) / decrease prepayments | - | 3,312 |
| (Increase) / decrease in inventories | (274) | 1,631 |
| (Increase) / decrease in investments | 2,207 | 4,286 |
| (Decrease) / increase in accrued expenses | (195) | (195) |
| (Decrease) / increase in GST payable | (1,082) | 864 |
| (Decrease) / increase in income in advance | 440 | (841) |
| Net cash inflows from operating activities | <u>(46,201)</u> | <u>62,237</u> |

(b) Reconciliation of Cash Balance

| | | |
|--------------------------------|----------------|----------------|
| Cash at Bank | 16,715 | 25,268 |
| Cash – on Deposit at call | 280,501 | 162,989 |
| Cash – held in Mortgage Trusts | 175,160 | 330,320 |
| | <u>472,376</u> | <u>518,577</u> |

The Primary Club of Australia Incorporated
Notes to the financial statements
Year ended 30 June 2009

NOTE 11: DONATIONS MADE TO CHARITIES

Donations paid during the year were allocated to the following projects:

| | 2009 | 2008 |
|---|----------------|----------------|
| | \$ | \$ |
| Access Sailing Systems | - | 6,758 |
| Autism Spectrum Aust | - | 26,752 |
| Boccia Australia | 4,307 | - |
| Briar Road Special School | 3,729 | - |
| Cairnsfoot Special School | 35,921 | - |
| Caroline Chisholm Special School | 1,848 | - |
| Epworth Medical Foundation | 38,500 | - |
| Fisher Road School | - | 3,908 |
| Friends of Wainoa School | - | 7,152 |
| Glencare Special Needs Assoc | - | 591 |
| Kurambee Special School | 19,334 | - |
| Illawarra Visually Impaired Cricketers | - | - |
| MS Society | 5,631 | 24,993 |
| Noahs Ark Toy Library | 954 | - |
| NSW Goal Ball Assn | - | 5,000 |
| NSW Blind Cricket | 5,056 | - |
| Passfield Park School | - | 2,977 |
| Riding for the Disabled Assoc – Dapto | 10,948 | - |
| Riding for the Disabled Assoc – Raymond Terrace | 57,946 | 77,300 |
| Royal Rehabilitation Centre | 44,085 | - |
| Sailability Dobroyd | - | 1,518 |
| Sailability Northern Rivers | 2,000 | - |
| Special Olympics - Victoria | 3,218 | - |
| Victorian Blind Cricket Association | 10,000 | - |
| Wheelchair Sports NSW | - | 10,000 |
| | <u>243,477</u> | <u>166,949</u> |

The Primary Club of Australia Incorporated
Notes to the financial statements
Year ended 30 June 2009

NOTE 12: SEGMENT INFORMATION

The Club provides funds for the purchase of sporting and recreational equipment for other charitable organisations within Australia.

NOTE 13: AUDITORS REMUNERATION

No audit fees are payable as the audit is provided on an honorary basis.

NOTE 14: OTHER RELATED PARTY DISCLOSURES

The names of each person holding the position of committee member of the Primary Club of Australia Incorporated during the financial year are:

| | | | |
|------------------|-----------|-------------------|-----------|
| Bruce Collins QC | President | William Carroll | Committee |
| Geoffrey Verco | Secretary | Benjamin Richards | Committee |
| Gordon Davis | Treasurer | Mark Skipper | Committee |
| Justin Hooper | Committee | Lindy Stuart | Committee |
| Rosemary Coleman | Committee | Richard Glover | Committee |
| Ernest Pope | Committee | Linton Ritchie | Committee |
| Joe Scarcella | Committee | | |

NOTE 15: FUTURE COMMITMENTS

There are no future commitments other than donation commitments previously referred to.

NOTE 16: SUBSEQUENT EVENTS

There have been no events subsequent to year end that require disclosure in this report.

The Primary Club of Australia Incorporated
Notes to the financial statements
Year ended 30 June 2009

NOTE 17: FINANCIAL INSTRUMENTS

17a) Terms, conditions and accounting policies

The company's accounting policies, including the terms and conditions of each class of financial asset, financial liability and equity instrument, both recognised and unrecognised at the balance date, are as follows:

| Recognised Financial Instruments | Balance Sheet Notes | Accounting Policies | Terms and Conditions |
|---|----------------------------|---|---|
| (i) Financial assets | | | |
| Cash on hand | 4 | Cash at Bank is recorded at the lower of cost and net realisable value. | Cash at Bank balances are held at call. |
| Cash on hand - term deposit | 4 | The term deposit is carried at the principal amount. Interest is credited as income as it accrues. | Short-term deposits have a maturity of 60 days. |
| Cash held in Cash Mortgage Trust | 4 | The value of the cash held in trust is carried at the principal amount. | The balance is held subject to redemption restrictions based on the percentage of units held with the institution at the end of each quarter. |
| Function Debtors & Deposits | | Amounts receivable from other debtors are carried at expected realizable value | Receivables are normally settled on 30-day terms. |
| (ii) Financial liabilities | | | |
| Accrued expenses | 8 | Liabilities are recognised for prior year expenses unpaid at balance sheet date. | Expenses are normally settled on 30-day terms. |
| Income in Advance | 9 | Are recognised as liabilities in the period to which it does not relate. | Amounts are recognised in the following year. |

The Primary Club of Australia Incorporated
Notes to the financial statements
Year ended 30 June 2009

17(b) Interest Rate Risk

The exposure of the Club to Interest Rate risk is as follows:

| Financial Instruments | Floating interest | | Non-interest | | Total carrying amount as per the | | Weighted average effective | |
|-----------------------|-------------------|----------------|---------------|---------------|----------------------------------|----------------|----------------------------|-----------|
| | Rate | | bearing | | Balance Sheet | | interest rate | |
| | 2009 \$ | 2008 \$ | 2009 \$ | 2008 \$ | 2009 \$ | 2008 \$ | 2009 % | 2008 % |
| (i) | | | | | | | | |
| Cash | 16,715 | 25,268 | - | - | 16,715 | 25,268 | 0.1 | 1.65 |
| Cash - Term Deposit | 280,501 | 162,989 | - | - | 280,501 | 162,989 | 3.0 | 7.05 |
| Cash - Unit Trusts | 175,160 | 330,320 | - | - | 175,160 | 330,320 | 4.0 | 5.65 |
| Total | 472,376 | 518,577 | - | - | 472,376 | 518,577 | | |
| (ii) | | | | | | | | |
| Accrued Expenses | - | - | 1,412 | 2,689 | 1,412 | 2,689 | n/a | n/a |
| Income in Advance | - | - | 14,290 | 13,850 | 14,290 | 13,850 | n/a | n/a |
| Total | - | - | 15,702 | 16,539 | 15,702 | 16,539 | | |

The Primary Club of Australia Incorporated
Notes to the financial statements
Year ended 30 June 2009

17(c) Financial Risk Management Policies

The Club's financial instruments consist mainly of deposits with banks, local money market institutions, short-term investments, accounts receivable and payable.

Treasury Risk Management

The Club's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. The Committee manages the cash and investments portfolio with the assistance of independent advisers.

Financial Risk Exposures and Management

The main risks the Club is exposed to through its financial instruments are liquidity risk and credit risk.

Interest rate risk

The Club is exposed to minimal interest risk exposure on the bank deposits held.

Foreign currency risk

The Club is not exposed to fluctuations in foreign currencies.

Liquidity risk

The Club manages liquidity risk by monitoring forecast cash flows.

Credit risk

Credit risk is managed by the Club's management team. It arises from exposures to customers as well as through deposits with financial institutions. The Club monitors the credit risk by monitoring the rating quality and liquidity of counterparties.

**The Primary Club of Australia Incorporated
Declaration by the Club Committee**

In accordance with a resolution of the committee members of The Primary Club of Australia Incorporated, I state that:

In the opinion of the committee members

- (a) The enclosed financial statements and the accompanying notes give a true and fair view of all income and expenditure with respect to fundraising appeals
- (b) The Financial Position at 30 June 2009 gives a true and fair view of the state of affairs of the organisation with respect to fundraising appeals
- (c) The provisions of the Act, the regulations under the Act and the conditions attached to the fundraising authority have been complied with by The Primary Club of Australia
- (d) Internal controls exercised by the organisation are appropriate and effective in accounting for all income received and applied by the organisation from any of its fundraising appeals

On Behalf of the Committee

Gordon Davis

Honorary Treasurer

Sydney, 28 October 2009



PITCHER PARTNERS

ACCOUNTANTS AUDITORS & ADVISORS

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D W STAPLES
P G WESTON
D G YOUNG

CONSULTANTS:
J S YOUNG
D G BARNSDALL
P S ROWE

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF THE PRIMARY CLUB OF AUSTRALIA INCORPORATED

Report on the Financial Report

We have audited the accompanying financial report of The Primary Club of Australia Incorporated, which comprises the Balance Sheet as at 30 June 2009, and the Income Statement, 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 committee's declaration.

Committee's Responsibility for the Financial Report

The Club's committee is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) the Associations Incorporation Act (NSW) 1984 and the Charitable Fundraising Act 1991. This responsibility 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. Except as discussed in the qualification paragraph, 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 committee, 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.

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

Basis for Qualified Auditor's Opinion

The Club receives a significant proportion of its income from functions, sale of goods, fines, appeals and donations. As is common for organisations of this type, no accounting control can be established over the recording of, or completeness of all income received, until their initial entry in the accounting records. Accordingly, our audit of income was limited to amounts recorded in the accounting records of the Club.

Qualified Auditor's Opinion

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves as to the completeness of income referred to above, the financial report of The Primary Club of Australia Incorporated is in accordance with the Associations Incorporation Act (NSW) 1984, including:

- (a) giving a true and fair view of the Club's financial position as at 30 June 2009 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations).

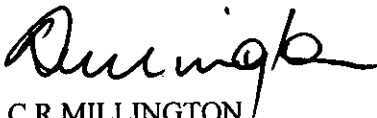
Report on Other Legal and Regulatory Requirements

In our opinion, except for the matter referred to above:

- (a) the financial report gives a true and fair view of the financial result of fundraising appeal activities for the year ended 30 June 2009;
- (b) the financial report has been properly drawn up, and the associated records have been properly kept for the year to 30 June 2009 in accordance with the Charitable Fundraising Act 1991 and Regulations;
- (c) money received as a result of fundraising appeal activities conducted during the year to 30 June 2009 has been properly accounted for and applied in accordance with the Charitable Fundraising Act 1991 and Regulations; and
- (d) there are reasonable grounds to believe that The Primary Club of Australia Incorporated will be able to pay its debts as and when they fall due.



PITCHER PARTNERS



C R MILLINGTON
Partner

Sydney, 28 October 2009