

**The Primary Club of
Australia Incorporated**
ABN 88 136 792 377

Financial report
For the year ended 30 June 2012

Pitcher Partners
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THE PRIMARY CLUB OF AUSTRALIA INCORPORATED
ABN 88 136 792 377

COMMITTEES' REPORT

Your committee presents their report of The Primary Club of Australia Incorporated ("The Club") for the year ended 30 June 2012.

Committee members names

The following persons were committee members during the financial year and up to the date of this report.

James Maxwell, President

Mark Skipper, Honorary Secretary

Robin Low, Honorary Treasurer (appointed March 2012)

Gordon Davis, Honorary Treasurer (resigned March 2012)

Carolyn Clark Committee

Geoff Craig, Committee

Richard Glover Committee

Benjamin Richards Committee

Linton Ritchie Committee

Joe Scarcella Committee

Lindy Stuart Committee

James Winchester Committee

The committee have been in office since the start of the year to the date of this report unless otherwise stated.

Results

The operating deficit of the Club for the year was \$14,421 (2011: \$37,122).

Review of operations

The Club continuing activities during the year consisted of organising 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.

A summary of the financial performance is set out here:

	2012	2011
	\$	\$
Total Revenue	521,546	488,695
Surplus before donations	227,291	219,710
Donations expense	<u>(241,712)</u>	<u>(256,832)</u>
Operating Surplus / (Loss)	<u>(14,421)</u>	<u>(37,122)</u>

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

- (a) The Club has continued with the policies of recognising any commitment to pay a donation at the time the donation is approved by the Charities Committee, or General Committee, in accordance with the authorisation limits that have been set out. This provides a clearer picture of the Club's ability to meet current and future donation obligations; and recognising all employee entitlements to more effectively indicate the liabilities of the Club.
- (b) The Club had an operating loss during 2012. This is directly attributable to donations committed. Fourteen (14) donations were committed to charities during the past year. The major commitments (net of GST) were to Aspect Newcastle (\$70,231), Mater Dei – Camden (\$65,637), Bayside Special School (\$30,000) and North Rocks Special School (\$27,611).
- (c) The Club increased total revenue during 2012. Donation revenue increased and the third Marathon Cricket event was held at the Sydney Cricket Ground in January 2012. Despite the rain, this was again a very successful event for the club and involved tremendous efforts on behalf of the organising committee and the general committee.
- (d) Administration costs were held whilst an increase over 2011 occurred in the charity development area where resources were employed.

Proposed amendments to government legislation and administrative requirements is likely to place an increasing cost burden for the "not for profit" sector in future years.

- (e) The Club remains in the position where every tax deductible donation received by the Club is used in our charity programme. None has been used in defraying administrative costs.

Insurance

During the financial year the association paid a premium of \$1,521 (2011-\$2,512) to insure the committee members, volunteers and special risks.

Auditors

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

Principal activities

The principal activity of the Club during the year consisted of organising 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.

No significant change in the nature of these activities occurred during the year.

Signed on behalf of the members of the committee.



Mark Skipper

(Honorary Secretary):

Dated this 19th day of October 2012

THE PRIMARY CLUB OF AUSTRALIA INCORPORATED
ABN 88 136 792 377

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 \$	2011 \$
Income			
Gross proceeds of function and project activities	2	320,756	321,358
Subscriptions		34,509	28,723
Merchandise sales		1,320	1,241
Interest, dividends & distributions revenue		8,981	9,299
Donations received		113,901	87,352
Sponsorship income		39,525	38,780
Ground & other income		2,554	1,942
		521,546	488,695
Operating expenses			
Direct expenses of fundraising activities	2	162,284	196,140
Donations paid	11	241,712	256,832
Salaries & on costs		94,144	51,661
Cost of merchandise sold		767	746
Cricket match fees		159	1,035
Bank fees		3,077	2,789
Sundry Office expenses		11,660	4,950
Depreciation		409	239
Postage Printing and Stationery		17,854	8,651
Telephone		2,403	2,224
		534,469	525,267
Non-operating expenses			
Write down/(up) of investments		1,498	550
		535,967	525,817
Total Expenses		535,967	525,817
Deficit for the year		(\$14,421)	(\$37,122)

The accompanying notes form part of these financial statements.

THE PRIMARY CLUB OF AUSTRALIA INCORPORATED
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BALANCE SHEET
FOR THE YEAR ENDED 30 JUNE 2012

	Note	2012 \$	2011 \$
Current assets			
Cash	4	226,826	199,803
Inventories	5	21,989	10,692
Debtors & Deposits		10,720	14,827
Prepayments		337	-
Total current assets		259,872	225,322
Non-current assets			
Property, plant and equipment	6	607	1,015
Investments - shares	7	4,596	5,985
Total non-current assets		5,203	7,000
Total assets		265,075	232,322
Current liabilities			
Accounts payable and accruals	8	7,700	3,901
Donations committed	11	94,731	81,863
Income in advance	9	32,306	5,391
Employee Entitlements		7,740	4,852
Total current liabilities		142,477	96,007
Non-current liabilities			
Employee Entitlements		7,046	6,342
Total non-current liabilities		7,046	6,342
Total liabilities		149,523	102,349
Net assets		115,552	129,973
Accumulated Funds		115,552	129,973

The accompanying notes form part of these financial statements.

THE PRIMARY CLUB OF AUSTRALIA INCORPORATED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2012**

	Note	2012	2011
		\$	\$
Cash flows from operating activities			
Receipts from operating activities		557,137	482,782
Payments to suppliers, employees and benefactors		(531,191)	(619,039)
Interest, dividends & distributions received		1,077	9,223
Net cash inflow from operating activities	10	<u>27,023</u>	<u>(127,034)</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 increase / (decrease) in cash held		27,023	(127,034)
Cash at the beginning of the financial year		199,803	326,837
Cash at the end of the financial year	4	<u><u>\$226,826</u></u>	<u><u>\$199,803</u></u>

The accompanying notes form part of these financial statements.

THE PRIMARY CLUB OF AUSTRALIA INCORPORATED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared in order to satisfy the financial report preparation requirements of the Associations Incorporation Act, 2009 and Charitable Fundraising Act, 1991. The committee has determined that the Club is not a reporting entity and that the accounting policies adopted are appropriate to meet the needs of the members.

The financial report was approved by the committee as at the date of the committees' report.

The financial report has been prepared in accordance with the requirements of the Associations Incorporation Act, 2009 and Charitable Fundraising Act, 1991 and applicable Accounting Standards.

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this report:

(a) Basis of preparation of the financial report

Historical Cost Convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets as described in the accounting policies.

(b) Revenue

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 to which they relate.

Interest and Distributions – interest revenue is recognised in the period it is received.

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

Ground and Other Income – Ground and Other income is recognised in the period it is received.

All revenue is stated net of the amount of goods and services tax (GST).

(c) Donations paid

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

(d) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks, short-term deposits with an original maturity of three months or less held at call with financial institutions, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(e) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct material, direct labour and a proportion of manufacturing overheads based on normal operating capacity.

THE PRIMARY CLUB OF AUSTRALIA INCORPORATED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012

(f) Property, plant and equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and any accumulated impairment losses.

Plant and equipment

Plant and equipment is measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by committee to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets are depreciated over their estimated useful lives commencing from the time the asset is held ready for use.

(g) Employee benefits

Liabilities arising in respect of wages and salaries, annual leave, accumulated sick leave and any other employee benefits 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. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

(h) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

THE PRIMARY CLUB OF AUSTRALIA INCORPORATED
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

	2012	2011
	\$	\$
NOTE 2 PROCEEDS FROM FUNDRAISING ACTIVITIES		
Gross proceeds of fundraising appeals		
Wyong Race Day	23,745	-
Pymble Golf Day	23,870	-
Killara Golf Day	-	20,381
Test Breakfast	51,215	54,198
Melbourne ODI Breakfast	-	19,045
Annual General Meeting	-	80
Marathon Cricket Event	156,084	166,571
Elanora Golf Day	31,692	30,450
Tattersall's Dinner	-	21,668
Secret Women's Business Lunch	-	(850)
Melbourne Golf Day	10,922	9,815
Melbourne Cricket Event	1,704	-
Corporate Seating - SCG	21,524	-
	\$320,756	\$321,358
Cost of fundraising appeals		
Wyong Race Day	12,513	-
Pymble Golf Day	9,244	-
Killara Golf Day	-	9,893
Test Breakfast	24,255	27,213
Melbourne ODI Breakfast	-	7,066
Marathon Cricket Event	81,318	122,931
Elanora Golf Day	13,500	14,512
Tattersall's Dinner	-	7,378
Golden Duck Dinner	-	3,422
Melbourne Golf Day	7,591	3,725
Corporate Seating - SCG	13,863	-
	162,284	196,140
Net proceeds from fundraising	\$158,472	\$125,218

THE PRIMARY CLUB OF AUSTRALIA INCORPORATED
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

NOTE 3 INCOME TAX

Primary Club of Australia Incorporated is a tax exempt incorporated association. Income tax is not provided for in the accounts.

	2012	2011
	\$	\$
NOTE 4 CASH		
General Trust	<u>100,865</u>	<u>19,748</u>
Cash at bank	105,313	145,845
Mortgage Funds	20,648	34,210
	<u>125,961</u>	<u>180,055</u>
Total	<u><u>\$226,826</u></u>	<u><u>\$199,803</u></u>

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

Reconciliation of the trust account:

Movement in Trust Funds:

Trust funds at bank - 1 July 2011	180,055	299,771
Add: Receipts during the year		
Donations received	113,901	87,352
Golden Duck sponsorship	39,525	38,780
Interest received	4,855	23,252
Amount transferred from General Account	20,076	64,219
	<u>358,412</u>	<u>513,374</u>
Less: Payments during the year - donations	(232,451)	(333,319)
Trust funds at 30 June 2012	<u><u>\$125,961</u></u>	<u><u>\$180,055</u></u>

THE PRIMARY CLUB OF AUSTRALIA INCORPORATED
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

	2012	2011
	\$	\$
NOTE 5 INVENTORIES		
Inventory - at cost	21,989	10,692
	<u>21,989</u>	<u>10,692</u>
	<u>21,989</u>	<u>10,692</u>

NOTE 6 NON-CURRENT ASSETS

Plant and equipment - at cost	1,857	1,857
Less: Accumulated depreciation	(1,250)	(842)
	<u>607</u>	<u>1,015</u>
Closing written down value	<u>607</u>	<u>1,015</u>

NOTE 7 INVESTMENT

Shares in AMP & Henderson PLC	<u>\$4,596</u>	<u>\$5,985</u>
	<u>\$4,596</u>	<u>\$5,985</u>

The shares have been stated at the market value at 30 June 2012.

The Club holds two remaining life insurance policies 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 this policy, payable yearly are paid by the club. Originally there were four policies. One was converted to an endowment policy & matured during 2009. The proceeds were received in July 2009. A terminal bonus was paid on the death of a member in 2007.

NOTE 8 ACCOUNTS PAYABLE & ACCRUALS

Accounts Payable	4,289	-
Salary and Superannuation	315	1,236
PAYG Tax	3,096	2,665
	<u>7,700</u>	<u>3,901</u>
	<u>7,700</u>	<u>3,901</u>

THE PRIMARY CLUB OF AUSTRALIA INCORPORATED
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

	2012	2011
	\$	\$
NOTE 9 INCOME IN ADVANCE		
Annual subscriptions in advance	16,636	5,391
Fundraising revenue in advance	15,670	-
	<u>\$32,306</u>	<u>\$5,391</u>

NOTE 10 NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of operating result to net cash inflow from operating activities

Operating surplus / (deficit)	(14,421)	(37,122)
Depreciation and amortisation	409	239
Change in operating assets and liabilities:		
(Increase) / decrease function debtors & deposits	4,106	(7,798)
(Increase) / decrease prepayments	(337)	2,512
(Increase) / decrease in inventories	(11,296)	2,289
(Increase) / decrease in investments	1,389	299
(Increase) / decrease in fixed assets	-	(1,237)
(Decrease) / increase in accrued expenses	3,800	(11,482)
(Decrease) / increase in income in advance	26,914	(3,554)
(Decrease) / increase in donation commitments	12,868	(72,845)
(Decrease) / increase in employee entitlements	3,591	1,665
	<u>\$27,023</u>	<u>(\$127,034)</u>
Net cash inflows from operating activities	<u>\$27,023</u>	<u>(\$127,034)</u>

(b) Reconciliation of Cash Balance

Cash at Bank	100,865	19,748
Cash – on Deposit at call	105,313	145,845
Cash – held in Mortgage Trusts	20,648	34,210
	<u>\$226,826</u>	<u>\$199,803</u>
	<u>\$226,826</u>	<u>\$199,803</u>

THE PRIMARY CLUB OF AUSTRALIA INCORPORATED
ABN 88 136 792 377

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

	2012	2011
	\$	\$
NOTE 11 COMMITTED/DONATIONS MADE TO CHARITIES		
(a) Donations committed or paid during the year were allocated to the following projects:		
Access Dinghy Foundation	18,182	-
Alzheimers Australia Ltd	-	-
Aspect South Sydney West	-	18,015
Aspect Newcastle	70,231	-
Bayside Special School	30,000	-
Blind Sports Australia	9,809	-
Blind Sports Victoria	3,636	-
Bridge Road School	1,467	-
Childrens Hope Foundation	(5,473)	-
Halinda Special School	-	(23)
Lucas Gardens Special School	-	50,000
Mary Brooksbank School	14,600	57,000
Mater Dei - Camden	60,632	-
Noahs Ark Toy Library	-	2,480
North Rocks Special School	15,000	-
Riding for the Disabled - Wagga	-	5,272
Rosemeadow-Ambarvale High School	-	27,611
Royal Rehabilitation Centre	-	4,421
Sailability Northern Rivers	-	9,615
Scope Victoria Ltd	11,980	672
Special Olympics - Mona Vale	1,828	1,800
Special Olympics - Queensland	2,500	-
Special Olympics - Victoria	-	1,676
Sylvan Vale Foundation	-	10,000
Hills School The, Northmead	-	52,613
Touched by Olivia Foundation	7,000	-
Wheelchair Sports NSW	320	15,680
	<u>\$241,712</u>	<u>\$256,832</u>

THE PRIMARY CLUB OF AUSTRALIA INCORPORATED
ABN 88 136 792 377

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

	2012	2011
	\$	\$

NOTE 11 COMMITTED/DONATIONS MADE TO CHARITIES

(b) Donations unpaid at the end of the year were committed to the following projects:

Aspect - Newcastle	70,231	-
Children's Hope Foundation	-	5,473
Lucas Gardens SSP	-	50,000
North Rocks Special School	15,000	-
Special Olympics - Mona Vale	-	710
Special Olympics - Queensland	2,500	-
Sylvanvale Foundation	-	10,000
Touched by Olivia Foundation	7,000	-
Wheelchair Sports NSW	-	15,680
	<hr/>	<hr/>
	<u>\$ 94,731</u>	<u>\$ 81,863</u>

THE PRIMARY CLUB OF AUSTRALIA INCORPORATED

STATEMENT BY THE CLUB'S 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:

1. The financial statements and accompanying notes give a true and fair view of all income and expenditure with respect to fundraising appeals.
2. The financial position at 30 June 2012 gives a true and fair view of the state of affairs of the organisation with respect to fundraising appeals.
3. The provisions of the Charitable Fundraising Act 1991, the regulations under the Act and the conditions attached to the fundraising authority have been complied with by the Primary Club of Australia Incorporated.
4. 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 Club's Committee by:

A handwritten signature in black ink, appearing to read 'Mark Skipper', written over a faint rectangular stamp area.

Mark Skipper
(Honorary Secretary)

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THE PRIMARY CLUB OF AUSTRALIA INCORPORATED
ABN 88 136 792 377

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE PRIMARY CLUB OF AUSTRALIA INCORPORATED

We have audited the accompanying financial report of The Primary Club of Australia Incorporated, which comprises the balance sheet as at 30 June 2012, the income statement and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the governing committee's declaration.

Responsibility of Those Charged With Governance

The governing committee is responsible for the preparation of the financial report and have determined that the basis of accounting described in Note 1 to the financial report is appropriate to meet the requirements of the Associations Incorporation Act, 2009, the Charitable Fundraising Act, 1991 and financial reporting needs of the members.

The governing committee's responsibility also includes such internal control as the governing committee determine is necessary to enable the preparation of a 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 about 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 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 those charged with governance, 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 APES 110 *Code of Ethics for Professional Accountants*.

Opinion

In our opinion the financial report presents fairly, in all material respects, the financial position of The Primary Club of Australia Incorporated as at 30 June 2012 and of its financial performance and cash flows for the year then ended in accordance with the accounting policies described in Note 1 to the financial report, the financial reporting requirements of the Associations Incorporation Act, 2009 and the Charitable Fundraising Act, 1991.

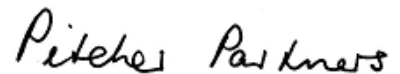
Basis of Accounting

Without modifying our opinions, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist The Primary Club of Australia Incorporated to meet the requirements of the Associations Incorporation Act, 2009, the Charitable Fundraising Act, 1991 and the financial reporting needs of the members as determined by the governing committee. As a result, the financial report may not be suitable for another purpose.



C R MILLINGTON

Partner



PITCHER PARTNERS

Sydney

Date: 22 October 2012