



PRIMARY ETHICS LIMITED

ACN 147 194 349

Consolidated Financial Report for the year ended 30 June 2017

CONTENTS

CONTENTS	1
DIRECTORS REPORT	3
DIRECTORS	3
COMPANY INFORMATION	3
OBJECTIVES, STRATEGIES AND PRINCIPAL ACTIVITIES	3
OPERATING RESULTS FOR THE PERIOD	4
SIGNIFICANT CHANGES IN STATE OF AFFAIRS	4
INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS	4
DIRECTORS' MEETINGS	4
SIGNIFICANT EVENTS AFTER THE BALANCE DATE	4
LIKELY DEVELOPMENTS AND EXPECTED RESULTS IN THE ENTITY'S OPERATIONS	4
MEMBERS' GUARANTEE	4
AUDITOR'S INDEPENDENCE	5
CONSOLIDATED INCOME STATEMENT	6

CONSOLIDATED BALANCE SHEET	7
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	8
CONSOLIDATED STATEMENT OF CASH FLOWS	9
NOTES TO THE FINANCIAL STATEMENTS.....	10
1. Corporate information	10
2. Summary of significant accounting policies.....	10
3. Notes to the Statement Of Cash Flows.....	14
4. Key Management Personnel	14
5. Audit Remuneration.....	14
6. Related party disclosure.....	14
7. Subsequent Events.....	15
8. Limitation of members' liability	15
9. Investments	15
10. Information relating to Primary Ethics Ltd (the Parent)	15
11. Information relating to Primary Ethics Nominees Pty Ltd ATF Primary Ethics Future Trust (the Trust) .	16
12. Information furnished under the Charitable Fundraising Act 1991	16
13. Borrowing	17
DIRECTORS' DECLARATION.....	18
TREASURER'S DECLARATION	19
INDEPENDENT AUDITOR'S REPORTS.....	20

DIRECTORS REPORT

The Directors have pleasure in submitting the financial statements of the Group for the year ended 30 June 2017 and report as follows:

DIRECTORS

The names of the Directors in office during the year and at the date of this report are:

Name	Other roles
Mr Bruce Hogan AM (<i>chair</i>)	Founder and Chairman of the Hogan Family Foundation and a director of the Stolen Generations Testimonies Foundation. Bruce has had an extensive non-executive director career following his executive career in investment banking, primarily with Bankers Trust Australia. Past directorships include Chairmanship of Snowy Hydro Ltd, State Super Financial Services, Adelaide Casino and the Coles Myer Superannuation Fund and non-executive director of NSW Treasury Corporation, Coles Myer, Metcash, GIO, Funds SA and Energy Australia.
The Hon Nick Greiner AC	A former Premier and Treasurer of NSW Nick has since been involved in the corporate world as Chairman of several large companies and as the Deputy Chairman or a Director of others. He holds an Honours Degree in Economics from Sydney University and a Master of Business Administration with High Distinction from Harvard Business School. In 1994 he was awarded a Companion of the Order of Australia for public sector reform and management and services to the community. He is a Life Fellow of the Australian Institute of Company Directors, an Honorary Fellow of CPA Australia and a Life Member of the South Sydney Rugby League Club.
Dr Simon Longstaff AO	A philosopher whose focus is in the field of applied ethics encompassing the wider community beyond academe. Since 1991, he has been Executive Director of St James Ethics Centre, an independent not-for-profit organisation, which provides a non-judgemental forum for the promotion and exploration of ethics.
Ms Robin Low	Non-executive director of Appen Limited, Austbrokers Limited, CSG Limited and IPH Limited and Deputy Chairman of the Auditing and Assurance Standards Board. Robin is a former PricewaterhouseCoopers partner and had a career of over 28 years with the firm. She is also on the board of Public Education Foundation and is treasurer of Sydney Medical School Foundation.
Mr Nigel Stokes	Has held the role of Financial Adviser in the NSW Government for 10 years working on a number of Government projects. At Bankers Trust Nigel worked on a series of significant privatisations including GIO, NSW State Bank and NSW TAB. He also advised on the demutualisation of the ASX as well as consulting to the NSW Treasury Corporation on risk strategy.

COMPANY INFORMATION

Primary Ethics Limited is a not-for-profit organisation Limited by Guarantee and domiciled in Australia. The registered office and principal place of business is Suite 408, 24-30 Springfield Avenue Potts Point NSW 2011. The company was incorporated on 4 November 2010.

OBJECTIVES, STRATEGIES AND PRINCIPAL ACTIVITIES

1. Provide philosophical ethics education to children in public schools who do not attend special religious education classes.
2. Develop an engaging ethics curriculum and learning/teaching materials that are age appropriate and deliverable to urban, regional and rural schools.
3. Provide a developed curriculum and learning/teaching materials for use by faith groups, to use 'as is' or to amend in accordance with the frameworks of their particular religions.

4. Manage quality control over the ethics curriculum content and its delivery.
5. Attract, select, recruit and train suitable volunteer ethics teachers.
6. Coordinate the curriculum delivery via volunteer ethics teachers.
7. Provide a mechanism for receiving and reacting to complaints relating to the provision of ethics education.
8. To carry out such other functions and purposes which are necessary or incidental to the other objects of the company, on the basis that the company operates as a not-for-profit company.

In achieving these objectives, Primary Ethics Limited will establish and expand collaborative partnerships.

Primary Ethics Limited measures its achievements through a suite of key performance indicators established at Board Level.

OPERATING RESULTS FOR THE PERIOD

The net result for the year ending 30 June 2017 was a profit of \$4,659,084 (2016: profit of \$834,384).

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There has been no significant change in the state of affairs of the Company during the year.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

The Company held Directors and Officers liability insurance during the year which indemnifies the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable.

DIRECTORS' MEETINGS

The Primary Ethics Ltd Board met on 6 occasions during the year ended 30 June 2017. The number of meetings attended by each Director is set out in the following table:

Name	Number of meetings attended
Mr Bruce Hogan	6
Dr Simon Longstaff	5
Ms Robin Low	6
Mr Nigel Stokes	5
The Hon Nick Greiner (appointed Oct 2016)	5 (of 5)

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

There are no significant events after the balance date that is not noted elsewhere in these financial statements.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS IN THE ENTITY'S OPERATIONS

At the date of this report, the directors are not aware of any developments likely to have a significant effect upon Primary Ethics Limited's operations.

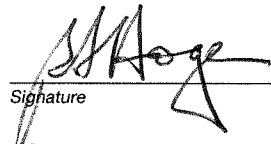
MEMBERS' GUARANTEE

Primary Ethics Limited is a company limited by guarantee and in accordance with its Constitution, in the event of Primary Ethics Limited being wound up, the liability of members will not exceed \$5.00 per member as per Clause 21.9 of the Constitution. Primary Ethics Limited has one member.

AUDITOR'S INDEPENDENCE

The Directors have received an independent declaration from the auditor of Primary Ethics Limited, Ernst & Young and a copy is attached to this report.

This report has been made in accordance with a resolution of the Directors.




Signature
BRUCE HOGAN

Name

Director

Title



Signature
ROBIN LAW

Name

Director

Title

Dated this 13th day of December 2017, Sydney, NSW.

CONSOLIDATED INCOME STATEMENT

for the financial year ended 30 June 2017

Revenue	2017	2016
	\$	\$
Fundraising Activities		
Donations	4,993,318	1,359,142
Donations - in kind	14,335,085	9,928,795
	<u>19,328,403</u>	<u>11,287,937</u>
Trading Activities		
Investment income	482,903	191,505
Other incidental income	250	-
	<u>483,153</u>	<u>191,505</u>
Total revenue	19,811,556	11,479,442
Operating Expenditure		
Employee & sub-contractor benefits expense	617,336	530,925
Administration expenses	22,850	15,486
Consultants & professional services expenses	93,165	87,300
Marketing & communication expenses	11,453	9,945
Occupancy expenses	55,584	50,728
Information technology expenses	11,090	15,612
Travel, accommodation and other expenses	5,909	6,266
Donations - in kind	14,335,085	9,928,795
Total expenditure	15,152,472	10,645,058
Surplus / (deficit) from continuing operations before income tax	<u>4,659,084</u>	<u>834,384</u>
Income tax expense	-	-
Surplus/ (deficit) for the year from continuing operations	4,659,084	834,384
Other comprehensive income		
Other comprehensive Income for the period, net of income tax	-	-
Total comprehensive Income /(Loss) for the year	4,659,084	834,384

The Consolidated Income Statement is to read in conjunction with the attached notes.

CONSOLIDATED BALANCE SHEET

as at 30 June 2017

The Balance Sheet is to be read in conjunction with the attached notes

	Note	FY2017 (\$)	FY2016 (\$)
CURRENT ASSETS			
Cash and cash equivalents		5,423,299	1,119,847
Trade and other receivables	2(e)	100,044	100,913
Tax Credits		21,686	32,286
TOTAL CURRENT ASSETS		5,545,029	1,253,046
OTHER ASSETS			
Investments	9	4,080,879	3,905,203
Office Equipment		10,158	12,209
TOTAL OTHER ASSETS		4,091,037	3,917,411
TOTAL ASSETS		9,636,066	5,170,458
CURRENT LIABILITIES			
Trade and Other Payables		115	50
Borrowings		50,000	-
Superannuation Payable		5,945	6,019
Provision for Employee Entitlements		36,622	31,514
Tax Liabilities		11,818	10,393
TOTAL CURRENT LIABILITIES		104,500	47,976
NON CURRENT LIABILITIES			
Borrowings	13	-	250,000
TOTAL NON CURRENT LIABILITIES		-	250,000
TOTAL LIABILITIES		104,500	297,975
NET ASSETS		9,531,566	4,872,482
FUNDS			
Retained earnings at the start of the year		4,872,482	4,038,098
Current Year Surplus/Deficit		4,659,084	834,384
TOTAL FUNDS		9,531,566	4,872,482

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year ended 30 June 2017

	Retained Earnings	Total
As at 1 July 2016	4,872,482	4,872,482
Net Profit for the Year	<u>4,659,084</u>	<u>4,659,084</u>
As at 30 June 2017	9,531,566	9,531,566

Roll forward of Equity – FY2016

	Retained Earnings	Total
As at 1 July 2015	4,038,098	4,038,098
Net Profit for the Year	<u>834,384</u>	<u>834,384</u>
As at 30 June 2016	4,872,482	4,872,482

The Statement of Changes in Equity is to be read in conjunction with the attached notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the financial year ended 30 June 2017

	Note	FY2017 (\$)	FY2016 (\$)
Cash Flows from Operating Activities			
Cash Receipts from donors		4,993,618	1,354,481
Payments to suppliers and employees		(858,211)	(679,250)
Dividends received		14,144	15,922
Interest received		25,076	20,246
Net cash flows from/(used in) operating activities	3	4,174,628	711,399
Cash Flows from Investing Activities			
Purchase of Investments		(1,000,000)	(1,304,287)
Sale of Investments			
Franking Credits		1,316,973	504,469
Distributions Received		31,852	-
Net cash from/(used in) investing activities		348,825	(799,818)
Cash Flows from Financing activities			
Short term loans		(200,000)	(200,000)
Interest paid		(20,000)	(36,000)
Net cash 'used in' financing activities		(220,000)	(236,000)
Net increase/(decrease) in cash held		4,303,452	(324,419)
Cash at the beginning of the financial year		1,119,847	1,444,267
Cash at the end of the financial year		5,423,299	1,119,848

The Statement of Cash Flows is to be read in conjunction with the attached notes

NOTES TO THE FINANCIAL STATEMENTS

1. Corporate information

The consolidated financial report of Primary Ethics Limited and its controlled entity for the year ended 30 June 2017 was authorised in accordance with a resolution of the Directors on 13 December 2016. The company is a company limited by guarantee, was incorporated on 4 November 2010 and domiciled in Australia.

Primary Ethics Limited is a “not for profit” entity.

2. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial report are set out below. These policies are consistently applied unless otherwise stated. The financial report is for the consolidated entity consisting of Primary Ethics Limited and its controlled entity Primary Ethics Future Trust.

(a) Basis of preparation

The financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Australian Accounting Standards - Reduced Disclosure Requirements, the Corporations Act 2001, the Australian Charities and Not-for-profit Commission Act 2012 and the Charitable Fundraising Act 1991.

The financial statements have been prepared in accordance with the historical cost convention except for investments which are measured at fair value.

The Financial Report is presented in Australian dollars.

(b) Statement of Compliance

The Group has adopted AASB 1053 *Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*.

The adopting of these standards has allowed Primary Ethics Limited to remove a number of disclosures, in particular the disclosures around financial risk management objectives and policies.

The financial report complies with Australian accounting standards issued by the Australian Accounting Standards Board (AASB).

Wind up of Subsidiary

During the year, the Group wound up its subsidiary, Primary Ethics Future Trust (“Trust”) with all of its assets transferred to Primary Ethics. The wind up and the transfer of assets did not affect the consolidated financial statements of the Group. Accordingly, the individual financial statements of Primary Ethics for the year ended 30 June 2017 are the continuation of the consolidated group. The amounts shown in these set of financial statements shall be next year’s comparatives.

(c) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less. For the statement of cash flow, cash and cash equivalent consist of the cash and cash equivalents as defined above.

(d) Trade and other receivables

Trade receivables are recognised and carried at original invoice amount less a provision for any uncollectible debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

(e) Investments

Investments of the Group are initially recognised at cost, being the fair value of the consideration given.

After initial recognition, investments are measured at fair value. Gains or losses on investments are recognised in the Consolidated Income Statement.

Purchases and sales of financial assets that require delivery of assets within the timeframe generally established by regulation or convention in the market place are recognised on the trade date i.e. the date that the Fund commits to purchase the asset.

Fair values of investments and derivatives have been determined as follows:

Shares in listed entities and other fixed interest securities:

- at last sale price quoted by the Stock Exchange at close of business on the balance date;

Shares in unit trusts:

- unit trusts are valued on the basis of the exit prices determined by the managers of the trusts at the balance date

(f) Significant Accounting Estimates and Assumptions

No estimates and assumptions have been made that affect the recognised amounts of assets, liabilities, revenues and expenses.

(g) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured.

(i) Donation income, sponsorship and grants

Control of a right to receive the donation is attained, usually evidenced by receipt of cash.

(ii) In – Kind donations

Facilities and services donated to the Company and services rendered by volunteers are included at the fair value to the company where this can be quantified and a third party is bearing the cost.

Investment Income

(iii) Interest

Interest income is recognised as it accrues, using the effective interest method

(iv) Dividends/Distributions

The right to receive the dividend/distribution payment is established or present entitlement of distributions passes to the Group.

(v) Unrealised gain/(loss) on Investments

Unrealised gain/(loss) is calculated as the difference between the net market value at balance date and the net market value at the previous valuation point. All changes are recognised in the Consolidated Income Statement in the periods in which they occur.

(h) Taxation

The Company is a charitable institution for the purposes of Australian taxation legislation and is therefore exempt from income tax. This exemption has been confirmed by the Australian Taxation Office.

(i) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except where the amount of GST incurred is not recoverable from the Australian Taxation Office, in which case it is recognised as part of the cost of acquisition of an asset or as part of an item of expense.

(ii) Receivables and payables are recognised inclusive of GST.

The net amount of GST recoverable from or payable to the Australian Taxation Office is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from or payable to the Australian Taxation Office is classified as operating cash flows

(i) Impairment of financial assets

The Group assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event') has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

(j) Fundraising

As a charitable institution, the Company has requirements under the Charitable Fundraising Act 1991. This Act provides the manner in which fundraising appeals are conducted, controlled and reported. These are shown in Note 12 of the financial statements.

(k) Provisions for Employee Entitlements

Provision is made for employee entitlement benefits accumulated as a result of employee rendering services up to reporting date. These benefits include wages salaries, annual leave, sick leave and long service leave. Associated on costs have been taken into consideration in arriving at these provisions where appropriate.

The Company contributes to various superannuation funds in respect of its superannuation obligations for its employees. A superannuation contribution of 9.5% (2016: 9.5%) of the employees' salaries and wages is legally enforceable. Funding is provided to accumulation contribution style funds only.

(l) Current vs non- current classification

The Group presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

(o) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid and are stated at cost. The amounts are unsecured and are usually paid within 90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date.

(p) Office Equipment

Office equipment are stated at cost less accumulated depreciation and impairment losses. Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

The depreciation rates for each major class of asset are as follows:

- Furniture and fittings 10% - 25%
- Software 30% - 50%

Fixed assets are assessed for impairment where there is an indication of impairment. Where impairment exists, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognised in the income statement. The depreciation charge for the asset is then adjusted to reflect the asset's revised carrying amount.

(q) *Wages and salaries, annual leave and sick leave*

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

(r) *Foreign Currency*

The Group's financial report is presented in Australian dollars, which is the Primary Ethics limited and controlled entity's functional and presentation currency.

3. Notes to the Statement Of Cash Flows

a. Reconciliation of the operating surplus / (deficit) after tax to the net cash flows from operations

	FY2017 (\$)	FY2016 (\$)
Operating Surplus	4,659,084	834,384
Unrealised loss on Investments	(331,436)	118,952
Rebates reinvested	(18,011)	(26,052)
Distributions reinvested	(161,366)	(217,477)
Other non-cash items	27,161	46,019
<i>Changes in assets and liabilities</i>		
Change in Debtors	(869)	(28,058)
Change in Creditors	65	(20,705)
Net Cash provided by Operating Activities	4,174,628	711,398

b. Reconciliation of Cash

	FY2017 (\$)	FY2016 (\$)
Cash in transit (Givenow)	15,015	15,855
Cash at Bank	5,408,284	1,103,992
Total	5,423,299	1,119,847

4. Key Management Personnel

(i) Directors

There are no Directors receiving income from being members of the Board of Primary Ethics Limited

(ii) Other personnel

Compensation received or receivable by key personnel of Primary Ethics Limited in connection with management of the affairs of Primary Ethics Limited, whether as an executive officer or otherwise.

	FY2017 (\$)	FY2016 (\$)
Short-term benefit	119,775	81,434
Post-employment benefit (super)	10,886	7,102
	130,661	88,535

5. Audit Remuneration

Amounts received or due and receivable by the auditor for other services in 2017 were nil (2016: nil).
Amounts received or due and receivable by the auditor for audit services in 2017 were nil (2016: nil).

6. Related party disclosure

During the year and up to the date of this report the following people were members of the Board of Primary Ethics Limited:

Mr Bruce Hogan

Ms Robin Low

Dr Simon Longstaff
The Hon Nick Greiner (appointed Oct 2016)

Mr Nigel Stokes

During the year and up to the date of the wind up of the Trust, the following people were members of the Board of Primary Ethics Nominees Pty Limited (ATF Primary Ethics Future Trust):

Mr Christopher Cuffe (resigned Feb. 2017)	Mr Piers Bolger
Mr Bruce Hogan	The Hon Nick Greiner (resigned Nov. 2016)
Mr Stephen Knight	

During the year the Group under normal commercial terms and conditions made payments for services performed by a Board member related entity for the value of nil (2016 nil).

Donations were received from the members of the Primary Ethics Ltd Board of \$105,000 (2016: \$286,000). This is comprised of \$100,000 donation from the Rita Hogan Foundation (2016: \$50,000), an entity related to Bruce Hogan, and \$5000 donated by Robin Low. A further amount of \$220,000 was donated by the Christopher Cuffe Foundation, an entity related to Chris Cuffe, a director of Primary Ethics Nominees Pty Limited, ATF Primary Ethics Future Trust (2016: \$236,000),

A short term loan has been provided to the Company by Christopher Cuffe for investment purposes. Interest is payable annually at a fixed rate of 8%. The schedule for this loan is detailed at Note 13.

Chris Cuffe is a director of ASX Listed company Global Value Fund Ltd. 200,000 shares are held by Primary Ethics Nominees Pty Ltd, the trustee of the Primary Ethics Future Trust, in this fund at year end.

7. Subsequent Events

The Directors are not aware of any material events occurring after balance date of this report that would require further disclosure in these consolidated financial statements.

8. Limitation of members' liability

Primary Ethics Limited is a company limited by guarantee and in accordance with its Constitution, in the event of Primary Ethics Limited being wound up, the liability of members will not exceed \$5.00 per member as per Clause 21.9 of the Constitution. Primary Ethics Limited has one institutional member.

9. Investments

Investments are now directly held by Primary Ethics Limited as at 30 June 2017 the investments held were as follows:

	FY2017 (\$)	FY2016 (\$)
Auscap Short Long Equity Fund	623,850	578,669
Airlie Share Fund	-	1,021,171
Magellan Global Fund	836,319	673,493
Paradise Global Small Mid Cap	583,191	476,577
Magellan Infrastructure Fund	479,965	444,551
Global Value Fund Ltd	232,000	207,000
Third Link Growth Fund	1,018,286	-
Woolworths (WOWHC)	-	100,460
Westpac Banking Corp (WBCPC)	102,918	100,421
ANZ Banking Group (ANZPC)	102,100	100,500
Insurance Group Australia (IAGPC)	-	101,550
Westpac Banking Corp (WBCHB)	102,250	100,810
Total Investments	4,080,879	3,905,202

10. Information relating to Primary Ethics Ltd (the Parent)

	FY2017 (\$)	FY2016 (\$)
Current assets	5,545,029	841,397
Total assets	9,636,066	4,835,200
Current liabilities	104,500	51,845
Total liabilities	104,500	301,845
Issued capital	-	-
Retained earnings	4,872,482	3,879,313
Profit or loss of the Parent entity	4,659,084	654,041
Total comprehensive income of the Parent entity	4,659,084	654,041

11. Information relating to Primary Ethics Nominees Pty Ltd ATF Primary Ethics Future Trust (the Trust)

	FY2017 (\$)	FY2016 (\$)
Current assets	-	4,317,266
Total assets	-	4,317,266
Current liabilities	-	74,718
Total liabilities	-	-
Issued capital	-	3,981,594
Retained earnings	-	80,611
Profit or loss of the Trust entity	-	180,343
Total comprehensive income of the Trust entity	-	180,343

12. Information furnished under the Charitable Fundraising Act 1991

Details of aggregate gross income and total expenditure of fundraising appeals

	FY2017 (\$)	FY2016 (\$)
<u>Proceeds from Fundraising appeals</u>		
Donations	4,993,568	1,359,142
Gross proceeds from fundraising appeals	4,993,568	1,359,142
<u>Direct costs of fundraising appeals</u>		
Donations	22,100	74,879
Total direct costs of fundraising appeals	22,100	74,879
Net surplus from fundraising appeals	4,971,468	1,284,263

Statement showing how funds received are applied for charitable purposes

Net surplus from fundraising appeals applied for charitable purposes as follows:

	FY2017 (\$)	FY2016 (\$)
Office administration	273,331	116,550
Delivery of services	518,363	523,172
Community education	3,592	1,662
Total expenditure	795,286	641,384
Surplus/(Shortfall)	4,176,181	642,879
Other funding was provided by the following sources:		
Government grants	-	-
Non-government grants	-	-
Sponsorship	-	-
Sale of asset	-	-
Interest earned	25,076	15,218
Investment income	457,827	176,287
Surplus transferred to Accumulated Funds for future use	4,659,084	834,384

13. Borrowing

Comparison by monetary figures and percentages	2017 (\$)	2016 (\$)
Gross income from fundraising appeals	4,993,568	1,359,142
Total direct cost of fundraising appeals	22,100	74,879
Total direct cost of fundraising as a percentage gross of income from Fundraising appeals	0.44%	5.51%
Net surplus from fundraising appeals	4,971,468	1,284,263
Net surplus from fundraising as a percentage of gross income from fundraising appeals	99.56%	94.49%
Total cost of direct services	521,955	524,834
Total expenditure (excluding direct cost of fundraising appeals)	795,286	641,384
Total cost of Direct services as a percentage of total expenditure	65.63%	81.83%
Total income received (including net profit from fundraising appeals)	5,454,371	1,475,768
Total cost of direct services as a percentage of total income received	9.57%	35.56%

Fundraising appeals conducted during the financial period:

All fundraising activities are related to Public Appeals.

The borrowing is initially recognised and carried at cost. Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

A short term loan has been provided to the company for investment purposes. Interest is payable annually at a fixed rate of 8%.

Loan Schedule

Date	Loan	Repayment	Interest due	Outstanding
9 November 2013	\$230,000	-	-	\$230,000
9 November 2014	\$220,000	-	\$18,400	\$450,000
9 November 2015	-	\$200,000	\$36,000	\$250,000
9 November 2016	-	\$200,000	\$20,000	\$50,000
9 November 2017	-	\$50,000	\$4,000	-

DIRECTORS DECLARATION

In accordance with a resolution of the directors of Primary Ethics Limited, I state that in the opinion of the directors:

- (a) the financial statements and notes of the Group are in accordance with the Australian Charities and Not-for-Profits Commission Act 2012, including:
 - (i) giving a true and fair view of the Group's financial position as at 30 June 2017 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the Australian Charities and Not-for-Profits Commission Regulation 2013; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



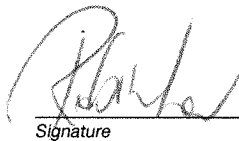
Signature

Bruce Hogan

Name

Director

Title



Signature

Robin Low

Name

Director


Title

Dated this 13 day of December 2017, Sydney, NSW.

TREASURER'S DECLARATION

In my opinion I state that the Primary Ethics':

- (i) Consolidated Income Statement gives a true and fair view of all income and expenditure of the organisation with respect to fundraising appeals;
- (ii) Consolidated Balance Sheet gives a true and fair view of the state of affairs of the organisation with respect to fundraising appeals conducted by the Company;
- (iii) the provisions of the NSW Charitable Fundraising Act 1991 (Act), the regulations under the Act and the conditions attached to the authority have been complied with by the Company and
- (i) the internal controls exercised by Company are appropriate and effective in accounting for all income received and applied by the Company from any of its fundraising appeals.


Signature

13 / 12 / 2017
Date

Scott Mannix

Name

Acting Treasurer

Title

INDEPENDENT AUDITOR'S REPORTS