



PRIMARY ETHICS LIMITED

ACN 147 194 349

Financial Report  
for the year ended  
30 June 2018

## CONTENTS

CONTENTS .....	2
DIRECTORS' REPORT .....	3
INCOME STATEMENT .....	7
BALANCE SHEET .....	8
STATEMENT OF CHANGES IN EQUITY .....	9
STATEMENT OF CASH FLOWS .....	10
NOTES TO THE FINANCIAL STATEMENTS .....	11
DIRECTORS' DECLARATION .....	20
TREASURER'S DECLARATION .....	21
INDEPENDENT AUDITOR'S REPORT .....	22

## DIRECTORS REPORT

The directors have pleasure in submitting the financial statements of the Group for the year ended 30 June 2018 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 (Chair)	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 (the "Company") 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 2018 was a profit of \$1,411,816 (2017: profit of \$4,659,084).

## 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 Limited Board met on 6 occasions during the year ended 30 June 2018. 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	2
Ms Robin Low	6
Mr Nigel Stokes	6
The Hon Nick Greiner	4

## 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 independence 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

SIMON LONGSTAFF

Name

Director

Title

Dated this 25<sup>th</sup> day of DECEMBER 2018, Sydney, NSW.

# INCOME STATEMENT

for the financial year ended 30 June 2018

<b>Revenue</b>	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>Fundraising Activities</b>		
Donations	1,398,367	4,993,318
Donations - in kind	15,319,975	14,335,085
	<u>16,718,342</u>	<u>19,328,403</u>
<b>Trading Activities</b>		
Investment income	915,464	482,903
Other incidental income	6,426	250
	<u>921,890</u>	<u>483,153</u>
<b>Total revenue</b>	<b>17,640,232</b>	<b>19,811,556</b>
<b>Operating Expenditure</b>		
Employee & sub-contractor benefits expense	605,833	617,336
Administration expenses	23,539	22,850
Consultants & professional services expenses	167,284	93,165
Marketing & communication expenses	24,623	11,453
Occupancy expenses	61,756	55,584
Information technology expenses	14,485	11,090
Travel, accommodation and other expenses	10,921	5,909
Donations - in kind	15,319,975	14,335,085
<b>Total expenditure</b>	<b>16,228,416</b>	<b>15,152,472</b>
<b>Surplus/(deficit) from continuing operations before income tax</b>	<b>1,411,816</b>	<b>4,659,084</b>
Income tax expense	-	-
<b>Surplus/(deficit) for the year from continuing operations</b>	<b>1,411,816</b>	<b>4,659,084</b>
<b>Other comprehensive income</b>		
Other comprehensive Income for the period, net of income tax	-	-
<b>Total comprehensive income/(loss) for the year</b>	<b>1,411,816</b>	<b>4,659,084</b>

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

# BALANCE SHEET

as at 30 June 2018

	Note	2018 (\$)	2017 (\$)
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3(b)	1,528,237	5,423,299
Trade and other receivables		28,176	100,044
Tax Credits		30,498	21,686
<b>TOTAL CURRENT ASSETS</b>		<b>1,586,910</b>	<b>5,545,029</b>
<b>NON-CURRENT ASSETS</b>			
Investments	9	9,461,181	4,080,879
Office Equipment		9,587	10,158
<b>TOTAL NON-CURRENT ASSETS</b>		<b>9,470,768</b>	<b>4,091,037</b>
<b>TOTAL ASSETS</b>		<b>11,057,678</b>	<b>9,636,066</b>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables		8,874	115
Deferred Revenue		60,000	-
Borrowings		-	50,000
Superannuation Payable		5,569	5,945
Provision for Employee Entitlements		34,240	36,622
Tax Liabilities		5,613	11,818
<b>TOTAL CURRENT LIABILITIES</b>		<b>114,296</b>	<b>104,500</b>
<b>TOTAL LIABILITIES</b>		<b>114,296</b>	<b>104,500</b>
<b>NET ASSETS</b>		<b>10,943,382</b>	<b>9,531,566</b>
<b>FUNDS</b>			
Retained earnings at the start of the year		9,531,566	4,872,482
Current year surplus/(deficit)		1,411,816	4,659,084
<b>TOTAL FUNDS</b>		<b>10,943,382</b>	<b>9,531,566</b>

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



## STATEMENT OF CHANGES IN EQUITY

for the financial year ended 30 June 2018

	<b>Retained Earnings</b>	<b>Total</b>
As at 1 July 2017	9,531,566	9,531,566
Net profit for the year	<u>1,411,816</u>	<u>1,411,816</u>
<b>As at 30 June 2018</b>	<b>10,943,382</b>	<b>10,943,382</b>

	<b>Retained Earnings</b>	<b>Total</b>
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>
<b>As at 30 June 2017</b>	<b>9,531,566</b>	<b>9,531,566</b>

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

# STATEMENT OF CASH FLOWS

for the financial year ended 30 June 2018

	Note	2018 (\$)	2017 (\$)
<b>Cash Flows from Operating Activities</b>			
Cash receipts from donors		1,481,386	4,993,618
Payments to suppliers and employees		(930,061)	(858,211)
Dividends received		1,798	14,144
Interest received		42,702	25,076
<b>Net cash flows from/(used in) operating activities</b>	<b>3(a)</b>	<b>595,825</b>	<b>4,174,628</b>
<b>Cash Flows from Investing Activities</b>			
Purchase of investments		(6,609,479)	(1,000,000)
Sale of investments		2,181,403	1,316,973
Franking credits		(16,079)	31,852
Distributions received		7,268	-
<b>Net cash flows from/(used in) investing activities</b>		<b>(4,436,887)</b>	<b>348,825</b>
<b>Cash Flows from Financing activities</b>			
Short term loans		(50,000)	(200,000)
Interest paid		(4,000)	(20,000)
<b>Net cash flows from/(used in) financing activities</b>		<b>(54,000)</b>	<b>(220,000)</b>
Net increase/(decrease) in cash held		(3,895,062)	4,303,452
Cash at the beginning of the financial year		5,423,299	1,119,847
<b>Cash at the end of the financial year</b>	<b>3(b)</b>	<b>1,528,237</b>	<b>5,423,299</b>

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

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Corporate information

The financial report of Primary Ethics Limited for the year ended 30 June 2018 was authorised in accordance with a resolution of the directors on 19 September 2018. The Company is a company Limited by Guarantee, 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 this financial report are set out below. These policies are consistently applied unless otherwise stated.

#### *(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").

#### *(c) Cash and cash equivalents*

Cash and cash equivalents include cash on hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less. For the statement of cash flows, cash and cash equivalents 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 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 Company 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 gains/(losses) on investments

Unrealised gains/(losses) are 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 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 employees 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% (2017: 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 classified as 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 equivalents 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 is 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 financial report is presented in Australian dollars, which is the Primary Ethics Limited'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

	2018 (\$)	2017 (\$)
Operating Surplus	1,411,816	4,659,084
Unrealised losses on investments	(648,606)	(331,436)
Realised gains reinvested	(36,621)	(18,011)
Distributions reinvested	(185,737)	(161,366)
Other non-cash items	10,475	27,161
<i>Changes in assets and liabilities</i>		
Change in Debtors	(43,245)	(869)
Change in Creditors	87,742	65
<b>Net cash flows from operating activities</b>	<b>595,825</b>	<b>4,174,628</b>

b. Reconciliation of Cash

	2018 (\$)	2017 (\$)
Cash in transit (Givenow)	1,751	15,015
Cash at Bank	1,526,486	5,408,284
<b>Total</b>	<b>1,528,237</b>	<b>5,423,299</b>

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.

	2018 (\$)	2017 (\$)
Short-term benefits	112,780	119,775
Post-employment benefits (super)	10,714	10,886
	<b>123,494</b>	<b>130,661</b>

5. Audit Remuneration

Amounts received or due and receivable by the auditor for other services in 2018 were nil (2017: nil). Amounts received or due and receivable by the auditor for audit services in 2018 were nil (2017: 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

Mr Nigel Stokes

The Hon Nick Greiner

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 (2017 nil).

Donations were received from the members of the Primary Ethics Limited Board of \$110,000 (2017: \$105,000). This is comprised of \$100,000 donation from the Hogan Family Foundation (2017: \$100,000), an entity related to Bruce Hogan, \$5,000 donated by Robin Low (2017: \$5,000), and \$5,000 donated by Nigel Stokes.

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 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 held by Primary Ethics Limited as at 30 June 2018 are as follows:

	2018 (\$)	2017 (\$)
Auscap Short Long Equity Fund	-	623,850
Magellan Global Fund	1,017,004	836,319
Paradice Global Small Mid Cap	675,290	583,191
Magellan Infrastructure Fund	563,134	479,965
Global Value Fund Ltd	-	232,000
Third Link Growth Fund	-	1,018,286
Westpac Banking Corp (WBCPC)	-	102,918
ANZ Banking Group (ANZPC)	-	102,100
Perpetual Investment	7,205,754	-
Westpac Banking Corp (WBCHB)	-	102,250
<b>Total Investments</b>	<b>9,461,181</b>	<b>4,080,879</b>

10. Information furnished under the Charitable Fundraising Act 1991

Details of aggregate gross income and total expenditure of fundraising appeals

	2018 (\$)	2017 (\$)
<u>Proceeds from Fundraising appeals</u>		
Donations	1,398,367	4,993,318
<b>Gross proceeds from fundraising appeals</b>	<b>1,398,367</b>	<b>4,993,318</b>
<u>Direct costs of fundraising appeals</u>		
Donations	41,652	22,100
<b>Total direct costs of fundraising appeals</b>	<b>41,652</b>	<b>22,100</b>
<b>Net surplus from fundraising appeals</b>	<b>1,356,715</b>	<b>4,971,218</b>

Statement showing how funds received are applied for charitable purposes

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

	2018 (\$)	2017 (\$)
Office administration	382,571	273,332
Delivery of services	479,918	518,363
Community education	4,301	3,592
<b>Total expenditure</b>	<b>866,789</b>	<b>795,287</b>

<b>Surplus/(shortfall)</b>	<b>489,926</b>	<b>4,175,931</b>
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Other funding was provided by the following sources:

Government grants	-	-
Non-government grants	-	-
Sponsorship	-	-
Sale of asset	-	-
Interest earned	42,702	25,076
Investment income	879,188	457,827
<b>Surplus transferred to Accumulated Funds for future use</b>	<b>1,411,816</b>	<b>4,658,834</b>

<b>Comparison by monetary figures and percentages</b>	<b>2018(\$)</b>	<b>2017(\$)</b>
Gross income from fundraising appeals	1,398,367	4,993,318
Total direct cost of fundraising appeals	41,652	22,100
<b>Total direct cost of fundraising as a percentage gross of income from Fundraising appeals</b>	<b>2.98%</b>	<b>0.44%</b>
Net surplus from fundraising appeals	1,356,715	4,971,218
<b>Net surplus from fundraising as a percentage of gross income from fundraising appeals</b>	<b>97.02%</b>	<b>99.56%</b>
Total cost of direct services	484,219	521,955

Total expenditure (excluding direct cost of fundraising appeals)	866,789	795,287
<b>Total cost of direct services as a percentage of total expenditure</b>	<b>55.86%</b>	<b>65.63%</b>

Total income received (including net profit from fundraising appeals)	2,278,605	5,454,121
<b>Total cost of direct services as a percentage of total income received</b>	<b>21.25%</b>	<b>9.57%</b>

Fundraising appeals conducted during the financial period and all fundraising activities are related to Public Appeals.

#### 11. Borrowing

The borrowings are 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 2018 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

SIMON LONGSTAFF  
Name

Director  
Title

Dated this 20<sup>th</sup> day of DECEMBER 2018, Sydney, NSW.

## TREASURER'S DECLARATION

In my opinion I state that the Primary Ethics':

- (i) Income Statement gives a true and fair view of all income and expenditure of the organisation with respect to fundraising appeals;
- (ii) 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.

Elizabeth Allen  
Signature

20, 12, 18  
Date

Elizabeth Allen  
Name

Acting Treasurer  
Title

## INDEPENDENT AUDITOR'S REPORT