

PITTWATER BUSINESS LIMITED
ABN 60 119 389 687

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2008

DIRECTORS' REPORT

The Directors present this report on the entity for the year ended 30 June 2008.

Directors

The names of each person who has been a director during the year and to the date of this report are:

Mr Richard Morgan (Chairman)
Mr Andrew Blunden
Ms Leanne Buttrose (resigned 18 June 2008)
Mr Jon Dale (appointed 28 November 2007)
Ms Jo Fenwick (appointed 28 November 2007)
Mr Ian Fewtrell (resigned 20 August 2008)
Ms Gail Fitzpatrick (appointed 18 June 2008)
Mr Leon Honour (appointed 28 November 2007)
Mr Geoff Mullins (appointed 24 April 2006, resigned 2 August 2007)
Mr Keith Ralfs (appointed 28 November 2007)

Directors have been in office from the start of the financial year to the date of the report unless otherwise stated.

Company Secretary

The following person held the position of entity secretary at the end of the financial year.

Mr Andrew Blunden – Bachelor of Commerce, Chartered Accountant.

Principal Activities

The principal activities of the entity during the period were:

- to provide networking opportunities to businesses in Pittwater
- to provide training and education to businesses in Pittwater
- to promote the interest and needs of businesses in Pittwater

No significant changes in the nature of the entity's activities occurred during the period.

Operating Results

The profit for the entity amounted to \$3,361 (period 24 April 2006 to 30 June 2007 - \$6,770).

Dividends

No dividends were paid or declared since the start of the period. No recommendation for payment of dividends has been made.

Significant Changes in State of Affairs

No significant changes in the entity's state of affairs occurred during the financial year.

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After Balance Date Events

No matters or circumstances have arisen since the end of the period which significantly affected or may significantly affect the operations of the entity, the results of those operations, or the state of affairs of the entity in future financial years.

Future Developments

The entity expects to maintain the present status and level of operations and hence there are no likely developments in the entity's operations.

Information on Directors

Mr Richard Morgan MA GDipMuseumStud Syd DipORec AQF, FRSA MACE, JP, Major (AAC)

Richard Morgan is Principal and Chief Executive Officer of Pittwater House .

Richard is an "old boy" of Pittwater House, first joining the Preparatory School in Transition B in 1964. After a career directing museums in Newcastle and Sydney he joined the full time School staff as Executive Officer in 1991 and was appointed Vice Principal of the School and Chief Executive Officer of the company in 1999. He was appointed Principal at the end of 2004.

He was awarded a Recognition Badge in the International Year of Volunteers 2001 by the Commonwealth Government, the Australian Cadet Forces Long Service Medal and bar in 2002 by the Department of Defence and the Centenary of Federation Medal by Her Majesty the Queen in 2003 for services to the community.

As Principal of Pittwater House Richard Morgan leads his team of academic and administrative staff with enthusiasm with the welfare and enriched academic experiences of the pupils his primary concern.

Mr Andrew Blunden CA, FEI, MAICD

Andrew Blunden, a Chartered Accountant and Registered Tax Agent, is the Managing Director and founder of Part Time Professionals. This organisation assists over 190 Chief Financial Officers, accountants and other executives by introducing them to permanent part time or project-based client assignments. The company provides the consultants with administrative support, client introductions, training and networking opportunities and is represented in Sydney, Melbourne, Brisbane, Adelaide and San Francisco.

Originally commencing with Ernst & Young in 1983, Andrew has held roles as Chief Financial Officer, Company Secretary and Director with both publicly listed and privately owned organisations. He has held executive positions with such companies as Sonic Healthcare Ltd, Computershare Ltd, LAN Systems Pty Ltd and Serco Australia Ltd. Andrew initially wrote to Pittwater Council in early 2005 recommending the establishment of a Pittwater-wide business association. From this, Pittwater Business Limited was born.

A resident of Clareville, Andrew holds a Bachelor of Commerce (Newcastle University), a Corporate Directors Diploma (University of New England) and is a Member of the Australian Institute of Company Directors, Institute of Chartered Accountants and the Financial Executives International.

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Ms Leanne Buttrose

Leanne Buttrose is currently Regional Manager for Bendigo Bank.

Leanne's career has predominately been in the retail banking environment, starting as a Customer Service Officer for Bank of NSW and later attaining the position of Branch Manager for St George Building Society. As Business Development Manager (BDM) for the Swiss Banking Corporation in Australia, she established the night trading desk (SYCOM) for the futures dealers in the Australia region. Leanne subsequently moved to Telstra Corporation (formerly Telecom Australia), establishing the retail mobile phone stores throughout Northern NSW. Joining DDI Asia Pacific Ltd., (a Human Resources and Organisational Development consultancy), as a BDM she acted as a personal coach to many executives across a broad range of businesses, specialising in presentation and selling skills.

Returning to the banking industry as Area Manager Northern Sydney for Westpac Banking Corporation, before moving to the Bendigo Bank to help establish the NSW network.

Mr Jon Dale B.Sc. (Hons)

Jon Dale has more than 12 years experience in Sales and Marketing in the IT & T industry, here in Australia and in the UK. His most recent roles were senior sales roles at Optus, managing multi-million-dollar relationships with clients like IBM, AMP and BOC.

A resident of Newport, Jon founded Small Fish Business Coaching, a coaching and consultancy business set up in 2006 to assist small business owners get more from their businesses.

Jon has been an early and enthusiastic member of Pittwater Business Limited. He was chairman of the Pittwater Advantage Sub-committee and has provided generous support to the organisation since its incorporation.

Ms Jo Fenwick

Jo Fenwick is the Northern Beaches franchisee of Secretary.com.au, a company specialising in the provision of secretarial and administrative support to businesses throughout Sydney. A member of the Pittwater Business Network, Jo has been a tireless supporter and sponsor of Pittwater Business Limited since its foundation. Jo has been a member of the Events sub-committee since inception and, through her company, has provided invaluable secretarial, administrative and database support for the organisation.

Mr Ian Fewtrell BA Bus. (Hons)

Ian Fewtrell is the Managing Director of InkXpress , as well as a Director of Pepperware Pty Ltd.

Ian started his extensive IT career with IBM and subsequently Racal Milgo UK, before moving to Australia over twenty years ago. Ian has held roles as General Manager & Sales & Marketing Director of Anite Communications (formerly Case Communications and Cray Communications). He was for five years the Australasian Managing Director of Cabletron Systems Ltd and subsequently Enterasys Ltd before leaving the corporate world to set up and establish his own business.

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Ian, started InkXpress (which imports and retails printer consumables throughout Australia) in 2004. Through InkXpress he supports many local schools, charities and clubs.

As a resident and business owner in Pittwater, Ian was an active member of Pittwater Business Ltd before being invited to become a board member in early 2007.

Ms Gail Fitzpatrick

Gail is the manager of Bendigo & Adelaide Bank Limited at Belrose. She has had 32 years experience in retail banking. Commencing with the Rural Bank, which became Colonial/State and then the Commonwealth Bank, Gail then joined St George Bank for a short period of time. In 2005 Gail took the opportunity to join Bendigo & Adelaide Bank Limited when a position became available.

Gail has been a member of Pittwater Business Limited since its foundation.

A true Pittwater resident, Gail has always lived at either Newport or Avalon.

Mr Leon Honour

Leon Honour has a background in blue chip FMCG sales and marketing and he has over ten years experience in a number of successful roles within companies with well known global brands. He spent the majority of his career in the UK managing major retail accounts for both Energizer and BIC. He also had extensive experience in printing and advertising owning and running two independent agencies in both the UK and Australia.

Now living in Bayview with his wife and young son, Leon's most recent venture is a new concept professional photography studio based in the Warriewood valley, where he offers families and their children a new generation of portraiture. This business is a partnership that he shares with Jamie Gray, a multi national award winning photographer from the Northern Beaches.

A founding member of the Membership sub-committee, Leon has been involved with Pittwater Business since its foundation and has provided extensive sales and marketing support for the organisation.

Mr Keith Ralfs

Keith is founder and proprietor of We Say Yes mortgage brokers and Greenwig, an organisation that helps young people. He was the Rotary, Social Entrepreneur of the Year 2005 and is currently Vice president of the Warringah Chamber of Commerce.

Keith holds numerous qualifications including a Diploma in Financial Planning (Deakin University), a Diploma in Mechanical Engineering, a Diploma in Naval Architecture, a Diploma in Hydraulic Engineering, a Diploma in Control Engineering and a Diploma in Business Management.

He is a Member of the Financial Planning Association of Australia, the Mortgage Industry Association of Australia, Institute of Marine Engineers, Chartered Institute of Transport, and the Society of Naval Architects & Marine Engineers.

A resident of Narrabeen, Keith has held various senior roles including Past Chairman, Institute of Marine Engineers; Foundation Member, Antarctic Society of Australia; Board

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Member, Oceanic Research Foundation and Foundation Board Member, Australian Maritime Co-operative Research Centre.

Meetings of Directors

During the period, 10 meetings of directors were held. Attendance by each director was as follows:

	Directors meetings	
	Number eligible to attend	Number attended
Mr Richard Morgan	10	10
Mr Andrew Blunden	10	10
Ms Leanne Buttrose	10	9
Mr Jon Dale	5	5
Ms Jo Fenwick	5	4
Mr Ian Fewtrell	5	4
Ms Gail Fitzpatrick	1	1
Mr Leon Honour	5	3
Mr Keith Ralfs	5	4

Indemnifying Officers or Auditor

No indemnities have been given or insurance premiums paid, during or since the end of the period, for any person who has been an auditor of the entity. During the year an insurance premium of \$1,318 was paid in respect of a Directors and Officers Insurance policy.

Auditors Independence Declaration

The auditor's independence declaration for the year ended 30 June 2008 has been received and can be found on page 16 of the Financial Report.

Signed in accordance with a resolution of the Board of Directors.

Sydney, 22 October 2008



Richard Morgan, Director



Andrew Blunden, Director

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INCOME STATEMENT FOR THE YEAR ENDED TO 30 JUNE 2008

	Notes	2008	2007
		\$	\$
Revenue	2	40,784	52,719
Bank charges		(808)	(454)
Clerical assistance		(12,992)	(22,290)
Donations		(2,422)	(100)
Filing fees		(40)	(370)
General expenses		(90)	(955)
Insurance		(1,319)	(1,055)
Internet		-	(4,135)
Marketing		-	(802)
Memberships		(568)	-
Postage and stationary		(1,313)	(2,315)
Room hire and Event Costs		(16,773)	(12,735)
Telephone		(1,643)	(738)
		<hr/>	<hr/>
		2,816	6,770
Income tax expense		-	-
		<hr/>	<hr/>
Profit after income tax		2,816	6,770
		<hr/>	<hr/>

BALANCE SHEET AS AT 30 JUNE 2008

	Notes	2008	2007
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash at bank	3	9,976	6,064
Other receivables	4	-	406
Sundry deposits	5	-	300
TOTAL ASSETS		<u>9,976</u>	<u>6,770</u>
CURRENT LIABILITIES			
Trade creditors	6	390	-
TOTAL LIABILITIES		<u>390</u>	<u>-</u>
NET ASSETS		<u>9,586</u>	<u>6,770</u>
EQUITY			
Retained Earnings		9,586	6,770
TOTAL EQUITY		<u>9,586</u>	<u>6,770</u>

**STATEMENT OF RECOGNISED INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2008**

	Retained Earnings	Total
	\$	\$
Balance as at 30 June 2007	6,770	6,770
Profit attributable to the entity	2,816	2,816
Balance at 30 June 2008	<u>9,586</u>	<u>9,586</u>

The accompanying notes form part of these financial statements.

CASHFLOW FOR THE YEAR ENDED 30 JUNE 2008

	Notes	2008	2007
		\$	\$
CASHFLOW FROM OPERATING ACTIVITIES			
Receipts from sponsors		12,899	30,000
Receipts from members and guests		27,860	22,689
Interest received		25	30
Payments to suppliers		(36,872)	(46,655)
NET CASH GENERATED FROM OPERATING ACTIVITIES		<hr/> 3,912	<hr/> 6,064
Net increase in cash held		3,912	6,064
Cash at the beginning of the period		6,064	-
Cash at the end of the period	3	<hr/> 9,976	<hr/> 6,064

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NOTES TO AND FORMING PART OF THE ACCOUNTS

Note 1 Statement of Significant Accounting Policies

The financial report is a general purpose financial report and has been prepared in accordance with Australian Accounting Standards including Australian Accounting interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report is for Pittwater Business Limited as an individual entity, incorporated and domiciled in Australia. Pittwater Business Limited is a company limited by guarantee.

The following is a summary of the material accounting policies adopted by the entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs. It does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

Accounting Policies

a. Revenue

Membership fees and sponsorship revenue is recognised as revenue when received unless it is designated for a specific purpose, where it is carried forward as prepaid income on the balance sheet.

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

b. Inventories

Inventories are measured at the lower of cost and current replacement cost.

Inventories acquired at no cost, or for nominal consideration are valued at the current replacement cost at the date of acquisition.

c. Property, Plant and Equipment

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

d. Impairment of Assets

At each reporting date, the entity reviews the carrying value of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the assets, being the higher of the asset's fair value less costs to sell and value in use, is

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compared to the assets carrying value.. Any excess of the assets carrying value over its recoverable amount is expensed to the Income Statement.

Where the future economic benefits of the asset are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would, if deprived of the asset, replace its remaining future economic benefits, value in use is depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable value of an asset's class, the entity estimates the recoverable amount of the cash generating unit to which the class of assets belong.

e. 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, and bank overdrafts.

f. 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 these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.

Cash Flows are presented in the Cashflow Statement on a net basis.

g. Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

h. Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Note 2: Revenue

	2008	2007
	\$	\$
Memberships	4,227	6,414
Sponsorships	12,727	30,000
Interest income	25	30
Function income	23,633	16,275
Other income	172	-
	<hr/> 40,784	<hr/> 52,719 <hr/>

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Note 3: Cash and Cash Equivalents

CURRENT	2008	2007
	\$	\$
Cash at bank	9,976	6,064
	9,976	6,064

Note 4: Other Receivables

CURRENT	\$	\$
GST Receivable	-	406
	-	406

Note 5: Sundry Deposits

CURRENT	\$	\$
Deposit for venue	-	300
	-	300

Note 6: Trade Creditors

CURRENT	\$	\$
GST payable	390	-
	390	-

Note 7: Events After the Balance Date

No events have occurred since balance date that are considered to have a material financial impact on these results.

Note 8: Cash Flow Information

a. Reconciliation of Cash	\$	\$
Cash at bank	9,976	6,064
	9,976	6,064

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b. Reconciliation of Cashflow from Operations with Profit after income tax

	2008	2007
	\$	\$
Profit after income tax	2,816	6,770
Changes in assets and liabilities		
Decrease/(Increase) in receivable and other assets	706	(706)
Increase in GST payable	390	-
Cash flows provided by operating activities	3,912	6,064

Note 9: Financial Instruments

a. Financial Risk Management

The entity's financial instruments consist mainly of deposits with banks, accounts receivable and accounts payable.

	Weighted Average Effective Interest Rate	Floating Interest Rate	Non Interest Bearing	Total
	%	\$	\$	\$
2008				
Financial assets				
Cash at bank	1.0	9,976	-	9,976
Other receivables		-	-	-
Total financial assets		9,976	-	9,976
2007				
Financial assets				
Cash at bank	1.0	6,064	-	6,064
Other receivables		-	706	706
Total financial assets		6,064	706	6,770

Note 10: Entity Details

The registered office of the entity is:

Pittwater Business Limited
Suite 8
90 Mona Vale Road
Mona Vale NSW 2103

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The principal place of business is:

9 Cynthea Road
Palm Beach NSW 2108

Note 11: Members' Guarantee

The entity is incorporated under the Corporations Act 2001 and is an entity limited by guarantee. If the entity is wound up, the constitution states that each member is required to contribute a maximum of \$1 each towards meeting any outstandings and obligations of the entity. At 30 June 2008 the number of members was 266 (2007 – 242).

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DIRECTORS' DECLARATION

The directors of the entity declare that:

1. The financial statements and notes, as set out on pages 2 to 14, are in accordance with the Corporations Act 2001:
 - a. comply with Accounting Standards and the Corporations Regulations 2001;
and
 - b. give a true and fair view of the financial position as at 30 June 2008 and of the performance for the year ended 30 June 2008.
2. In the directors' opinion there are reasonable grounds to believe that the entity will be able to pay its debts as when they become due and payable.

Signed in accordance with a resolution of the Board of Directors.

Sydney, 22 October 2008



Richard Morgan, Director



Andrew Blunden, Director

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INDEPENDENT AUDIT REPORT TO THE MEMBERS

Report on the Financial Report

We have audited the accompanying financial report of Pittwater Business Limited, which comprises the balance sheet as at 30 June 2008 and the income statement, statement of recognized income and expenditure and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control 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. 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 judgment, 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 of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe 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 Corporations Act 2001. We confirm that the independent declaration required by the Corporations Act 2001, provided to the directors of Pittwater Business Limited on 30 June 2008, would be in the same terms if provided to the directors as at the date of this auditor's report.

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Auditor's Opinion

In our opinion, the financial report of Pittwater Business Limited is in accordance with the Corporations Act 2001, including:

- a. giving a true and fair view of the company's financial position as at 30 June 2008 and of their performance for the year ended on that date: and
- b. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.



Andrew Stanning - Partner
Registered Company Auditor