

**THE NEW DEMOCRACY FOUNDATION  
ABN 28 349 680 213**

**FINANCIAL REPORT  
FOR THE YEAR ENDED  
30 SEPTEMBER 2012**

**Liability limited by a scheme approved under  
Professional Standards Legislation**

**THE NEW DEMOCRACY FOUNDATION  
ABN 28 349 680 213**

**DIRECTOR'S DECLARATION**

The director of the trustee company declares that the trust is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The director of the trustee company declares that:

- 1 The financial statements and notes present fairly the trust's financial position as at 30 September 2012 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements;
- 2 In the director's opinion there are reasonable grounds to believe that the trust will be able to pay its debts as and when they become due and payable.

**Director:** \_\_\_\_\_  
Mr Luca Belgiorno-Nettis

**Dated this**                      **day of**

**THE NEW DEMOCRACY FOUNDATION**  
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**DETAILED PROFIT AND LOSS STATEMENT**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2012**

	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<b>INCOME</b>		
Donations Received	305,419.00	150,000.00
Interest Received	3,481.56	5,403.35
	<u>308,900.56</u>	<u>155,403.35</u>
<b>EXPENSES</b>		
Accountancy Fees	5,250.00	5,100.00
Advertising	2,185.00	-
Bank Charges	(311.00)	11.65
Bookkeeping Fees	19,180.88	-
Catering	672.71	-
Communications	3,725.95	-
Computer Expenses	497.00	-
Consultancy Fees	116,898.16	76,381.86
Research Contributions	14,481.58	68,181.82
Depreciation	1,963.00	1,958.00
Filing Fees	42.00	319.00
General Expenses	511.50	977.20
Legal Costs	2,280.00	-
Postage	638.18	254.55
Printing & Stationery	2,912.42	909.09
Project Expenses	21,756.74	32,378.05
Promotional Expenses	14,935.45	10,029.86
Seminars and Conferences	1,772.73	-
Telephone	1,905.55	411.36
Travelling Expenses	8,210.77	5,713.33
Website Maintenance	28,420.07	15,871.72
	<u>247,928.69</u>	<u>218,497.49</u>
<b>Profit (Loss)</b>	<u>60,971.87</u>	<u>(63,094.14)</u>

The accompanying notes form part of these financial statements.

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**PROFIT AND LOSS APPROPRIATION STATEMENT**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2012**

	Note	2012 \$	2011 \$
<b>Net profit (Net loss)</b>		60,971.87	(63,094.14)
Retained earnings at the beginning of the financial year		84,703.86	147,798.00
<b>Total available for distribution</b>		<u>145,675.73</u>	<u>84,703.86</u>

The accompanying notes form part of these financial statements.

**THE NEW DEMOCRACY FOUNDATION**  
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**BALANCE SHEET**  
**AS AT 30 SEPTEMBER 2012**

	Note	2012 \$	2011 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	2	138,273.78	75,758.46
Trade and other receivables	3	7,279.12	6,859.57
<b>TOTAL CURRENT ASSETS</b>		<u>145,552.90</u>	<u>82,618.03</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	4	132.83	2,095.83
<b>TOTAL NON-CURRENT ASSETS</b>		<u>132.83</u>	<u>2,095.83</u>
<b>TOTAL ASSETS</b>		<u>145,685.73</u>	<u>84,713.86</u>
<b>LIABILITIES</b>			
<b>TOTAL LIABILITIES</b>		<u>-</u>	<u>-</u>
<b>NET ASSETS</b>		<u>145,685.73</u>	<u>84,713.86</u>
<b>TRUST FUNDS</b>			
Settlement sum		10.00	10.00
Retained earnings	5	145,675.73	84,703.86
<b>TOTAL TRUST FUNDS</b>		<u>145,685.73</u>	<u>84,713.86</u>

The accompanying notes form part of these financial statements.

**THE NEW DEMOCRACY FOUNDATION**  
**ABN 28 349 680 213**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2012**

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**1 Statement of Significant Accounting Policies**

The director of the trustee company has prepared the financial statements of the trust on the basis that the trust is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the needs of beneficiaries.

The financial statements have been prepared in accordance with the significant accounting policies disclosed below, which the director has determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements have been prepared on an accruals basis and are based on historical costs unless stated otherwise in the notes. The accounting policies that have been adopted in the preparation of these statements are as follows:

**Property, Plant and Equipment**

All property, plant and equipment excluding freehold land and buildings, are initially measured at cost and are depreciated over their useful lives to the trust.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have not been discounted in determining recoverable amounts.

**Depreciation**

The depreciation method and useful life used for items of property, plant and equipment (excluding freehold land) reflects the pattern in which their future economic benefits are expected to be consumed by the trust. Depreciation commences from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. The depreciation method and useful life of assets is reviewed annually to ensure they are still appropriate.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2012**

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**Trade and Other Receivables**

Trade receivables are recognised initially at the transaction price (i.e. cost) and are subsequently measured at cost less provision for impairment. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

At the end of each reporting period, the carrying amount of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in income statement.

**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. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

**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 Tax Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the balance sheet.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2012**

	<b>2012</b>	<b>2011</b>
	<b>\$</b>	<b>\$</b>
<b>2 Cash and Cash Equivalents</b>		
Cash on Hand	10.00	10.00
Commonwealth Bank Account No 06 2009 10467976	138,263.78	75,748.46
	<u>138,273.78</u>	<u>75,758.46</u>
<b>3 Trade and Other Receivables</b>		
<b>Current</b>		
Amounts Withheld	1,998.00	2,505.00
Input Tax Credits	5,281.12	4,354.57
	<u>7,279.12</u>	<u>6,859.57</u>
The trust does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.		
<b>4 Property, Plant and Equipment</b>		
Plant & Equipment	7,831.83	7,831.83
Less: Accumulated Depreciation	(7,699.00)	(5,736.00)
	<u>132.83</u>	<u>2,095.83</u>
<b>Total Plant and Equipment</b>	<u>132.83</u>	<u>2,095.83</u>
<b>Total Property, Plant and Equipment</b>	<u>132.83</u>	<u>2,095.83</u>
<b>5 Trust Funds</b>		
Retained earnings at the beginning of the financial year	84,703.86	147,798.00
Net profit (Net loss) attributable to beneficiaries	60,971.87	(63,094.14)
Retained earnings at the end of the financial year	<u>145,675.73</u>	<u>84,703.86</u>



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**INDEPENDENT AUDITOR'S REPORT  
TO THE TRUSTEE OF THE NEW DEMOCRACY FOUNDATION**

**Report on the Financial Report**

We have audited the accompanying financial report, being a special purpose financial report, of The New Democracy Foundation ("the foundation"), which comprises the balance sheet as at 30 September 2012, the profit and loss statement for the year then ended, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

*Trustees' Responsibilities for the Financial Report*

The trustees of the foundation are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are consistent with the financial reporting requirements of the foundation and are appropriate to meet the needs of the beneficiaries of The New Democracy Foundation ("the beneficiaries"). The trustees' responsibilities also includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

*Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the foundation's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the foundation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to the members for the purpose of fulfilling the foundation's financial reporting requirements under the constitution. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the members, or for any purpose other than that for which it was prepared.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Independence*

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

*Audit Opinion*

In our opinion the financial report presents fairly in accordance with the accounting policies described in Note 1 to the financial statements, the financial position of The New Democracy Foundation as at 30 September 2012 and the results of the trust's operations for the year then ended.

*Basis of Opinion*

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared in order to fulfil the requirements of the foundation's reporting requirements and the information needs of members. As a result, the financial report may not be suitable for another purpose.

**Moore Stephens Sydney**

Chartered Accountants

**Spiro Tzannes**

Partner

Dated in Sydney this \_\_\_ day of June 2014