

MOORE STEPHENS

THE NEW DEMOCRACY FOUNDATION

ABN 28 349 680 213

FINANCIAL REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2014

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, which comprise the balance sheet as at 30 September 2014, the profit and loss statement for the year then ended, a summary of significant accounting policies and other explanatory notes, present fairly the trust's financial position as at 30 September 2014 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 Belgorno-Nettis

Dated:

Moore Stephens Sydney

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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 2014, 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 *Australian Charities and Not-for-profits Commission Act 2012* 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

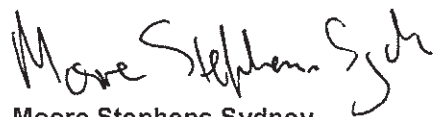
In conducting our audit, we have complied with the independence requirements of the Australian professional ethical pronouncements.

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 2014 and the results of the trust's operations for the year then ended.

Basis of Opinion and Restriction on Distribution and Use

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 30 day of September 2015

THE NEW DEMOCRACY FOUNDATION
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PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2014

	Note	2014 \$	2013 \$
INCOME			
Consultancy Fees		6,054.55	950.00
Merchandise Sales		-	72.73
Donations Received		128,670.00	65,325.00
Interest Received		1,140.10	1,802.95
Gross profit from trading	2	20,986.98	42,350.79
		<u>156,851.63</u>	<u>110,501.47</u>
LESS EXPENDITURE			
Accountancy Fees		250.00	2,750.00
Amortisation		1,036.00	434.27
Bank Charges		21.59	-
Bookkeeping Fees		6,000.00	5,250.00
Catering		17.27	510.99
Communications		3,705.00	1,327.38
Computer Expenses		-	318.18
Consultancy Fees		161,566.64	128,995.32
Depreciation		-	132.83
Donations		-	190.00
Filing Fees		44.00	115.00
General Expenses		403.37	-
Merchandise		-	4,045.00
Postage		374.68	291.45
Printing & Stationery		1,958.15	864.86
Telephone		1,799.31	1,865.59
Travelling Expenses		6,810.21	4,420.07
Website Maintenance		2,824.02	2,487.15
		<u>186,810.24</u>	<u>153,998.09</u>
		<u>(29,958.61)</u>	<u>(43,496.62)</u>
NET OPERATING PROFIT (LOSS)		(29,958.61)	(43,496.62)
Retained profits at the beginning of the financial year		102,179.11	145,675.73
TOTAL AVAILABLE FOR DISTRIBUTION		<u>72,220.50</u>	<u>102,179.11</u>
RETAINED PROFITS AT THE END OF THE FINANCIAL YEAR		<u><u>72,220.50</u></u>	<u><u>102,179.11</u></u>

The accompanying notes form part of these financial statements.

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BALANCE SHEET
AS AT 30 SEPTEMBER 2014

	Note	2014 \$	2013 \$
CURRENT ASSETS			
Commonwealth Bank Account No 06 2009 10467976		57,813.91	101,445.49
Good and Services Tax	3	3,723.93	2,637.89
Cash on Hand		10.00	10.00
Sundry Debtors		6,972.93	25,300.00
		<u>68,520.77</u>	<u>129,393.38</u>
INTANGIBLE ASSETS			
Website Development Expenditure		5,180.00	5,180.00
Less: Accumulated Amortisation		(1,470.27)	(434.27)
		<u>3,709.73</u>	<u>4,745.73</u>
TOTAL ASSETS		<u>72,230.50</u>	<u>134,139.11</u>
CURRENT LIABILITIES			
Loans - Unsecured	5	-	2,750.00
		<u>-</u>	<u>2,750.00</u>
NON-CURRENT LIABILITIES			
Project Holding Account		-	29,200.00
		<u>-</u>	<u>29,200.00</u>
TOTAL LIABILITIES		<u>-</u>	<u>31,950.00</u>
NET ASSETS		<u>72,230.50</u>	<u>102,189.11</u>
TRUST FUNDS			
Trust Funds	6	10.00	10.00
Undistributed profits		72,220.50	102,179.11
TOTAL TRUST FUNDS		<u>72,230.50</u>	<u>102,189.11</u>

The accompanying notes form part of these financial statements.

THE NEW DEMOCRACY FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2014

1. SUMMARY 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. These 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 the member. 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 the financial statements are as follows:

(a) Property, Plant and Equipment

All property, plant and equipment except for 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 the trustee to ensure it is not in excess of the recoverable amount. The recoverable amount is assessed on the basis of expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to present values in determining recoverable amounts.

Freehold land and buildings are carried at their recoverable amounts, based on periodic, but at least triennial, valuations by the directors.

(b) Intangibles Other Than Goodwill

Research and Development

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

Capitalised development costs are amortised on a systematic basis matched to the future economic benefits over the useful life of the project.

(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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

THE NEW DEMOCRACY FOUNDATION
ABN 28 349 680 213

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2014

(d) 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 (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 statement of financial position.

THE NEW DEMOCRACY FOUNDATION
ABN 28 349 680 213

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2014

	2014 \$	2013 \$
2 Gross profit on trading:		
Sales		
Project Income	185,333.22	118,950.00
	<u>185,333.22</u>	<u>118,950.00</u>
Less Cost of Goods Sold		
Project Expenses	164,346.24	76,599.21
	<u>164,346.24</u>	<u>76,599.21</u>
Gross profit on Trading	<u>20,986.98</u>	<u>42,350.79</u>
3 Good and Services Tax:		
Input Tax Credit	3,723.93	2,637.89
	<u>3,723.93</u>	<u>2,637.89</u>
4 Plant and equipment:		
Plant and Equipment	7,831.83	7,831.83
Less: Accumulated Depreciation	(7,831.83)	(7,831.83)
Total plant and equipment:	<u>-</u>	<u>-</u>
5 Loans - Unsecured:		
Belgiorno-Nettis, Luca	-	2,750.00
	<u>-</u>	<u>2,750.00</u>
6 Trust Funds:		
Settlement Sum	10.00	10.00
	<u>10.00</u>	<u>10.00</u>