



PITCHER PARTNERS

PPNSW SERVICES PTY LTD

THE NEW DEMOCRACY FOUNDATION

ABN 28 349 680 213

FINANCIAL REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2015

**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 2015, 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 2015 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements, and satisfy the requirements of the Australian Charities and Not-for-profit Commission Act 2012;
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.

Signed in accordance with subsection 60.15(2) of the Australian Charities and Not-for-profit Commission Regulation 2013.

Director _____
Mr Luca Belgiorno-Nettis

Dated:

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Auditor's Independence Declaration to the Directors of The New Democracy Foundation

As lead auditor for the audit of The New Democracy Foundation for the year ended 30 September 2015, I declare that to the best of my knowledge and belief, there have been:

- a. no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- b. no contraventions of any applicable code of professional conduct in relation to the audit.

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Pitcher Partners Sydney



Spiro Tzannes
Partner

Dated in Sydney, 11th March 2016

THE NEW DEMOCRACY FOUNDATION
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PROFIT AND LOSS STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2015

	Note	2015 \$	2014 \$
INCOME			
Consultancy Fees		-	6,054
Donations Received		75,889	128,670
Interest Received		646	1,140
Gross profit from trading	2	<u>83,324</u>	<u>20,987</u>
		<u>159,859</u>	<u>156,851</u>
LESS EXPENDITURE			
Accountancy Fees		250	250
Advertising		10,633	-
Amortisation		1,804	1,036
Bank Charges		298	22
Bookkeeping Fees		6,600	6,000
Catering		4,210	17
Communications		3,429	3,705
Consultancy Fees		182,748	161,567
Filing Fees		45	44
General Expenses		3	403
Insurance		779	-
Postage		478	375
Printing & Stationery		405	1,958
Telephone		2,272	1,799
Travelling Expenses		4,741	6,810
Website Maintenance		<u>1,376</u>	<u>2,824</u>
		<u>220,071</u>	<u>186,810</u>
		<u>(60,212)</u>	<u>(29,959)</u>
NET OPERATING PROFIT (LOSS)		(60,212)	(29,959)
Retained profits at the beginning of the financial year		<u>72,221</u>	<u>102,179</u>
TOTAL AVAILABLE FOR DISTRIBUTION		<u>12,008</u>	<u>72,221</u>
RETAINED PROFITS AT THE END OF THE FINANCIAL YEAR		<u><u>12,008</u></u>	<u><u>72,221</u></u>

The accompanying notes form part of these financial statements.

THE NEW DEMOCRACY FOUNDATION
ABN 28 349 680 213

BALANCE SHEET
AS AT 30 SEPTEMBER 2015

	Note	2015 \$	2014 \$
CURRENT ASSETS			
Commonwealth Bank Account No 06 2009 10467976		86,633	57,814
Good and Services Tax	3	480	3,724
Cash on Hand		10	10
Sundry Debtors		-	6,973
		87,123	68,521
INTANGIBLE ASSETS			
Website Development Expenditure		9,020	5,180
Less: Accumulated Amortisation		(3,274)	(1,470)
		5,746	3,710
TOTAL ASSETS		92,869	72,231
CURRENT LIABILITIES			
Sundry Creditors		908	-
		908	-
NON-CURRENT LIABILITIES			
Research Holding Account		79,943	-
		79,943	-
TOTAL LIABILITIES		80,851	-
NET ASSETS		12,018	72,231
TRUST FUNDS			
Trust Funds	5	10	10
Undistributed profits		12,008	72,221
TOTAL TRUST FUNDS		12,018	72,231

The accompanying notes form part of these financial statements.

THE NEW DEMOCRACY FOUNDATION
ABN 28 349 680 213

STATEMENT OF CHANGES IN EQUITY
AS AT 30 SEPTEMBER 2015

	Trust Funds \$	Retained Profits \$	Total \$
Balance at 1 October 2013	10	102,179	102,189
Comprehensive income			
Profit (loss) attributable to beneficiaries		(29,959)	(29,959)
Total comprehensive income for the year attributable to beneficiaries of the trust	-	(29,959)	(29,959)
Balance at 30 September 2014	10	72,221	72,231
Balance at 1 October 2014	10	72,221	72,231
Comprehensive income			
Profit (loss) attributable to beneficiaries		(60,212)	(60,212)
Total comprehensive income for the year attributable to beneficiaries of the trust	-	(60,212)	(60,212)
Balance at 30 September 2015	10	12,008	12,018

The accompanying notes form part of these financial statements.

THE NEW DEMOCRACY FOUNDATION
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2015

	2015	2014
	\$	\$
Cash flows from operating activities		
Net Income	(60,212)	(29,959)
Trade Creditors	908	-
Accounts Receivable	6,973	18,327
Project holding account	-	(29,200)
Accumulated Amortisation	1,804	1,036
GST Collected	5,214	(6,516)
GST Paid	(1,970)	5,430
Loan Unsecured LBN	-	(2,750)
Website Development	(3,840)	-
Research holding account	79,943	-
Net cash provided by operating activities	<u>28,819</u>	<u>(43,632)</u>
Cash flows from financing activities	<u>-</u>	<u>-</u>
Net cash provided by financing activities	<u>-</u>	<u>-</u>
Net increase in cash held	28,819	(43,632)
Cash and cash equivalents at beginning of financial year	<u>57,824</u>	<u>101,455</u>
Cash and cash equivalents at end of financial year	<u><u>86,643</u></u>	<u><u>57,824</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2015**

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 and Australian Charities and Not-for-profit Commission. 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) Revenue Recognition

Revenue recognition in relation to project income is determined with reference to the signing of the project proposal (contract) at which point a deposit is received and revenue is recognised. The contract outlines the relevant fee scope schedule and payment due dates at each stage of completion of the project. Stage of completion is determined with reference to the contract as agreed. Where a project does not proceed, revenue is recognised only to the extent that payment was received in accordance with the contract.

Project expenses are recognised when incurred.

(b) 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.

(c) 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.

THE NEW DEMOCRACY FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2015

(d) 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.

(e) 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 2015

		2015	2014
		\$	\$
2	Gross profit on trading:		
	Sales		
	Project Income	<u>142,928</u>	<u>185,333</u>
	Less Cost of Goods Sold		
	Project Expenses	<u>59,604</u>	<u>164,346</u>
		<u>59,604</u>	<u>164,346</u>
	Gross profit on Trading	<u><u>83,324</u></u>	<u><u>20,987</u></u>
3	Good and Services Tax:		
	Input Tax Credit	<u>480</u>	<u>3,724</u>
4	Plant and equipment:		
	Plant and Equipment	7,832	7,832
	Less: Accumulated Depreciation	<u>(7,832)</u>	<u>(7,832)</u>
	Total plant and equipment:	<u><u>-</u></u>	<u><u>-</u></u>
	Beneficiaries current accounts:		
	Total of beneficiaries current accounts	<u><u>-</u></u>	<u><u>-</u></u>
5	Trust Funds:		
	Settlement Sum	<u>10</u>	<u>10</u>

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 2015, the profit and loss statement, statement of changes in equity and statement of cash flows 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 Charities and Not-for-profits Commission Act 2012*.

Audit Opinion

In our opinion the financial report of The New Democracy Foundation presents fairly and is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* including:

- a) Giving a true and fair view of the company's financial position as at 30 September 2015 and of its performance for the year ended on that date; and
- b) Complying with Australian Accounting Standards and the financial reporting requirements of *Australian Charities and Not-for-profits Commission Regulation 2013*.

Pitcher Partners

Pitcher Partners Sydney

Chartered Accountants



Spiro Tzannes

Partner

Dated in Sydney this 11th day of March 2016