

newDemocracy Foundation

ABN 28 349 680 213

**(Trustee: newDemocracy Foundation
Limited)**

Financial report

For the year ended 30 September
2018

TABLE OF CONTENTS

Financial report

Statement of profit or loss and other comprehensive income	1
Statement of financial position	2
Statement of changes in trust funds	3
Statement of cash flows	4
Notes to financial statements	5 - 10
Directors' declaration of the trustee company	11
Independent auditor's report	12 - 16

NEWDEMOCRACY FOUNDATION
ABN 28 349 680 213

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Note	2018 \$	2017 \$
Revenue and other income			
Other revenue	2	574,147	833,663
Less: expenses			
Project costs		(230,541)	(409,619)
Depreciation and amortisation expense		(1,370)	(1,804)
Employee benefits expense		(65,207)	(58,405)
Advertising expense		(9,977)	(61,037)
Other expenses	3	<u>(267,023)</u>	<u>(308,874)</u>
		<u>(574,118)</u>	<u>(839,739)</u>
Profit / (loss) before income tax expense		29	(6,076)
Other comprehensive income for the year		<u>-</u>	<u>-</u>
Total comprehensive income		<u><u>29</u></u>	<u><u>(6,076)</u></u>

The accompanying notes form part of these financial statements.

NEWDEMOCRACY FOUNDATION
ABN 28 349 680 213

STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2018

	Note	2018 \$	2017 \$
Current assets			
Cash and cash equivalents	4	114,038	134,368
Receivables	5	12,077	13,036
Other assets	8	<u>2,746</u>	<u>4,100</u>
Total current assets		<u>128,861</u>	<u>151,504</u>
Non-current assets			
Intangible assets	7	<u>768</u>	<u>2,138</u>
Total non-current assets		<u>768</u>	<u>2,138</u>
Total assets		<u>129,629</u>	<u>153,642</u>
Current liabilities			
Payables	9	45,525	20,972
Other liabilities	10	<u>16,412</u>	<u>65,006</u>
Total current liabilities		<u>61,937</u>	<u>85,978</u>
Total liabilities		<u>61,937</u>	<u>85,978</u>
Net assets		<u>67,692</u>	<u>67,664</u>
Trust funds			
Settlement capital		10	10
Retained earnings		<u>67,682</u>	<u>67,654</u>
Total trust funds		<u>67,692</u>	<u>67,664</u>

The accompanying notes form part of these financial statements.

NEWDEMOCRACY FOUNDATION
ABN 28 349 680 213

STATEMENT OF CHANGES IN TRUST FUNDS
FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Contributed equity \$	Reserves \$	Retained earnings \$	Total equity \$
Balance as at 1 October 2016	10	-	73,730	73,740
Profit/(loss) for the year	<u>-</u>	<u>-</u>	<u>(6,076)</u>	<u>(6,076)</u>
Total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>(6,076)</u>	<u>(6,076)</u>
Balance as at 1 October 2017	10	-	67,653	67,663
Profit for the year	<u>-</u>	<u>-</u>	<u>29</u>	<u>29</u>
Total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>29</u>	<u>29</u>
Balance as at 30 September 2018	<u>10</u>	<u>-</u>	<u>67,682</u>	<u>67,692</u>

The accompanying notes form part of these financial statements.

NEWDEMOCRACY FOUNDATION
ABN 28 349 680 213

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Note	2018 \$	2017 \$
Cash flow from operating activities			
Receipts from customers		568,318	834,715
Payments to suppliers and employees		(589,510)	(860,236)
Interest received		<u>861</u>	<u>879</u>
Net cash provided by / (used in) operating activities	11(a)	<u>(20,331)</u>	<u>(24,642)</u>
Reconciliation of cash			
Cash at beginning of the financial year		134,368	159,010
Net increase / (decrease) in cash held		<u>(20,331)</u>	<u>(24,642)</u>
Cash at end of financial year		<u><u>114,037</u></u>	<u><u>134,368</u></u>

The accompanying notes form part of these financial statements.

**NEWDEMOCRACY FOUNDATION
ABN 28 349 680 213**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The trustee has determined that the trust is not a reporting entity on the basis that, in the opinion of the trustee, there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy, specifically, all of their information needs. Accordingly, this financial report is a special purpose financial report, which has been prepared to satisfy the financial reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

The financial report covers newDemocracy Foundation as an individual entity. newDemocracy Foundation is a trust, formed and domiciled in Australia. newDemocracy Foundation is a not-for-profit entity for the purpose of preparing the financial statements.

The financial report has been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, the accounting policies set out below, and the disclosure requirements of:

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report:

(a) Basis of preparation of the financial report

Historical Cost Convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

(b) Revenue

Interest revenue is measured in accordance with the effective interest method.

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

(c) Income tax

Current income tax expense or revenue is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities.

Deferred tax assets and liabilities are recognised for temporary differences at the applicable tax rates when the assets are expected to be recovered or liabilities are settled. Deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

NEWDEMOCRACY FOUNDATION
ABN 28 349 680 213

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks, short-term deposits with an original maturity of three months or less held at call with financial institutions, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

(e) Intangibles

Intangible assets

Except for indefinite useful life intangible assets, which are not amortised but are tested annually for impairment, intangible assets are amortised over their estimated useful lives commencing from the time the asset is available for use. The amortisation method applied to an intangible asset is consistent with the estimated consumption of economic benefits of the asset.

(f) Goods and services tax (GST)

Revenues, expenses and purchased assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax 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 the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(g) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

NOTE 2: REVENUE AND OTHER INCOME

Other revenue		
Interest income	861	879
Project income	122,951	455,085
Donations income	366,221	288,445
Research fee	69,114	87,836
Consulting income	15,000	-
Other income	-	1,417
	<u>574,147</u>	<u>833,662</u>

NEWDEMOCRACY FOUNDATION
ABN 28 349 680 213

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018

	2018	2017
	\$	\$
NOTE 3: EXPENSES		
Amortisation	<u>1,370</u>	<u>1,804</u>
Other expenses		
- Consultancy fees	204,892	247,716
- Other expenses	<u>58,131</u>	<u>61,158</u>
	<u><u>263,023</u></u>	<u><u>308,874</u></u>
Remuneration of the auditors of the trust for:		
- auditing the financial report	<u>8,000</u>	<u>4,000</u>
NOTE 4: CASH AND CASH EQUIVALENTS		
Cash on hand	10	10
Com Bank #10467976	44,888	76,832
nDF Public Fund 16411564	69,023	57,346
Pay Pal account	<u>117</u>	<u>180</u>
	<u><u>114,038</u></u>	<u><u>134,368</u></u>
NOTE 5: RECEIVABLES		
CURRENT		
Trade receivables	8,972	4,559
Other receivables		
GST Paid	<u>3,105</u>	<u>8,477</u>
	<u><u>12,077</u></u>	<u><u>13,036</u></u>
NOTE 6: PROPERTY, PLANT AND EQUIPMENT		
Office furniture and equipment	7,832	7,832
Accumulated depreciation	<u>(7,832)</u>	<u>(7,832)</u>
	<u><u>-</u></u>	<u><u>-</u></u>
NOTE 7: INTANGIBLE ASSETS		
Website development	9,020	9,020
Accumulated amortisation and impairment	<u>(8,252)</u>	<u>(6,882)</u>
	<u><u>768</u></u>	<u><u>2,138</u></u>

The amortisation on website development costs will be fully amortised in the 2018-19 financial year.

NEWDEMOCRACY FOUNDATION
ABN 28 349 680 213

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018

	2018	2017
	\$	\$
NOTE 7: INTANGIBLE ASSETS (CONTINUED)		
(a) Reconciliations		
Reconciliation of the carrying amounts of intangible assets at the beginning and end of the current financial year		
<i>Website development</i>		
Opening balance	2,138	3,942
Depreciation expense	<u>(1,370)</u>	<u>(1,804)</u>
Closing balance	<u>768</u>	<u>2,138</u>
 NOTE 8: OTHER ASSETS		
CURRENT		
Prepayments	<u>2,746</u>	<u>4,100</u>
 NOTE 9: PAYABLES		
CURRENT		
<i>Unsecured liabilities</i>		
Trade creditors	35,967	14,484
Accruals	5,041	1,760
Super payable	1,353	1,353
PAYG withholding payable	<u>3,164</u>	<u>3,375</u>
	<u>45,525</u>	<u>20,972</u>
 NOTE 10: OTHER LIABILITIES		
CURRENT		
Research holding account	<u>16,412</u>	<u>65,006</u>

NEWDEMOCRACY FOUNDATION
ABN 28 349 680 213

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018

	2018	2017
	\$	\$
NOTE 11: CASH FLOW INFORMATION		
(a) Reconciliation of cash flow from operations with profit after income tax		
Profit / (loss) from ordinary activities after income tax	29	(6,075)
Adjustments and non-cash items		
Depreciation and amortisation	1,370	1,804
Changes in operating assets and liabilities		
(Increase) / decrease in receivables	3,360	(6,547)
(Increase) / decrease in other assets	1,354	(31)
Increase / (decrease) in payables	18,152	(5,956)
Increase / (decrease) in other liabilities	<u>(48,596)</u>	<u>(7,837)</u>
Cash flows from operating activities	<u>(24,331)</u>	<u>(24,642)</u>

(b) Reconciliation of liabilities arising from financing activities

Liabilities arising from financing activities are liabilities for which cash flows are, or will be, classified as 'cash flows from financing activities' in the statement of cash flows. Changes in the carrying amount of such liabilities, which comprise lease liabilities, are summarised below.

Balance at the beginning of the year	_____ -	_____ -
Balance at the end of the year	<u>_____ -</u>	<u>_____ -</u>

The major facilities are summarised as follows:

[Enter details]

NOTE 12: CONTINGENT LIABILITIES

There are no contingent liabilities to be disclosed in this financial report.

NOTE 13: EVENTS SUBSEQUENT TO REPORTING DATE

There has been no matter or circumstance, which has arisen since 30 September 2018 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 30 September 2018, of the trust, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 30 September 2018, of the trust.

**NEWDEMOCRACY FOUNDATION
ABN 28 349 680 213**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

NOTE 14: TRUST DETAILS

The registered office of the trust is:

newDemocracy Foundation
23 Hickson Road
Sydney NSW 2000

NEWDEMOCRACY FOUNDATION
ABN 28 349 680 213

DIRECTORS' DECLARATION OF THE TRUSTEE COMPANY


The directors declare that:

1. there are reasonable grounds to believe that the registered entity is able to pay all of its debts, as and when they become due and payable; and
2. the financial statements and notes satisfy the requirements of the Australian Charities and Not-for-profits Commission Act 2012.

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

Director: 
Kathryn Laurel Jones

Director: 
Luca Belgiorno-Nettis

Director: 
Lynn Carson

Dated this 7th day of March 2019



**Auditor's Independence Declaration
To the Trustees of the newDemocracy Foundation
ABN: 28 349 680 213**

I declare that, to the best of my knowledge and belief, during the year ended 30 September 2018 there has been:

1. 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
2. no contraventions of any applicable code of professional conduct in relation to the audit.

**A. F. Wallis & Co. Pty Ltd
Chartered Accountants**

A.F. Wallis

Dated: 7th March 2019



newDemocracy Foundation
ABN 28 349 680 213

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE'S OF THE
newDemocracy Foundation

Report on the Audit of the Financial Report

Opinion

We have audited the financial report, being a special purpose financial report, of the newDemocracy Foundation ("the entity"), which comprises the statement of financial position as at 30 September 2018, the statement of profit or loss and other comprehensive income, statement of changes in trust funds, statement of cash flows for the year then ended, notes to the financial statements including a summary of significant accounting policies and other explanatory information and the directors' declaration of the trustee company.

In our opinion, the financial report of the newDemocracy Foundation is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- a) giving a true and fair view of the entity's financial position as at 30 September 2018 and its performance for the year ended; and
- b) complying with Australian Accounting Standards to the extent described in Note 1 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Trustee's in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

13.



Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the entity's financial reporting responsibilities under the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the Trustees for the Financial Report

The trustees of the entity are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the needs of members. The trustee's responsibility also includes such internal control as the trustees determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the trustees are responsible for assessing the entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.



As part of an audit, in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate evidence regarding the financial information of the entity or business activities within the entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the entity audit. We remain solely responsible for our audit opinion.



We communicate with the trustees and other designated officers of the entity regarding, amongst other things, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A F Wallis & Co.
Chartered Accountants

A F Wallis

Dated: 7th March 2019