

newDemocracy Foundation

ABN 28 349 680 213

**(Trustee: newDemocracy Foundation
Limited)**

(ACN: 125 161 720)

Financial report

For the year ended 30 September
2019

PPNSW Services Pty Limited

Level 16, Tower 2

Darling Park

201 Sussex Street

Sydney NSW 2000

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NEWDEMOCRACY FOUNDATION

ABN 28 349 680 213

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

	Note	2019	2018
		\$	\$
Revenue and other income			
Other revenue	2	1,230,700	574,147
Less: expenses			
Advertising expense		(3,282)	(9,977)
Depreciation and amortisation expense		(768)	(1,370)
Employee benefits expense		(66,095)	(65,207)
Project costs		(291,117)	(230,541)
Other expenses	3	<u>(354,529)</u>	<u>(267,023)</u>
		<u>(715,791)</u>	<u>(574,118)</u>
Profit before income tax expense		514,909	29
Other comprehensive income for the year		<u>-</u>	<u>-</u>
Total comprehensive income		<u><u>514,909</u></u>	<u><u>29</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 2019

	Note	2019 \$	2018 \$
Current assets			
Cash and cash equivalents	4	478,022	114,038
Receivables	5	213,858	12,077
Other assets	8	<u>2,788</u>	<u>(13,666)</u>
Total current assets		<u>694,668</u>	<u>112,449</u>
Non-current assets			
Intangible assets	7	<u>-</u>	<u>768</u>
Total non-current assets		<u>-</u>	<u>768</u>
Total assets		<u>694,668</u>	<u>113,217</u>
Current liabilities			
Payables	9	<u>112,067</u>	<u>45,525</u>
Total current liabilities		<u>112,067</u>	<u>45,525</u>
Total liabilities		<u>112,067</u>	<u>45,525</u>
Net assets		<u>582,601</u>	<u>67,692</u>
Trust funds			
Settlement capital		10	10
Retained earnings		<u>582,591</u>	<u>67,682</u>
Total trust funds		<u>582,601</u>	<u>67,692</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 2019

	Contributed equity \$	Reserves \$	Retained earnings \$	Total equity \$
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 1 October 2018	10	-	67,682	67,692
Profit for the year	<u>-</u>	<u>-</u>	<u>514,909</u>	<u>514,909</u>
Total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>514,909</u>	<u>514,909</u>
Balance as at 30 September 2019	<u>10</u>	<u>-</u>	<u>582,591</u>	<u>582,601</u>

The accompanying notes form part of these financial statements.

NEWDEMOCRACY FOUNDATION
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Note	2019 \$	2018 \$
Cash flow from operating activities			
Receipts from customers		1,410,699	568,318
Payments to suppliers and employees		(1,048,119)	(589,510)
Interest received		<u>1,405</u>	<u>861</u>
Net cash provided by / (used in) operating activities	10(a)	<u>363,985</u>	<u>(20,331)</u>
Reconciliation of cash			
Cash at beginning of the financial year		114,037	134,368
Net increase / (decrease) in cash held		<u>363,985</u>	<u>(20,331)</u>
Cash at end of financial year		<u>478,022</u>	<u>114,037</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 2019**

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* and the accounting policies set out below. The financial report does not comply with the disclosure requirements of Australian Accounting Standards.

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

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

(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.

NEWDEMOCRACY FOUNDATION
ABN 28 349 680 213

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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.

(h) Research holding account

The research holding account tracks the research expense component that is charged to clients and offset against their research income.

NOTE 2: REVENUE AND OTHER INCOME

Other revenue		
Interest income	1,405	861
Project income	121,258	122,951
Donations income	845,857	366,221
Research fee	36,986	69,114
Consulting income	-	15,000
Overseas grant	223,728	-
Foreign currency translation gains	1,466	-
	<u>1,230,700</u>	<u>574,147</u>

NEWDEMOCRACY FOUNDATION
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

	2019	2018
	\$	\$
NOTE 3: EXPENSES		
Other expenses		
- Consultancy fees	132,716	204,892
- Donations	178,725	-
- Other expenses	<u>43,088</u>	<u>62,131</u>
	<u>354,529</u>	<u>267,023</u>
Remuneration of the auditors of the trust for		
- auditing the financial report	<u>8,000</u>	<u>8,000</u>
NOTE 4: CASH AND CASH EQUIVALENTS		
Cash on hand	10	10
Commonwealth Bank of Australia 10467976	49,075	44,888
nDF Public Fund 16411564	377,652	69,023
Pay Pal account	294	117
Business FCA account	<u>50,991</u>	<u>-</u>
	<u>478,022</u>	<u>114,038</u>
NOTE 5: RECEIVABLES		
CURRENT		
Trade receivables	203,931	8,972
Other receivables		
GST Paid	<u>9,927</u>	<u>3,105</u>
	<u>213,858</u>	<u>12,077</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>

NEWDEMOCRACY FOUNDATION
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

	2019	2018
	\$	\$
NOTE 7: INTANGIBLE ASSETS		
Website development	9,020	9,020
Accumulated amortisation and impairment	<u>(9,020)</u>	<u>(8,252)</u>
	<u><u>-</u></u>	<u><u>768</u></u>

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

(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	768	2,138
Depreciation expense	<u>(768)</u>	<u>(1,370)</u>
Closing balance	<u><u>-</u></u>	<u><u>768</u></u>

NOTE 8: OTHER ASSETS

CURRENT

Prepayments	2,788	2,746
Research holding account	<u>-</u>	<u>(16,412)</u>
	<u><u>2,788</u></u>	<u><u>(13,666)</u></u>

NOTE 9: PAYABLES

CURRENT

Unsecured liabilities

Trade creditors	100,569	35,967
Accruals	6,000	5,041
Super payable	1,520	1,353
PAYG withholding payable	<u>3,978</u>	<u>3,164</u>
	<u><u>112,067</u></u>	<u><u>45,525</u></u>

NEWDEMOCRACY FOUNDATION
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

	2019	2018
	\$	\$
NOTE 10: CASH FLOW INFORMATION		
(a) Reconciliation of cash flow from operations with profit after income tax		
Profit from ordinary activities after income tax	514,909	29
Adjustments and non-cash items		
Depreciation and amortisation	768	1,370
Research fee	37,608	-
Changes in operating assets and liabilities		
(Increase) / decrease in receivables	(201,780)	7,360
(Increase) / decrease in other assets	(42)	1,354
Increase / (decrease) in payables	66,543	18,152
Increase / (decrease) in other liabilities	<u>(54,021)</u>	<u>(48,596)</u>
Cash flows from operating activities	<u><u>363,985</u></u>	<u><u>(20,331)</u></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	<u>-</u>	<u>-</u>
Balance at the end of the year	<u>-</u>	<u>-</u>

NOTE 11: CONTINGENT LIABILITIES

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

NOTE 12: EVENTS SUBSEQUENT TO REPORTING DATE

There has been no matter or circumstance, which has arisen since 30 September 2019 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 30 September 2019, of the trust, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 30 September 2019, of the trust.

**NEWDEMOCRACY FOUNDATION
ABN 28 349 680 213**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

NOTE 13: 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 Belgioro-Nettis

Director: _____
Lyn Carson

Dated this _____ day of _____ 2019