

# newDemocracy Foundation

ABN: 28 349 680 213

Trustee: NewDemocracy Foundation Limited

ACN: 125 161 720

## **Financial report**

For the year ended 30 September 2021

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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 2021**

	Note	2021 \$	2020 \$
<b>Revenue and other income</b>			
Other revenue		1,135,763	922,771
Other income		<u>7,033</u>	<u>15,000</u>
	2	<u>1,142,796</u>	<u>937,771</u>
<b>Less: expenses</b>			
Advertising expense		(2,233)	(5,628)
Employee benefits expense		(162,442)	(76,383)
Project costs		(765,772)	(1,004,183)
Other expenses	3	<u>(303,642)</u>	<u>(211,908)</u>
		<u>(1,234,089)</u>	<u>(1,298,102)</u>
<b>Profit / (loss) for the year</b>		(91,293)	(360,331)
<b>Other comprehensive income for the year</b>		<u>-</u>	<u>-</u>
<b>Total comprehensive income</b>		<u><u>(91,293)</u></u>	<u><u>(360,331)</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 2021**

	Note	2021 \$	2020 \$
<b>Current assets</b>			
Cash and cash equivalents	4	186,949	236,399
Receivables	5	37,016	25,225
Other assets	8	-	2,574
<b>Total current assets</b>		<u>223,965</u>	<u>264,198</u>
<b>Total assets</b>		<u>223,965</u>	<u>264,198</u>
<b>Current liabilities</b>			
Payables	9	<u>92,989</u>	<u>41,929</u>
<b>Total current liabilities</b>		<u>92,989</u>	<u>41,929</u>
<b>Total liabilities</b>		<u>92,989</u>	<u>41,929</u>
<b>Net assets</b>		<u>130,976</u>	<u>222,269</u>
<b>Trust funds</b>			
Trust funds	14	10	10
Retained earnings		<u>130,966</u>	<u>222,259</u>
<b>Total trust funds</b>		<u>130,976</u>	<u>222,269</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 2021**

	Contributed equity \$	Reserves \$	Retained earnings \$	Total equity \$
<b>Balance as at 1 October 2019</b>	10	-	582,590	582,600
Profit/(loss) for the year	-	-	(360,331)	(360,331)
<b>Total comprehensive income for the year</b>	-	-	(360,331)	(360,331)
<b>Balance as at 1 October 2020</b>	10	-	222,259	222,269
Profit/(loss) for the year	-	-	(91,293)	(91,293)
<b>Total comprehensive income for the year</b>	-	-	(91,293)	(91,293)
<b>Balance as at 30 September 2021</b>	10	-	130,966	130,976

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 2021**

	<b>Note</b>	<b>2021</b>	<b>2020</b>
		<b>\$</b>	<b>\$</b>
<b>Cash flow from operating activities</b>			
Receipts from customers		1,231,170	1,013,000
Payments to suppliers and employees		(1,285,628)	(1,270,526)
Interest received		9	903
Other income		<u>5,000</u>	<u>15,000</u>
<b>Net cash provided by / (used in) operating activities</b>	10	<u>(49,449)</u>	<u>(241,623)</u>
<b>Reconciliation of cash</b>			
Cash at beginning of the financial year		236,399	478,022
Net increase / (decrease) in cash held		<u>(49,449)</u>	<u>(241,623)</u>
<b>Cash at end of financial year</b>		<u><u>186,950</u></u>	<u><u>236,399</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 2021**

**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 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.

The financial statements comply with all the recognition and measurement requirements of Australian Accounting Standards and Interpretations, and the disclosure requirements of:

- a. AASB 101 Presentation of Financial Statements
- b. AASB 107 Statement of Cash Flows
- c. AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors
- d. AASB 1054 Australian Additional Disclosures

**(b) Revenue**

Donation income and research fees are recognised in accordance with AASB 1058. Project income is recognised in accordance with AASB 15.

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*.

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021

**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) Foreign currency transactions and balances**

*Functional and presentation currency*

The financial statements are presented in Australian dollars which is the trust's functional and presentation currency.

*Transactions and Balances*

Transactions undertaken in foreign currencies are recognised in the trust's functional currency, using the spot rate at the date of the transaction.

Foreign currency monetary items that are outstanding at the reporting date (other than monetary items arising under foreign currency contracts where the exchange rate for that monetary item is fixed in the contract) are restated to the spot rate at the reporting date.

Except for certain foreign currency hedges, all exchange gains or losses are recognised in profit or loss for the period in which they arise.

**(f) Financial instruments**

*Initial recognition and measurement*

Financial assets and financial liabilities are recognised when the trust becomes a party to the contractual provisions of the instrument. For financial assets, this is equivalent to the date that the trust commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value adjusted for transaction costs, except where the instrument is classified as fair value through profit or loss, in which case transaction costs are immediately recognised as expenses in profit or loss.

*Trade and other receivables*

Trade and other receivables arise from the trust's transactions with its customers and are normally settled within 30 days.

Consistent with both the trust's business model for managing the financial assets and the contractual cash flow characteristics of the assets, trade and other receivables are subsequently measured at amortised cost.



NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(g) Intangibles**

*Intangible assets*

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.

**(h) 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.

**(i) Significant accounting estimates and judgements**

Accounting estimates and judgements are incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data obtained both externally and within the company.

**(j) Comparatives**

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

**(k) Rounding**

The financial information presented is rounded to the nearest dollar.

**(l) Borrowing costs**

Borrowing costs include interest expense calculated using the effective interest method, finance charges in respect of lease arrangements, and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs are expensed as incurred, except for borrowing costs incurred as part of the cost of the construction of a qualifying asset, in which case the costs are capitalised until the asset is ready for its intended use or sale.

**NEWDEMOCRACY FOUNDATION**  
**ABN: 28 349 680 213**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	2021	2020
	\$	\$
<b>NOTE 2: REVENUE AND OTHER INCOME</b>		
Other revenue		
Interest income	8	903
Project income	35,304	65,882
Donations income	1,100,450	841,986
Research fee	-	14,000
	<u>1,135,762</u>	<u>922,771</u>
Other Income		
Foreign currency translation gains	2,033	-
Cash Flow Boost	5,000	15,000
	<u>7,033</u>	<u>15,000</u>
	<u>1,142,795</u>	<u>937,771</u>

Revenue recognition for project income and research fee is in accordance with AASB 15. Donations income and cash flow boost income is recognised in accordance with AASB 1058. Note that interest income and foreign currency translation gains is not recognised with either AASB 15 or AASB 1058.

**NOTE 3: EXPENSES**

Other expenses		
- Consultancy fees	173,875	131,716
- Donations	-	-
- Other expenses	129,767	80,192
	<u>303,642</u>	<u>211,908</u>
Remuneration of the auditors of the trust for		
- auditing the financial report	6,000	8,000

**NOTE 4: CASH AND CASH EQUIVALENTS**

Cash on hand	10	10
Cash at bank	186,939	236,389
	<u>186,949</u>	<u>236,399</u>

**NEWDEMOCRACY FOUNDATION**  
**ABN: 28 349 680 213**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	2021	2020
	\$	\$
<b>NOTE 5: RECEIVABLES</b>		
CURRENT		
Other receivables		
GST Paid	<u>37,016</u>	<u>25,225</u>
<b>NOTE 6: PROPERTY, PLANT AND EQUIPMENT</b>		
Office furniture and equipment	7,832	7,832
Accumulated depreciation	<u>(7,832)</u>	<u>(7,832)</u>
	<u>-</u>	<u>-</u>
<b>NOTE 7: INTANGIBLE ASSETS</b>		
Website development	9,020	9,020
Accumulated amortisation and impairment	<u>(9,020)</u>	<u>(9,020)</u>
	<u>-</u>	<u>-</u>
<b>NOTE 8: OTHER ASSETS</b>		
CURRENT		
Prepayments	<u>-</u>	<u>2,574</u>

**NEWDEMOCRACY FOUNDATION**  
**ABN: 28 349 680 213**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 9: PAYABLES</b>		
CURRENT		
<i>Unsecured liabilities</i>		
Trade creditors	66,263	29,149
Accruals	11,476	6,000
Super payable	4,033	1,918
PAYG withholding payable	<u>11,217</u>	<u>4,862</u>
	<u><u>92,989</u></u>	<u><u>41,929</u></u>

**NOTE 10: CASH FLOW INFORMATION**

**Reconciliation of cash flow from operations with profit after income tax**

Profit / (loss) from ordinary activities after income tax	(91,293)	(360,331)
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**Adjustments and non-cash items**

**Changes in operating assets and liabilities**

(Increase) / decrease in receivables	(11,791)	188,633
(Increase) / decrease in other assets	2,574	214
Increase / (decrease) in payables	<u>51,061</u>	<u>(70,139)</u>
Cash flows from operating activities	<u><u>(49,449)</u></u>	<u><u>(241,623)</u></u>

**NOTE 11: RELATED PARTY TRANSACTIONS**

**Transactions with entities with joint control or significant influence over the entity**

During the year, the Foundation has received total donations of \$600,000 from Anita and Luca Belgiorno-Nettis Foundation. Luca Belgiorno-Nettis is a Responsible Person for both entities.

Donations from Anita and Luca Belgiorno-Nettis Foundation	<u>600,000</u>	<u>250,000</u>
	<u><u>600,000</u></u>	<u><u>250,000</u></u>

**NOTE 12: CONTINGENT LIABILITIES**

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

**NEWDEMOCRACY FOUNDATION  
ABN: 28 349 680 213**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

**NOTE 13: FOUNDATION DETAILS**

The registered office of the foundation is:

newDemocracy Foundation  
23 Hickson Road  
Sydney NSW 2000

**NOTE 14: TRUST FUNDS**

Settled sum

1 (2020: 1) Settled Sum

10 10

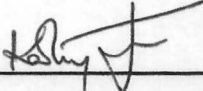
**NEWDEMOCRACY FOUNDATION  
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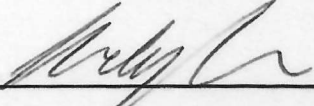
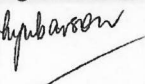
**DIRECTORS' DECLARATION OF THE TRUSTEE COMPANY**

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: \_\_\_\_\_  
Lyn Carson

Dated this 25th day of January 2022

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

### **Report on the Audit of the Financial Report**

#### **Opinion**

We have audited the financial report, being a special purpose financial report of newDemocracy Foundation, which comprises the statement of financial position as at 30 September 2021, the statement of profit or loss and other comprehensive income, the statement of changes in trust funds and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and directors declaration of the trustees.

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

- i. giving a true and fair view of the trust's financial position as at 30 September 2021 and of its financial performance for the year then ended; and
- ii. complying with 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 under those standards are further described as in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Trust in accordance with Division 60 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 opinion.

#### **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 to for the purpose of fulfilling the Trust's financial reporting requirements of 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.

#### **Other Matter**

The financial report for the previous financial year 30 September 2020, was audited by another auditor, who expressed an unqualified opinion on the report, dated 19 January 2021.

#### **Responsibilities of the Trustees for the Financial Report**

The Trustees 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 Accounting Standards and Division 60 of the *Australian Charities and Not for profits Commission Act 2012*. The Trustees' responsibility also includes such internal control as it determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

## **Responsibilities of the Trustees for the Financial Report (Continued)**

In preparing the financial report, the Trustees are responsible for assessing the Trust'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 intends to liquidate the Trust 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 the 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 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 Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made 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 Trust'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 audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust 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.

We communicate with the Trustees regarding, among other matters, 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.

LDAssurance  
Chartered Accountants



Stephen O'Kane  
Partner

Dated this 2<sup>nd</sup> of February 2022  
330 Collins Street, Melbourne.