

**The New Democracy  
Foundation**

**ABN 28 349 680 213**

Financial report

For the year ended 30  
September 2016

**PPNSW Services Pty Limited**  
Level 22, MLC Centre  
19 Martin Place  
Sydney NSW 2000

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

**DETAILED PROFIT AND LOSS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2016**

	2016	2015
	\$	\$
<b>Income</b>		
Project Income	413,178	142,928
Project expenses	<u>(238,188)</u>	<u>(59,604)</u>
	174,990	83,324
Interest income	669	646
Donations	183,091	75,889
Activities income	<u>1,835</u>	<u>-</u>
<b>Total income</b>	360,585	159,859
<b>Less Expenses</b>		
Accounting fees	2,250	250
Advertising	14	10,633
Amortisation	1,804	1,804
Bank charges	107	298
Bookkeeping Fees	9,900	6,600
Catering	2,447	4,210
Communications	3,746	3,429
Consultancy fees	241,859	182,748
Filing fees	46	45
Promotional and Function expenses	7,898	-
General expenses	385	3
Insurance	1,568	779
Legal costs	1,179	-
Postage	351	478
Printing and stationery	453	405
Salaries and wages	6,575	-
Workers compensation	159	-
Superannuation	625	-
Telephone	5,328	2,272
Travelling expenses	7,592	4,741
Website maintenance	<u>4,578</u>	<u>1,377</u>
<b>Total expenses</b>	<u>298,864</u>	<u>220,072</u>
<b>Surplus / (Deficit)</b>	<u>61,721</u>	<u>(60,213)</u>

THE NEW DEMOCRACY FOUNDATION  
ABN 28 349 680 213

INCOME STATEMENT  
FOR THE YEAR ENDED 30 SEPTEMBER 2016

	2016	2015
	\$	\$
Revenue	360,585	159,859
Expenses	<u>(298,864)</u>	<u>(220,072)</u>
<b>Surplus / (Deficit)</b>	<u>61,721</u>	<u>(60,213)</u>
Accumulated surplus at the beginning of the year	<u>12,008</u>	<u>72,221</u>
<b>Total available for distribution</b>	<u><u>73,729</u></u>	<u><u>12,008</u></u>

**THE NEW DEMOCRACY FOUNDATION**  
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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2016**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Net Income	61,721	(60,212)
Increase in Trade Creditors	19,536	908
(Increase) / Decrease in Accounts Receivable	(6,490)	6,973
Increase in Sundry creditors	6,485	-
Amortisation	1,804	1,804
GST Collected	480	5,214
GST Paid	-	(1,970)
(Increase) in Prepaid expenses	(4,069)	-
Website Development	-	(3,840)
(Decrease) / Increase in Research holding account	(7,100)	79,943
<b>Net cash provided by operating activities</b>	<b>72,367</b>	<b>28,819</b>
<b>Cash flows from investing activities</b>		
<b>Net cash provided by investing activities</b>	<b>-</b>	<b>-</b>
<b>Cash flows from financing activities</b>		
<b>Net cash provided by financing activities</b>	<b>-</b>	<b>-</b>
Net increase in cash held	72,367	28,819
Cash and cash equivalents at beginning of financial year	86,643	57,824
<b>Cash and cash equivalents at end of financial year</b>	<b>159,010</b>	<b>86,643</b>

**THE NEW DEMOCRACY FOUNDATION**  
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**BALANCE SHEET**  
**AS AT 30 SEPTEMBER 2016**

	Note	2016 \$	2015 \$
<b>Current assets</b>			
Cash and cash equivalents	2	159,010	86,643
Receivables	3	6,490	480
Other assets		<u>4,069</u>	<u>-</u>
<b>Total current assets</b>		<u>169,569</u>	<u>87,123</u>
<b>Non-current assets</b>			
Intangible assets	4	<u>3,942</u>	<u>5,746</u>
<b>Total non-current assets</b>		<u>3,942</u>	<u>5,746</u>
<b>Total assets</b>		<u>173,511</u>	<u>92,869</u>
<b>Current liabilities</b>			
Payables	5	<u>26,929</u>	<u>908</u>
<b>Total current liabilities</b>		<u>26,929</u>	<u>908</u>
<b>Non-current liabilities</b>			
Other liabilities	6	<u>72,843</u>	<u>79,943</u>
<b>Total non-current liabilities</b>		<u>72,843</u>	<u>79,943</u>
<b>Total liabilities</b>		<u>99,772</u>	<u>80,851</u>
<b>Net assets</b>		<u>73,739</u>	<u>12,018</u>
<b>Trust funds</b>			
Settled sum		10	10
Retained surplus		<u>73,729</u>	<u>12,008</u>
<b>Total trust funds</b>		<u>73,739</u>	<u>12,018</u>

**THE NEW DEMOCRACY FOUNDATION**  
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**STATEMENT OF CHANGES IN EQUITY**

**AS AT 30 SEPTEMBER 2016**

	Trust Funds \$	Retained Profits \$	Total \$
<b>Balance at 1 October 2014</b>	10	72,221	72,231
<b>Comprehensive income</b>			
(Deficit) attributable to beneficiaries		(60,213)	(60,213)
<b>Total comprehensive income for the year attributable to beneficiaries of the trust</b>	-	(60,213)	(60,213)
<b>Balance at 30 September 2015</b>	10	12,008	12,018
<b>Balance at 1 October 2015</b>	10	12,008	12,018
<b>Comprehensive income</b>			
Surplus attributable to beneficiaries	10	61,721	61,731
<b>Total comprehensive income for the year attributable to beneficiaries of the trust</b>	-	61,721	61,721
<b>Balance at 30 September 2016</b>	10	73,729	73,739

THE NEW DEMOCRACY FOUNDATION  
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NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2016

**NOTE 1: STATEMENT 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 Act (ACNC) 2012*. 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 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 is recognised as revenue in advance. The contract outlines the relevant fee scope schedule and payment due dates at each stage of completion of the project. Revenue is recognised in line with the stage of completion and is determined with reference to the contract as agreed. Where a project does not proceed, revenue is only recognised to the extent that payment was received in accordance with the contract. Project expenses are recognised when incurred.

**(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 FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2016**

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

**(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.

**NOTE 2: CASH AND CASH EQUIVALENTS**

Cash on hand	10	10
Cash at bank		
Commonwealth Bank Account No 06 2009 10467976	131,258	86,633
Commonwealth Bank Account No 06 2000 1641 1564	27,645	-
Paypal account	<u>97</u>	<u>-</u>
	<u>159,010</u>	<u>86,643</u>

**NOTE 3: RECEIVABLES**

**CURRENT**

Trade debtors	6,490	-
Other receivables		
- GST Refundable	<u>-</u>	<u>480</u>
	<u>6,490</u>	<u>480</u>

**NOTE 4: INTANGIBLE ASSETS**

Website at Cost	4,658	4,658
Less accumulated amortisation	<u>(4,658)</u>	<u>(4,658)</u>
	-	-
Website Development Expenditure	9,020	9,020
Less accumulated amortisation	<u>(5,078)</u>	<u>(3,274)</u>
	<u>3,942</u>	<u>5,746</u>
Total intangible assets	<u>3,942</u>	<u>5,746</u>



THE NEW DEMOCRACY FOUNDATION  
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NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2016

	2016	2015
	\$	\$
<b>NOTE 5: PAYABLES</b>		
<b>CURRENT</b>		
<i>Unsecured liabilities</i>		
Trade creditors	20,444	908
Sundry creditors and accruals		
- PAYG Withheld	850	-
- Superannuation	625	-
- GST Payable	<u>5,010</u>	<u>-</u>
	<u>6,485</u>	<u>-</u>
	<u>26,929</u>	<u>908</u>
<b>NOTE 6: OTHER LIABILITIES</b>		
<b>NON CURRENT</b>		
Research Holding Account	<u>72,843</u>	<u>79,943</u>

THE NEW DEMOCRACY FOUNDATION  
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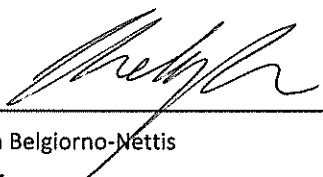
DIRECTOR'S DECLARATION OF THE TRUSTEE COMPANY

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:

- the financial statements and notes, which comprise the balance sheet as at 30 September 2016, 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 2016 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*;
- 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.



Mr Luca Belgiorno-Nettis  
Director

Dated on

6/3/17

**AUDITOR'S INDEPENDENCE DECLARATION  
TO THE TRUSTEE OF THE NEW DEMOCRACY FOUNDATION  
ABN: 28 349 680 213**

In relation to the independent audit for the period ended 30 September 2016, to the best of my knowledge and belief there have been:

- i. no contraventions of the auditor's independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012*; and
- ii. no contraventions of any applicable code of professional conduct.



S TZANNES  
Partner

PITCHER PARTNERS  
Sydney

7 March 2017

**INDEPENDENT AUDITOR'S REPORT  
TO THE TRUSTEE OF THE NEW DEMOCRACY FOUNDATION  
ABN: 28 349 680 213**

*Report on the Financial Report*

We have audited the accompanying financial report of the New Democracy Foundation ('the Foundation'), which comprises the balance sheet as at 30 September 2016, the income statement, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the trustee's declaration.

*Trustee's Responsibility for the Financial Report*

The trustee of the Foundation is responsible for the preparation of the financial report, and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the financial reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, and the information needs of the Trustee, and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

*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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 entity's preparation of the financial report that gives a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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*.

**INDEPENDENT AUDITOR'S REPORT  
TO THE TRUSTEE OF THE NEW DEMOCRACY FOUNDATION  
ABN: 28 349 680 213**

*Opinion*

In our opinion the financial report of the Luca and Anita Belgiorno-Nettis Foundation is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and the Deed of Trust including:

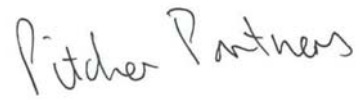
- a) giving a true and fair view of the Foundation's financial position as at 30 September 2016 and of its performance for the period ended on that date; and
- b) complying with Australian Accounting Standards to the extent described in Note 1 and the *Australian Charities and Not-for-profits Regulation 2013*.

*Basis of Accounting*

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 for the purpose of fulfilling the financial reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, and to meet the information needs of the Trustee. As a result, the financial report may not be suitable for another purpose.



S TZANNES  
Partner



PITCHER PARTNERS  
Sydney

7 March 2017