

**THE NEWINGTON**  
**FOUNDATION**

**SPECIAL PURPOSE FINANCIAL REPORT**  
**For the year ended 31 December 2021**

# Contents to the Financial Report

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## Report from the Trustee

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The Trustee of The Newington Foundation submit it's report in respect of the year ended 31 December 2021.

### TRUSTEE

The Newington Foundation Limited is the Trustee of The Newington Foundation.

The names of the Directors of The Newington Foundation Limited in office at the date of this report are:

Mr MJ Moffatt	Chair, Chair of Investment Committee
Mr RN Talbot	Deputy Chair, Chair of Audit Committee
Ms. AM Bradley	Member of Investment Committee
Mr CR Collings	Secretary, Member of the Investment & Audit Committees
Mr MP Isaias	Member of Audit Committee

All Directors were in office from the beginning of the financial year until the date of this report, unless otherwise stated.

### PRINCIPAL ACTIVITIES

The Objects of The Newington Foundation are to:

- (a) To provide financial support for the four pillars of Newington College which underpin the broad education that the school provides namely academic, sport, cultural and pastoral;
  - (b) To provide financial means whereby the students of Newington College may obtain benefit from scholarship, music, the arts, literature, science, sport and religious study and worship;
  - (c) To provide funds for the erection of buildings or the provision of facilities in pursuance of the foregoing objects;
- Generally, such other objects as are for the advancement, preservation, development and benefit of the College as a place of education.

### OPERATING RESULTS FOR THE YEAR

The total comprehensive income for The Newington Foundation for the financial year ended 31 December 2021 was \$11,714,196 (2020: \$11,205,029).

Where necessary, comparatives have been reclassified and repositioned for consistency with current year disclosures.

### REVIEW OF OPERATIONS

Newington College settled a donation of \$6,000,000 for the year ended 31 December 2020 in January 2021. The College did not make a donation to the Newington Foundation in respect of the 2021 Financial Year.

The Newington Foundation continues to invest its assets in accordance with the approved Investment Policy Statement. These assets are managed by the Investment Manager JB Were.

Grants awarded by The Newington Foundation to Newington College in order to achieve it's Objects for the financial year ended 31 December 2021 were \$1,103,116 (2020: \$487,056).

## Report from the Trustee

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### SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

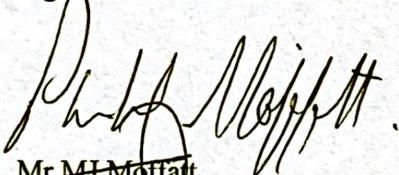
There were no significant changes during the period ended 31 December 2021.

### SIGNIFICANT EVENTS AFTER THE REPORTING DATE

The Newington Foundation financial assets are recorded at fair value as at 31 December 2021. The invasion by Russia of Ukraine in late February 2022 has caused material volatility in the Global asset markets that The Newington Foundation is invested in. The Trustee continues to monitor the situation in accordance with our Investment Policy, which manages volatility risk via prudent strategic asset allocation, and divestification of investments within individual asset classes.

In the opinion of the Trustee, no other matter or circumstance has arisen since the end of the financial year which is not otherwise dealt with in this report, that has significantly affected or may significantly affect the operations of The Newington Foundation, the results of those operations or the state of affairs of The Newington Foundation in subsequent financial years.

Signed in accordance with a resolution of the Board of the Trustee



Mr MJ Moffatt  
Chair P. J. MOFFATT



Mr RN Talbot  
Deputy Chair, Chair of the Audit Committee

Sydney

14th March 2022

## Statement of Comprehensive Income

For the year ended 31 December 2021

	2021	2020
	\$	\$
<b>INCOME</b>		
Donations	1,272,254	236,321
Donations from Newington College	-	6,000,000
Investment income	3,581,049	2,320,352
Change in value of investment	8,320,806	3,402,814
<b>TOTAL INCOME</b>	<b>13,174,109</b>	11,959,487
<b>EXPENDITURE</b>		
Other expenses	14,700	800
Investment management & platform fees	342,097	266,602
Grants awarded to Newington College	1,103,116	487,056
<b>TOTAL EXPENDITURE</b>	<b>1,459,913</b>	754,458
<b>NET SURPLUS</b>	<b>11,714,196</b>	11,205,029
Other comprehensive income	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>11,714,196</b>	11,205,029

*The above statement of comprehensive income should be read in conjunction with the accompanying notes.*

# Statement of Financial Position

As at 31 December 2021

		<i>2021</i>	<i>2020</i>
		\$	\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	3(a)	<b>3,013,053</b>	1,809,141
Financial Assets	4	-	-
Receivables		<b>370,363</b>	6,268,851
<b>Total Current Assets</b>		<b>3,383,416</b>	8,077,992
Financial Assets	4	<b>93,811,928</b>	77,321,036
<b>Total Non Current Assets</b>		<b>93,811,928</b>	77,321,036
<b>TOTAL ASSETS</b>		<b>97,195,344</b>	85,399,028
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Other Payables		<b>82,120</b>	-
<b>Total Current Liabilities</b>		<b>82,120</b>	-
<b>TOTAL LIABILITIES</b>		<b>82,120</b>	-
<b>NET ASSETS</b>		<b>97,113,224</b>	85,399,028
<b>TOTAL EQUITY</b>		<b>97,113,224</b>	85,399,028

## Statement of Cash Flows

For the year ended 31 December 2021

	<i>Notes</i>	<b>2021</b>	<b>2020</b>
		\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Payment to suppliers		(274,677)	(267,402)
Grants paid to Newington College		(1,103,116)	(487,056)
Donations received		7,272,254	5,557,472
Investment returns		3,479,537	2,361,324
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	3(b)	<b>9,373,998</b>	7,164,338
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Net cash flow (used in)/from bank/managed funds		(8,170,086)	(7,490,580)
<b>NET CASH FLOWS (USED IN)/FROM/ INVESTING ACTIVITIES</b>		<b>(8,170,086)</b>	(7,490,580)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>1,203,912</b>	(326,242)
Cash and cash equivalents at beginning of the year		<b>1,809,141</b>	2,135,383
<b>Cash and cash equivalents at the end of the year</b>	3(a)	<b>3,013,053</b>	1,809,141

*The above statement of cash flows should be read in conjunction with the accompanying notes.*

## Statement of Changes in Equity

For the year ended 31 December 2021

	<i>2021</i>	<i>2020</i>
	\$	\$
Balance at 1 January	<b>85,399,028</b>	74,193,999
Total comprehensive income:		
Surplus for the year	<b>11,714,196</b>	11,205,029
Balance at 31 December	<b>97,113,224</b>	85,399,028

# Notes to the Financial Statements

## For the year ended 31 December 2021

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### 1 FOUNDATION INFORMATION

The Newington Foundation acts as a philanthropic body for the benefit of Newington College. The registered office of The Newington Foundation is located at Level 2, 1 McLaren Street, North Sydney, NSW 2060.

The Trustee of The Newington Foundation changed its name to The Newington Foundation Ltd (formerly The Social Justice Foundation Ltd) on 2 November 2021.

### 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of preparation

The financial report is a special-purpose financial report, which has been prepared in accordance with the requirements of the Australian Charities and Not-for-Profits Commission Act 2012, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. This special purpose financial report has been prepared for distribution to members to fulfil the trustees' financial reporting requirements under the Foundation Trust Deed. The accounting policies used in the preparation of this financial report as described below are consistent with the financial reporting requirements of the Foundation Trust Deed and with previous years, and are, in the opinion of the trustees, appropriate to meet the needs of members.

The financial report has been prepared on an historical cost basis, except for investments held in managed funds, which have been measured at fair value.

The financial report is presented in Australian dollars.

The financial statements comprise of The Newington Foundation and the Scholarship Fund, Thematic Fund, Named Bursary Fund, Named Bursary Thematic Fund, and Building Fund as at 31 December 2021.

The financial report has been prepared in accordance with the recognition and measurement requirements of all applicable Australian Accounting Standards, including AASB 101: *Presentation of Financial Statements*. The disclosure requirements of all applicable Australian Accounting Standards have not been complied with the exception of the following standards:

- AASB 101: *Presentation of Financial Statements;*
- AASB 107: *Statement of Cash Flows;*
- AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors;*
- AASB 1031: *Materiality; and*
- AASB 1048: *Interpretation of Standards*
- AASB 1054: *Australian Additional Disclosures*

Australian Accounting Standards that have recently been issued or amended but are not yet effective have not been adopted for the period ended 31 December 2021.

#### (b) Going Concern

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business.

#### (c) New Accounting Standards and Interpretations

The accounting standards and interpretations adopted are consistent with those of the previous financial year.

There are no new accounting standards or interpretations that impact the current financial year.

# Notes to the Financial Statements

## For the year ended 31 December 2021

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### 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (e) Use of estimates

In conforming with generally accepted accounting principles, the preparation of financial statements for the Foundation requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and the accompanying notes. Although, these estimates are based on management's knowledge of current events and actions that may be undertaken in the future, actual results may ultimately differ from estimates.

#### (f) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and on hand. For the purposes of the Cash Flow Statement, cash includes cash on hand and at bank.

#### (g) Receivables

Receivables are held at cost and are non-interest bearing.

#### (h) Financial assets

Financial assets are initially measured at fair value through profit or loss in the Statement of Financial Position. All transaction costs are recognised directly in profit or loss. After initial measurement these investments are classified as fair value through profit or loss and subsequent changes in the fair value are recorded in profit or loss reflecting the change in value of investments. Any income derived from the holding of these financial assets is recorded as investment returns.

Funds at JBWere are classified as either cash or investment pool. Cash pool assets are readily accessible, are classified as cash and cash equivalents. Funds that have been invested by JBWere within the investment pool are recognised as non current financial assets, given the long term intention of the Foundation with respect to the investments.

#### (i) Income tax

The Foundation, by the nature of its operations conducted, is exempt from the imposition of income tax. No income tax expense is therefore recorded in the financial report.

#### (j) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable;
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

#### (k) Other payables

Other payables are carried at amortised costs and represents liabilities for goods and services provided to the Foundation prior to the end of the financial year that are unpaid and arise when the Foundation becomes obliged to make future payments in respect of the purchase of these goods and services.

#### (l) Revenue recognition

Revenue is recognised at the amount of the consideration to which the Foundation expects to be entitled. The following specific recognition criteria must also be met before revenue is recognised:

##### (i) Donations

Donations are recognised when received and at the fair value of the donation received.

##### (ii) Investment returns

Revenue is recognised as investment returns accrue using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating interest over the relevant period using the effective interest rate.

## Notes to the Financial Statements (continued)

### For the year ended 31 December 2021

	<i>2021</i>	<i>2020</i>
	\$	\$
<b>3 CASH AND CASH EQUIVALENTS</b>		
<b>(a) Cash and cash equivalents comprises:</b>		
Cash at bank and in hand	<b>10</b>	1,496
Cash pool in investment	<b>3,013,043</b>	1,807,645
Total cash and cash equivalents	<b>3,013,053</b>	1,809,141
<b>(b) Reconciliation of net surplus for the year to the net cash flows from operations:</b>		
Net surplus	<b>11,714,196</b>	11,205,029
Unrealised (gain)/loss on investment	<b>(8,320,806)</b>	(3,402,814)
Change in assets & liabilities		
- Receivables	<b>(101,512)</b>	(637,877)
<b>Net Cash Flow from Operations</b>	<b>3,373,998</b>	7,164,338
<b>4 FINANCIAL ASSETS</b>		
<b>Non-current Assets</b>		
Portfolio investments	<b>93,811,928</b>	77,321,036
	<b>93,811,928</b>	77,321,036

## Notes to the Financial Statements (continued)

For the year ended 31 December 2021

### 5 NEWINGTON FOUNDATION FUNDS

	Building Fund	Scholarship Fund - Named Bursaries	Long Term Scholarship Fund	Newington Foundation	Total
Cash on hand	516,789	390,322	2,105,942	-	3,013,053
Other Receivables	49,662	69,252	251,449	-	370,363
<b>Total Current Assets</b>	<b>566,451</b>	<b>459,574</b>	<b>2,357,391</b>	<b>-</b>	<b>3,383,416</b>
Financial Assets	12,137,474	20,847,250	60,827,204	-	93,811,928
<b>Total Non Current Assets</b>	<b>12,137,474</b>	<b>20,847,250</b>	<b>60,827,204</b>	<b>-</b>	<b>93,811,928</b>
<b>Total Assets</b>	<b>12,703,925</b>	<b>21,306,824</b>	<b>63,184,595</b>	<b>-</b>	<b>97,195,344</b>
Other Payables	8,745	14,800	43,875	14,700	82,120
<b>Total Liabilities</b>	<b>8,745</b>	<b>14,800</b>	<b>43,875</b>	<b>14,700</b>	<b>82,120</b>
<b>Net Assets</b>	<b>12,695,180</b>	<b>21,292,024</b>	<b>63,140,720</b>	<b>(14,700)</b>	<b>97,113,224</b>

### 6 EVENTS AFTER REPORTING DATE

The Newington Foundation financial assets are recorded at fair value as at 31 December 2021. Global asset markets that The Newington Foundation is invested in have experienced volatility since year end. The Newington Foundation recognises fair value changes in its financial assets in the profit and loss each period when value changes occur.

No other matter or circumstance has arisen since the end of the financial year which is not otherwise dealt with in this report, that has significantly affected or may significantly affect the operations of the Foundation, the results of those operations or the state of affairs of the Foundation in subsequent financial years.



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Ernst & Young  
200 George Street  
Sydney NSW 2000 Australia  
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555  
Fax: +61 2 9248 5959  
ey.com/au

## **Auditor's independence declaration to the Trustee of The Newington Foundation**

In relation to our audit of the financial report of The Newington Foundation for the financial year ended 31 December 2021, and in accordance with the requirements of Subdivision 60-C of the *Australian Charities and Not-for-profits Commission Act 2012*, to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of any applicable code of professional conduct; and
- b. No non-audit services provided that contravene any applicable code of professional conduct.

A handwritten signature in black ink that reads "Ernst &amp; Young".

Ernst & Young

A handwritten signature in black ink that reads "Rob Lewis".

Rob Lewis  
Partner  
15 March 2022



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Ernst & Young  
200 George Street  
Sydney NSW 2000 Australia  
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555  
Fax: +61 2 9248 5959  
ey.com/au

## **Independent Auditor's Report to the Trustee of The Newington Foundation**

### **Opinion**

We have audited the financial report, being a special purpose financial report, of The Newington Foundation (the Foundation), which comprises the statement of financial position as at 31 December 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the Statement by Trustees.

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

- a. giving a true and fair view of the Foundation's financial position as at 31 December 2021 and of its financial performance for the year ended on that date; and
- b. complying with Australian Accounting Standards to the extent described in Note 2, and 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 in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Foundation in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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 2 to the financial statements, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the Trustees' financial reporting responsibilities under the *Australian Charities and Not for profits Commission Act 2012* and the requirements of the Foundation's Trust Deed. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

### **Information other than the financial report and auditor's report thereon**

The Directors of the Trustee (the directors) of the Foundation are responsible for the other information. The other information is the Report from the Trustee accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of the Trustee for the Financial report**

The Directors 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 2 to the financial statements is appropriate to meet the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and is appropriate to meet the needs of the Trustee. The Trustees' responsibility also includes such internal control as the Trustees determine 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.

In preparing the financial report, the directors are responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Trustees' either intend to liquidate the Foundation 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 the 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 the Australian Auditing Standards, we exercise professional judgment 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 Foundation'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 Foundation to cease to continue as a going concern.



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- 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 directors 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.

Ernst & Young

Rob Lewis  
Partner  
Sydney  
15 March 2022

## Statement by Trustees

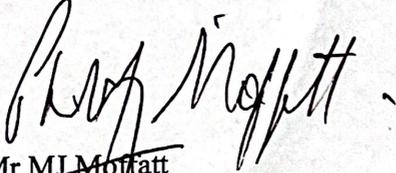
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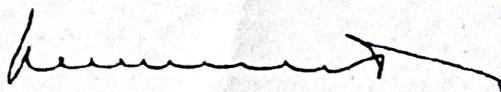
As Trustees of The Newington Foundation, we declare that:

- (a) The Newington Foundation is not a reporting entity as defined in the Australian Accounting Standards;
- (b) the financial statements and notes of The Newington Foundation are in accordance with the Australian Charities and Not-for-Profits Commission Act 2012, including:
  - (i) giving a true and fair view of the Foundation's financial position as at 31 December 2021 and of its performance for the year ended on that date; and
  - (ii) comply with Australian Accounting Standards to the extent described in Note 2 to the financial statements and complying with Australian Charities and Not-for-Profits Commission Regulation 2013;
- (c) there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they become due and payable.

Dated: 14 March 2022

Signed on behalf of the The Newington Foundation Ltd (formerly The Social Justice Foundation Ltd) as Trustee of The Newington Foundation.

  
Mr MLMoffatt  
Chair



Mr RN Talbot  
Deputy Chair, Chair of the Audit Committee