

**THE NEWINGTON**  
**FOUNDATION**

**ANNUAL FINANCIAL REPORT**  
**For the year ended 31 December 2022**

# Contents to the Financial Report

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## Report from the Trustee

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The Trustee of The Newington Foundation submits its report in respect of the year ended 31 December 2022.

### 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 PJ Moffitt	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 2022 was a loss of \$5,325,825 (2021: Income: \$11,714,196).

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

### REVIEW OF OPERATIONS

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 its objectives for the financial year ended 31 December 2022 were \$914,854 (2021: \$1,103,116).

## Report from the Trustee

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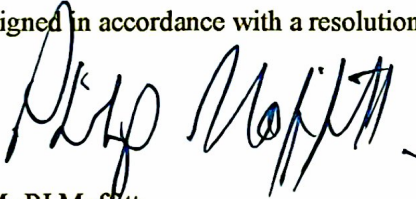
### SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes during the period ended 31 December 2022.

### SIGNIFICANT EVENTS AFTER THE REPORTING DATE

In the opinion of the Trustee, no 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 PJ Moffitt  
Chair



Mr RN Talbot  
Deputy Chair, Chair of the Audit Committee

Sydney  
28 April 2023

## Statement of Comprehensive Income

For the year ended 31 December 2022

	2022	2021
	\$	\$
<b>INCOME</b>		
Donations	699,234	1,272,254
Investment income	4,324,016	3,581,049
Net fair value gain on financial assets	-	8,320,806
<b>TOTAL INCOME</b>	<b>5,023,250</b>	<b>13,174,109</b>
<b>EXPENDITURE</b>		
Other expenses	33,599	14,700
Investment management & platform fees	296,298	342,097
Grants awarded to Newington College	914,854	1,103,116
Net fair value loss on financial assets	9,104,324	-
<b>TOTAL EXPENDITURE</b>	<b>10,349,075</b>	<b>1,459,913</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>(5,325,825)</b>	<b>11,714,196</b>
Other comprehensive income	-	-
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR</b>	<b>(5,325,825)</b>	<b>11,714,196</b>

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

# Statement of Financial Position

As at 31 December 2022

		<i>2022</i>	<i>2021</i>
		\$	\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	3(a)	<b>2,759,674</b>	3,013,053
Receivables		<b>791,361</b>	370,363
<b>Total Current Assets</b>		<b>3,551,035</b>	3,383,416
Financial Assets	4	<b>88,368,587</b>	93,811,928
<b>Total Non Current Assets</b>		<b>88,368,587</b>	93,811,928
<b>TOTAL ASSETS</b>		<b>91,919,622</b>	97,195,344
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Other Payables		<b>132,223</b>	82,120
<b>Total Current Liabilities</b>		<b>132,223</b>	82,120
<b>TOTAL LIABILITIES</b>		<b>132,223</b>	82,120
<b>NET ASSETS</b>		<b>91,787,399</b>	97,113,224
<b>TOTAL EQUITY</b>		<b>91,787,399</b>	97,113,224

## Statement of Cash Flows

For the year ended 31 December 2022

	<i>Notes</i>	<b>2022</b>	<b>2021</b>
		<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Payment to suppliers		<b>(279,794)</b>	(274,677)
Grants paid to Newington College		<b>(914,854)</b>	(1,103,116)
Donations received		<b>699,234</b>	7,272,254
Investment returns		<b>3,903,018</b>	3,479,537
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>		<b>3,407,604</b>	9,373,998
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Net cash flow (used in)/from bank/managed funds		<b>(3,660,983)</b>	(8,170,086)
<b>NET CASH FLOWS (USED IN)/FROM/ INVESTING ACTIVITIES</b>		<b>(3,660,983)</b>	(8,170,086)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
		<b>(253,379)</b>	1,203,912
Cash and cash equivalents at beginning of the year		<b>3,013,053</b>	1,809,141
<b>Cash and cash equivalents at the end of the year</b>	3(a)	<b>2,759,674</b>	3,013,053

*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 2022

	<i>2022</i>	<i>2021</i>
	\$	\$
Balance at 1 January	<b>97,113,224</b>	85,399,028
Total comprehensive income:		
Surplus/(Deficit) for the year	<b>(5,325,825)</b>	11,714,196
Balance at 31 December	<b>91,787,399</b>	97,113,224



# Notes to the Financial Statements

## For the year ended 31 December 2022

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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.

### 2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Australian Charities and Not-for-Profits Commission Act 2012 and Australian Accounting Standards - *Simplified Disclosures*. Thus, the financial statements comply with the recognition and measurement requirements of Australian Accounting Standards, the presentation requirements in those Standards as modified by AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (AASB 1060) and the disclosure requirements in AASB 1060.

These financial statements are the first general purpose financial statements prepared in accordance with Australian Accounting Standards - Simplified Disclosures. The Foundation previously prepared special purpose financial statements which complied with the requirements of the Australian Charities and Not-for-Profits Commission Act 2012 and the recognition, measurement and classification requirements of all applicable Australian Accounting Standards. Accordingly, other than the change in disclosure requirements, the adoption of Australian Accounting - Standards Simplified Disclosures had no impact on these financial statements and no disclosures under AASB 1 First-time Adoption of Australian Accounting Standards on transition were required.

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 2022.

#### (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 Foundation applied for the first-time AASB 1060 General Purpose Financial Statements Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities which became mandatory for application to the Foundation's financial statements from the financial year ended 31 December 2022. The impact of this accounting standard on the Foundation's financial statements is described in note 2(a).

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 2022.

# Notes to the Financial Statements

## For the year ended 31 December 2022

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

#### (d) 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.

#### (e) 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.

#### (f) Receivables

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

#### (g) 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.

#### (h) 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.

#### (i) 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.

#### (j) 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.

#### (k) 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 accrued 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 2022

	2022	2021
	\$	\$
<b>3 CASH AND CASH EQUIVALENTS</b>		
<b>(a) Cash and cash equivalents comprises:</b>		
Cash at bank and in hand	10	10
Cash pool in investment	2,759,664	3,013,043
Total cash and cash equivalents	<u>2,759,674</u>	<u>3,013,053</u>
<b>(b) Reconciliation of net surplus/(deficit) for the year to the net cash flows from operations:</b>		
Net surplus/(deficit)	(5,325,825)	11,714,196
Unrealised (gain)/loss on investment	9,104,324	(8,320,806)
Change in assets & liabilities		
- Receivables	(420,998)	(101,512)
<b>Net Cash Flow from Operations</b>	<u>3,407,604</u>	<u>3,373,998</u>
<b>4 FINANCIAL ASSETS</b>		
<b>Non-current Assets</b>		
Portfolio investments	88,368,587	93,811,928
	<u>88,368,587</u>	<u>93,811,928</u>

## Notes to the Financial Statements (continued)

For the year ended 31 December 2022

### 5 NEWINGTON FOUNDATION FUNDS

	Building Fund	Scholarship Fund - Named Bursaries	Long Term Scholarship Fund	Newington Foundation	Total
Cash on hand	200,363	505,261	2,054,051	-	2,759,675
Other Receivables	107,197	172,194	511,970	-	791,360
<b>Total Current Assets</b>	<b>307,560</b>	<b>677,454</b>	<b>2,566,021</b>	<b>-</b>	<b>3,551,036</b>
Financial Assets	11,844,609	19,030,779	57,493,198	-	88,368,587
<b>Total Assets</b>	<b>12,152,169</b>	<b>19,708,233</b>	<b>60,059,219</b>	<b>-</b>	<b>91,919,622</b>
Other Payables	9,931	24,613	49,380	48,299	132,223
<b>Total Liabilities</b>	<b>9,931</b>	<b>24,613</b>	<b>49,380</b>	<b>48,299</b>	<b>132,223</b>
<b>Net Assets</b>	<b>12,142,238</b>	<b>19,683,621</b>	<b>60,009,840</b>	<b>(48,299)</b>	<b>91,787,399</b>
Retained Earnings	12,695,180	21,292,024	63,140,720	(14,700)	97,113,224
Interfund Transfer	2,000	(203,500)	201,500	-	-
Current Earnings/(Deficit)	(554,942)	(1,404,903)	(3,332,381)	(33,599)	(5,325,825)
<b>Total Equity</b>	<b>12,142,238</b>	<b>19,683,621</b>	<b>60,009,840</b>	<b>(48,299)</b>	<b>91,787,399</b>

### 6 Related Party Disclosures

#### (a) Key Management Personnel compensation

Total compensation for Key Management Personnel for the entity during the financial year is \$0 (2021: \$0).

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Foundation, directly or indirectly.

All Foundation management and board members hold unpaid positions.

#### (b) Loans to Key Management Personnel

There are no Loan Agreements made between key management personnel and the Foundation.

#### (c) Other transactions of Key Management Personnel and their personally related entities

There were no other transactions between key management personnel and the Foundation other than donations made or reimbursement of out of pocket expenses on an arm's length basis.

### 7 AUDITORS' REMUNERATION

Amounts received or due and receivable by Ernst & Young (Australia) for:	2022	2021
• an audit of the financial report of the College	\$19,330	\$14,000

### 8 EVENTS AFTER REPORTING DATE

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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## **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 2022, 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  
28 April 2023



Ernst & Young  
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Sydney NSW 2000 Australia  
GPO Box 2646 Sydney NSW 2001

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

### **Opinion**

We have audited the financial report of The Newington Foundation (the Foundation), which comprises the statement of financial position as at 31 December 2022, 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 2022 and of its financial performance for the year ended on that date; and
- b. complying with Australian Accounting Standards - Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Regulation 2022*.

### **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.

### **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 of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Simplified Disclosures and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the directors 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.
- 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.



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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.

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  
Sydney  
28 April 2023



## Statement by Trustees

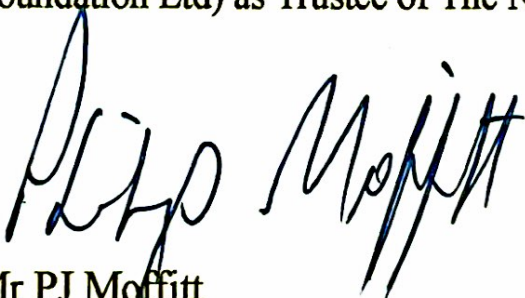
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As Trustees of The Newington Foundation, we declare that:

- (a) 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 2022 and of its performance for the year ended on that date; and
  - (ii) comply with Australian Accounting Standards - *Simplified Disclosures* and complying with Australian Charities and Not-for-Profits Commission Regulation 2022;
- (b) 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: 28 April 2023

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



Mr PJ Moffitt  
Chair



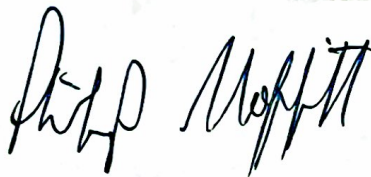
Mr RN Talbot  
Deputy Chair, Chair of the Audit Committee

## Statement of Compliance

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As Trustees of The Newington Foundation, we declare that:

- (a) reasonable steps were taken to comply with the Act, Regulations and the conditions of the authority
- (b) the financial statements comply with the Act and the Regulations
- (c) the organisation is able to pay all of the organisation's debts as and when the debts become due and payable
- (d) the contents of the financial statements are true and fair as at and for the twelve months ended 31 December 2022
- (e) the organisation has appropriate and effective internal controls



Mr PJ Moffitt  
Chair

Dated: 28 April 2023



Mr RN Talbot  
Deputy Chair, Chair of the Audit Committee

Dated: 28 April 2023