WINDGAP FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)
ABN 14 050 095 077
Financial Report for the Year Ended 30 June 2019

DIRECTORS' REPORT

Your directors present this report on Windgap Foundation Limited (the "Company") for the financial year ended 30 June 2019.

Directors

The names of each person who has been a director during the year and to the date of this report are:

Christopher Herbert Brown
Heather Anne Brown
Andrew James Simpson
Craig Andrew Wallace (Resigned on 27/11/2018)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Purpose of

The purpose the Company is to inspire, and create opportunities so that each member of the Windgap family is able to be the best version of herself or himself in the community, with individual choice and control in their life (**Purpose**).

Objectives

The objectives of the Company, consistently with the Purpose of the Company are:

- each Windgap participant is included in the community and achieves their goals and is independent; and
- the community is aware of the Company and the needs and aspirations of Windgap participants (collectively, **Objectives**).

Strategy

The strategy of the Company is to carry out the Purpose and achieve the Objectives of the Company by:

(i) allocating resources to enable the provision of, and provide support services to people with intellectual disability in the community, in accordance with business plans, approved and overseen by the Board;

(ii) recognising and managing risk, including physical, intangible and financial risks of execution of the business plans, as well as the strategic risks of, and risks to, the resource allocation choices which define the strategy;

(iii) allocating and managing resources prudently.

Critical Success Factors

The Company has identified certain critical success factors to enable the Company to carry out the Purpose and achieve the Objectives, for measurement, in the course of operations of the Company (**Critical Success Factors**).

The Critical Success Factors are:

- on time delivery, every time;
- employees are empowered and engaged; and
- waste is eliminated.

DIRECTORS' REPORT

Principal Activities

The principal activities of the Company during the year were the provision of support services to people with an intellectual disability, including residential services, day programs and supported employment within an Australian Disability Enterprise, fundraising, and engagement with the community.

The principal activities described above were directly relevant to, and in accordance with, the Purpose, Objectives and Strategy set out above.

Operating Results

The profit of the Company amounted to $198,485 (2018: profit of $1,856,699).

Information on Directors

Christopher Herbert Brown OAM	—	Chairman, Board member since 1990
Qualifications	—	LLM, FAICD, CTA
Experience	—	Solicitor, Listed Public Company Director
Special Responsibilities	—	Chairman of Board, Remuneration Committee member, Audit and Risk Committee member, Nomination Committee member.

Heather Anne Brown OAM	—	Board member since 1990
Experience	—	Personal Assistant
Special Responsibilities	—	Nomination Committee member

Andrew James Simpson	—	Board member since December 2013
Qualifications	—	Bachelor of Business (Accounting); Graduate Diploma (Chartered Accounting); Graduate Diploma of Applied Finance ; MAICD
Experience	—	Partner at Gunderson Briggs Chartered Accountants
Special Responsibilities	—	Treasurer, Audit and Risk Committee Chairman, Nomination Committee member
	—	Remuneration Committee Chairman

Craig Andrew Wallace	—	Board member since December 2013
Experience	—	NSW professional fire fighter; carpenter/builder; Providing fire/safety training and maintenance at petro-chemical plant; Involved in foundation years of Giant Steps, Sydney.
Special Responsibilities	—	Nomination Committee member
	—	Resigned on 27/11/2018

Measures of Performance

The board of directors of the Company measures the performance of the Company by a combination of financial and non-financial performance indicators.

Meeting of Directors

During the financial year, 16 meetings of directors (including committees of directors) were held. Attendances by each director were as follows:

	Directors' Meetings		Audit/Risk Committee		Remuneration Committee		Nomination Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Christopher Herbert Brown	10	10	4	4	1	1	1	1
Heather Anne Brown	10	9	-	-	-	-	1	1
Andrew James Simpson	10	10	4	4	1	1	1	1
Craig Andrew Wallace	5	4	-	-	-	-	-	-

The Company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the Company is wound up, the constitution states that each member, or within one year after they cease to be a member, is required to contribute a maximum of $100 each towards meeting any outstanding obligations of the Company. At 30 June 2019, the total amount that members of the Company are liable to contribute if the Company is wound up is $10,300 (2018: $8,600).

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2019 has been received and can be found on page 4.

Signed in accordance with a resolution of the Board of Directors.

CHBrown

Directors Christopher Herbert Brown

Andrew Simpson

Andrew James Simpson

Dated this 1st November 2019

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Felsers

Windgap Foundation Limited
ABN 14 050 095 077

Auditor's Independence Declaration under s60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* to the directors of Windgap Foundation Limited

We declare that, to the best of our knowledge and belief, during the year ended 30 June 2019 there have been:

i. no contraventions of the auditor independence requirements of s60-40 of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

Felsers

Felsers

Chartered Accountants

Steven H Zabeti
Partner

Dated: 1 November 2019

Level 6, 1 Chifley Square
Sydney, New South Wales 2000
Australia

Telephone + 61 2 8226 1655
Facsimile + 61 2 8226 1616
Web www.accru.com

Chartered Accountants + Business Advisors
Sydney + Melbourne + Brisbane
Perth + Adelaide + Hobart

Windgap Foundation Limited ABN 14 050 095 077

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

	Note	2019	2018
		$	$
Revenue	4	13,379,885	13,158,732
Finance income	5	109,072	101,705
Other income	5	1,526,375	1,698,922
Employee benefits expense	6b	(11,968,593)	(10,593,231)
Depreciation and amortisation expense	6a	(268,683)	(223,098)
Repairs, maintenance and vehicle running expense		(167,396)	(120,973)
Fuel, light and power expense		(108,099)	(88,337)
Rental expense	6a	(746,716)	(505,772)
Training expense		(56,167)	(39,026)
Audit expense		(24,000)	(18,679)
Consultancy expense		(464,558)	(405,899)
Administration expense		(894,945)	(1,031,722)
Fundraising expense	21b	(117,690)	(75,923)
Profit before income tax		**198,485**	**1,856,699**
Income tax expense	3i	-	-
Profit for the year		**198,485**	**1,856,699**
Other comprehensive income for the year		-	-
Total comprehensive income for the year attributable to members of the company		**198,485**	**1,856,699**

Although the Profit for the 2019 year stated above is $198,485, the 2019 year figures contain items which do not relate to the operating activities of the Company, outlined as follows:

Profit for the year		198,485	1,856,699
Unexpended funds approved by NSW government for retention by the Company			
Bega Avenue Little Bay	4, 16	-	51,093
2016/17 Acquittals	4	-	316,345
2017/18 Acquittals	4	164,286	-
2018/19 Acquittals	4	17,477	-
Underlying profit from operating activities		**16,722**	**1,489,261**

The company has not restated comparatives when initially applying AASB 9, the comparative information has been prepared under AASB 139 Financial Instruments: Recognition and Measurement.

The accompanying notes form part of these financial statements.

Windgap Foundation Limited ABN 14 050 095 077

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	Note	2019	2018
		$	$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	1,530,922	782,646
Trade and other receivables	8	300,602	314,158
Financial assets	9	3,192,793	4,090,000
Other assets	10	106,319	56,755
TOTAL CURRENT ASSETS		**5,130,636**	**5,243,559**
NON-CURRENT ASSETS			
Property, plant and equipment	11	4,114,601	3,815,327
TOTAL NON-CURRENT ASSETS		**4,114,601**	**3,815,327**
TOTAL ASSETS		**9,245,237**	**9,058,886**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	1,004,536	1,141,874
Short-term provisions	13	767,324	646,674
TOTAL CURRENT LIABILITIES		**1,771,860**	**1,788,548**
NON-CURRENT LIABILITIES			
Long-term provisions	13	296,978	292,424
TOTAL NON-CURRENT LIABILITIES		**296,978**	**292,424**
TOTAL LIABILITIES		**2,068,838**	**2,080,972**
NET ASSETS		**7,176,399**	**6,977,914**
EQUITY			
Retained earnings		6,302,680	6,104,195
Reserves	22	873,719	873,719
TOTAL EQUITY		**7,176,399**	**6,977,914**

The company has not restated comparatives when initially applying AASB 9, the comparative information has been prepared under AASB 139 Financial Instruments: Recognition and Measurement.

The accompanying notes form part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

	Retained Earnings	Reserves	Total
	$	$	$
Balance at 30 June 2018	**6,104,195**	**873,719**	**6,977,914**
Profit attributable to the entity	198,485	-	198,485
Transfer from reserves	-	-	-
Balance at 30 June 2019	**6,302,680**	**873,719**	**7,176,399**
	$	$	$
Balance at 30 June 2017	**4,247,496**	**873,719**	**5,121,215**
Profit attributable to the entity	1,856,699	-	1,856,699
Transfer from reserves	-	-	-
Balance at 30 June 2018	**6,104,195**	**873,719**	**6,977,914**

For a description of each reserve, refer to Note 22.

The company has not restated comparatives when initially applying AASB 9, the comparative information has been prepared under AASB 139 Financial Instruments: Recognition and Measurement.

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 $	2018 $
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from clients of payments for support services provided by the Company funded by the NDIS		11,439,814	8,418,073
Receipt of government grants		1,819,496	4,738,466
Other receipts		1,696,490	2,026,164
Payments to suppliers and employees		(14,648,234)	(13,566,528)
Interest received		109,072	101,705
Net cash generated from operating activities		**416,638**	**1,717,880**
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		8,147	31,020
Payment for property, plant and equipment		(573,716)	(152,573)
Proceeds /(Payment) for held-to-maturity investments		897,207	(1,610,000)
Net cash generated from/(used in) investing activities		**331,638**	**(1,731,553)**
Net increase/(decrease) in cash held		**748,276**	**(13,673)**
Cash and cash equivalents at beginning of the financial year		782,646	796,319
Cash and cash equivalents at the end of the financial year	7	**1,530,922**	**782,646**

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

The financial statements are for Windgap Foundation Limited as an individual company, incorporated and domiciled in Australia. Windgap Foundation Limited is a company limited by guarantee.

NOTE 1: BASIS OF PREPARATION

The Company applies Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: *Application of Tiers of Australian Accounting Standards.*

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the *Australian Charities and Not-for-profits Commission Act 2012*. The Company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements, except for the cash flow information have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on 1st November 2019 by the directors of the Company.

NOTE 2: CHANGE IN ACCOUNTING POLICY

Financial instruments – Adoption of AASB 9

The Company has adopted AASB 9 Financial Instruments for the first time in the current year with a date of initial adoption of 1 July 2017.

As part of the adoption of AASB 9, the Company adopted consequential amendments to other accounting standards arising from the issue of AASB 9 as follows:

- AASB 101 *Presentation of Financial Statements* requires the impairment of financial assets to be presented in a separate line item in the statement of profit or loss and other comprehensive income. In the comparative years, this information was presented as part of other expenses.
- AASB 7 *Financial Instruments: Disclosures* requires amended disclosures due to changes arising from AASB 9. These disclosures have been provided for the current year.

The key changes to the Company's accounting policy and the impact on these financial statements from applying AASB 9 are described below.

Changes in accounting policies resulting from the adoption of AASB 9 have been applied retrospectively except the Company has not restated any amounts relating to classification and measurement requirements including impairment which have been applied from 1 July 2018.

Classification of financial assets

The financial assets of the Company have been reclassified into one of the following categories on adoption of AASB 9 based primarily on the business model in which a financial asset is managed and its contractual cash flow characteristics:

- Measured at amortised cost
- Fair value through profit or loss (FVTPL)
- Fair value through other comprehensive income - debt instruments (FVOCI - debt)
- Fair value through other comprehensive income - equity instruments (FVOCI - equity).

NOTE 2: CHANGE IN ACCOUNTING POLICY

Impairment of financial assets

The incurred loss model from AASB 139 has been replaced with an expected credit loss model in AASB 9 for assets measured at amortised cost, contract assets and fair value through other comprehensive income.

Classification of financial assets and financial liabilities

The table below illustrates the classification and measurement of financial assets and liabilities under AASB 9 and AASB 139 at the date of initial application.

	Classification Under AASB 139	Classification under AASB 9	Carrying Amount Under AASB 139	Reclassification	Re - measurements	Carrying amount under AASB 9
			$	$	$	$
Financial Asset						
Trade and other receivables	Loans and receivables	Amortised cost	314,158	-	-	314,158
Cash and cash equivalents	Loans and receivables	Amortised cost	782,646	-	-	782,646
Term deposits	Held to maturity	Amortised cost	4,090,000	-	-	4,090,000
Total financial assets			**5,186,804**	-	-	**5,186,804**
Financial Liabilities						
Trade and other payables	Other financial liabilities	Other financial liabilities	**75,176**	-	-	**75,176**

NOTE 3: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Revenue

Non-reciprocal grant revenue is recognised when the Company obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the Company and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before it is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the Company incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the statement of financial position as a liability until the service has been delivered to the contributor, otherwise the grant is recognised as income on receipt.

The Company receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised.

Donations and bequests are recognised as revenue when received.

Donations collected, including cash and goods for resale, are recognised as revenue when the Company gains control, economic benefits are probable and the amount of the donation can be measured reliably. Voluntary donations, by their nature of being received prior to entry into the accounting records, may be subject to inherent limitations regarding the completeness of revenue from such sources.

Interest revenue is recognised using the effective interest rate method, which for floating rate financial assets is the rate inherent in the instrument.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

b. **Property, plant and equipment**

Each class of property, plant and equipment is carried at cost or fair value as indicated, less, where applicable, accumulated depreciation and impairment losses.

Property

Freehold land and buildings are shown at cost less accumulated building depreciation.

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than its estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of the recoverable amount is made when impairment indicators are present (refer to Note 3(e) for details of impairment).

Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets including buildings, but excluding freehold land, is depreciated on a straight line basis over the asset's useful life to the Company commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of fixed asset	**Depreciation rate**
Buildings	2% - 30%
Plant and equipment	10% – 40%
Motor vehicles	10% – 22.5%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit and loss in the period in which they arise.

When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

c. **Leases**

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the Company are classified as finance leases.

Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the Company will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

d. **Financial Instruments**

For comparative year

Initial recognition and measurement

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

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss" in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost.

Amortised cost is calculated as:

a. the amount at which the financial asset or financial liability is measured at initial recognition;
b. less principal repayments;
c. plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
d. less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instruments to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

NOTE 3: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature or are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.
Available for sale financial assets are included in non-current assets, except for those which are expected to sell within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

At the end of each reporting period, the Company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset or a group of financial assets will be deemed to be impaired if, and only if, there is objective evidence of impairment as a result of the occurrence of one or more events (a "loss event"), which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors, or a group of debtors, are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indication that they will enter into bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having undertaken all possible measures of recovery, if the management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance accounts.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the Company no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

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NOTE 3: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

For current year

Financial instruments are recognised initially on the date that the Company becomes party to the contractual provisions of the instrument.
On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.
Classification
On initial recognition, the Company classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt investments (FVOCI - debt)

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company's financial assets measured at amortised cost comprise trade and other receivables, cash and cash equivalents and other financial assets in the statement of financial position.
Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.
Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost
- debt investments measured at FVOCI

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information.
The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

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NOTE 3: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Credit losses are measured as the present value of the difference between the cash flows due to the Company in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables has been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expenses. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced a significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Company measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.
The financial liabilities of the Company comprise trade payables.

e. **Impairment of non-financial assets**

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116: Property, Plant and Equipment). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

f. **Employee benefits**

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits have been measured at the amounts expected to be paid when the liability is settled plus any related on costs.

Contributions are made by the Company to an employee superannuation fund and are charged as expenses when incurred.

g. **Cash and cash equivalents**

Cash and cash equivalents include cash on hand, deposits held at-call with banks, and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

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NOTE 3: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

h. **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). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the statement of financial position are shown inclusive of GST. 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.

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. **Income tax**

The Company

(a) is exempt from income tax under section 50-B of the *Income Tax Assessment Act 1997*, and consequently no income tax expense has been reflected in the financial statements.

(b) has been granted Deductible Gift Recipient status under section 30-15 of that Act.

(c) has a Fringe Benefits Tax concession.

j. **Provisions**

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

k. **Comparative figures**

Where required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

l. **Critical accounting estimates and judgments**

The directors evaluate estimates and judgments incorporated into the financial statements 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.

m. **Key judgements**

Employee benefits

For the purpose of measurement, AASB 119: Employee Benefits defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. The Company expects most employees will take their annual leave entitlements within 12 months of the reporting period in which they were earned.

n. **Economic dependence**

The National Disability Insurance Scheme (NDIS) has been rolled out in our region as from 1st July 2017. During the year ended 30 June 2019, the dependence on Federal and State government grants has decreased. The Company is economically dependent upon the National Disability Insurance Agency providing NDIS funding to individual clients of the Company to enable those clients to acquire support services from the Company.

o. **Fair value of assets and liabilities**

The Company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

"Fair value" is the price the Company would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from the principal market for the asset or liability (ie. the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, market information is extracted from the most advantageous market available to the Company at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the Company's own equity instruments (if any) may be valued, where there is no observable market price in relation to the transfer of such a financial instrument, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and where significant, are detailed in the respective note to the financial statements.

NOTE 4: REVENUE AND OTHER INCOME

	Note	2019	2018
		$	$
Revenue			
Revenue from government grants and NDIS Income			
— Income from clients with respect to support services provided by the Company funded by the NDIS		11,439,814	8,418,073
— State/federal government grants		1,654,087	4,307,696
— Unexpended funds approved by NSW government for retention by the Company			
Bega Avenue Little Bay		-	51,093
2016/17 Acquittals		-	316,345
2017/18 Acquittals		164,286	-
2018/19 Acquittals		17,477	-
— Other organisations		104,221	65,525
		13,379,885	**13,158,732**

NOTE 5: FINANCE INCOME AND EXPENSES

Finance income	Note	2019	2018
Interest income		$	$
— Assets measured at amortised cost		109,072	101,705
		109,072	**101,705**
Other income			
— Net gain/(loss) on disposal of property, plant and equipment		2,928	(4,714)
— charitable income and fundraising	21	227,761	225,903
— Bequests/donations received	21	76,639	42,084
— Sales		205,000	482,058
— Client fees		901,218	865,787
— Administration fees		47,535	51,942
— Other		65,294	35,862
Total Other Income		**1,526,375**	**1,698,922**

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 6: RESULT FOR THE YEAR

		Note	2019 $	2018 $
a.	**Expenses**			
	Employee benefits expense:			
	— contributions to defined superannuation funds		(1,049,146)	(874,348)
	Depreciation and amortisation			
	— land and buildings		(120,639)	(79,177)
	— motor vehicle		(9,143)	(11,679)
	— plant and equipment		(116,143)	(108,593)
	— equipment		(22,758)	(23,649)
	Total depreciation and amortisation		**(268,683)**	**(223,098)**
	Cost of sales		**(66,175)**	**(65,890)**
	Rental expense on operating leases			
	— minimum lease payments		(746,716)	(505,772)
	Total rental expense		**(746,716)**	**(505,772)**
b.	**Results include the following significant expenses;**			
	Employee Benefits including Superannuation Contributions		**(11,968,593)**	**(10,593,231)**

NOTE 7: CASH AND CASH EQUIVALENTS

	2019 $	2018 $
CURRENT		
Cash at bank	1,526,452	768,644
Cash on hand	4,470	14,002
Total cash and cash equivalents	**1,530,922**	**782,646**

NOTE 8: TRADE AND OTHER RECEIVABLES

	Note	2019 $	2018 $
CURRENT			
Trade receivables		186,474	286,105
Provision for impairment	8a	(20,000)	(20,000)
		166,474	266,105
Other receivables		134,128	48,053
Total current trade and other receivables		**300,602**	**314,158**

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NOTE 8: TRADE AND OTHER RECEIVABLES

Trade and other receivables (cont'd)

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

a. **Impairment of receivables**

The Company applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The loss allowance provision as at 30 June 2019 is determined as follows, the expected credit losses incorporate forward looking information.

30 June 2019	**Current**	**< 30 days Overdue**	**< 90 days Overdue**	**> 90 days Overdue**	**Total**
Gross Carrying amount ($)	121,185	36,650	6,735	21,904	186,474
ECL provision	-	-		20,000	20,000

NOTE 9: FINANCIAL ASSETS

	2019	**2018**
	$	**$**
CURRENT		
Term deposits	3,192,793	4,090,000
	3,192,793	**4,090,000**

NOTE 10: OTHER ASSETS

	2019	**2018**
	$	**$**
CURRENT		
Prepayments	106,319	9,248
Security bond	-	47,507
	106,319	**56,755**

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Windgap Foundation Limited ABN 14 050 095 077

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 11: PROPERTY, PLANT AND EQUIPMENT

		2019	2018
		$	$
LAND AND BUILDINGS			
Residential land & buildings at cost	11a	3,508,457	3,508,457
Less accumulated depreciation		(455,898)	(410,321)
		3,052,559	**3,098,136**
Residential building improvement at cost		436,095	420,679
Less accumulated depreciation		(167,810)	(152,377)
		268,285	**268,302**
Leasehold improvements at cost		826,020	347,619
Less accumulated depreciation		(318,984)	(266,547)
		507,036	**81,072**
Total land and buildings		**3,827,880**	**3,447,510**
Plant at cost		373,482	399,239
Less accumulated depreciation		(282,106)	(277,796)
		91,376	**121,443**
Office Equipment at cost		194,391	226,794
Less accumulated depreciation		(152,797)	(161,147)
		41,594	**65,647**
Furniture & Fixtures at cost		244,405	263,716
Less accumulated depreciation		(214,744)	(223,792)
		29,661	**39,924**
Computer Equipment at cost		277,035	346,899
Less accumulated depreciation		(188,364)	(250,657)
		88,671	**96,242**
Motor vehicles at cost		108,032	131,154
Accumulated depreciation		(72,613)	(86,593)
Total plant and equipment		**35,419**	**44,561**
Total property, plant and equipment		**286,721**	**367,817**
		4,114,601	**3,815,327**

Note 11a – Please refer to Note 16 for additional information.

NOTE 11: PROPERTY, PLANT AND EQUIPMENT

a. Movements In Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land and Buildings	Leasehold Building Improvements	Motor vehicles, Furniture, Plant and Equipment	Total
	$	$	$	$
2018				
Balance at the beginning of the year	3,431,329	89,976	400,281	3,921,586
Additions at cost	2,200	3,182	147,191	152,573
Net disposals at written down value	-	-	(35,734)	(35,734)
Depreciation expense	(67,091)	(12,086)	(143,921)	(223,098)
Carrying amount at end of year	**3,366,438**	**81,072**	**367,817**	**3,815,327**
2019				
Balance at the beginning of the year	3,366,438	81,072	367,817	3,815,327
Additions at cost	21,600	479,408	72,708	573,716
Net disposals at written down value	-	-	(5,759)	(5,759)
Depreciation expense	(67,194)	(53,444)	(148,045)	(268,683)
Carrying amount at end of year	**3,320,844**	**507,036**	**286,721**	**4,114,601**

Asset revaluations

The freehold land and buildings were not independently valued at 30 June 2019.

NOTE 12: TRADE AND OTHER PAYABLES

	2019	2018
	$	$
Trade payables	120,115	75,176
Government grants	-	210,373
NDIS	8,363	-
Other current payables	876,058	856,325
	1,004,536	**1,141,874**

NOTE 13: PROVISIONS

	2019	2018
Employee benefits	$	$
Opening balance at 1 July 2018	939,098	888,542
Additional provisions raised during year	125,204	50,556
Balance at 30 June 2019	**1,064,302**	**939,098**

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 13: PROVISIONS

Analysis of total provisions

Current	767,324	646,674
Non-current	296,978	292,424
	1,064,302	**939,098**

Provision for employee benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

NOTE 14: CAPITAL AND LEASING COMMITMENTS

	2019 $	2018 $
Operating lease commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payable — minimum lease payments		
— not later than 12 months – Property	328,400	-
— not later than 12 months - Motor vehicles/copiers	232,331	227,243
— later than 12 months but not later than 5 years - Property	1,256,808	-
— later than 12 months but not later than 5 years – Motor vehicles/copiers	377,421	342,961
— greater than 5 years	-	1,163
	2,194,960	**571,367**

The property lease commitments are non-cancellable operating leases contracted for but not capitalised in the financial statements with a five-year term.

The motor vehicle /copiers lease commitments are non-cancellable operating leases contracted for with a five-year term.

No capital commitments exist at year end.

NOTE 15: OTHER FINANCIAL LIABILITIES

Bendigo and Adelaide Bank Limited ABN 11 068 049 178 of The Bendigo Centre, has provided an unconditional guarantee to The Trust Company Limited (ACN 004 027 749) (Lessor) in respect of obligations of the Company to the Lessor under a lease and the Incentive Deed in respect of Tenancy 2, Unit 1, Botany Grove Business Park, 21-23 Green Street Banksmeadow (Lease) and any Licensed area or other rights ancillary to the Lease, for any sum or sums to an aggregate amount not exceeding $292,793.24.

NOTE 16: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are presently no contingent assets and liabilities that need to be disclosed in the accounts, apart from the matters disclosed below.

NSW Department of Family and Community Services ("Department") has a beneficial interest in the property known as 3 Bega Avenue Little Bay ("Property") equivalent to the proportion that the capital funding provided by the Department bears to the final development cost of the Property.

NSW Department of Family and Community Services ("Department") has a beneficial interest in the property known as 19 Carlton Street Kensington ("Property") equivalent to the proportion that the capital funding provided by the Department bears to the final development cost of the Property.

NOTE 17: EVENTS AFTER THE REPORTING PERIOD

The Directors are unaware of any matter or circumstances not otherwise dealt with in the Directors' report or the accompanying financial statements, that has arisen since the end of the financial year, that has significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

NOTE 18: KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company. The Directors received no remuneration.

The totals of remuneration paid to the key management personnel of the Company during the year are as follows:

	2019	2018
	$	$
Short-term employees benefits	425,296	261,581
Post-employment benefits	40,345	24,850
	465,641	**286,431**

NOTE 19: RELATED PARTY TRANSACTIONS

(i) Each transaction between the Company and a director was on terms that:

- (a) would be reasonable in the circumstances if the Company and the director were dealing at arm's length; or
- (b) were less favourable to the director than the terms referred to in paragraph (a).

(ii) Christopher Brown, Andrew Simpson, Heather Brown and Craig Wallace (Resigned 27/11/2018) are all Directors of the Company and are also Directors of Windgap Pty Limited ACN 100 824 388 (**Trustee**). The Trustee acts as Trustee of the Windgap No.1 Charitable Trust (**Trust**).

During the year ended 30 June 2019, the Trustee acting in its capacity as Trustee of the Trust paid $257,647 to the Company as consideration for maintenance and administration services provided by the Company.

During the year ended 30 June 2019, the Company made payments to the Trustee, by mistake, amounting in aggregate, to the sum of $83,066.85, which has been recorded as an asset as of 30 June 2019. In early August 2019, the mistake was discovered and the Trustee acting in its capacity as Trustee of the Trust immediately repaid the sum of $83,066.85 to the Company. The mistake arose out of an incorrect classification of an amount invoiced by the Company to the NDIA.

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NOTE 19: RELATED PARTY TRANSACTIONS

Charges made from the Company to the Trustee acting in its capacity as Trustee of the Trust were made at a commercial rate not greater than the rate that would otherwise have been charged to an unrelated third party acting at arm's length.

Charges made by the Trustee acting in its capacity as Trustee of the Trust to the Company were made at a rate less than the rate that would have otherwise been charged to an unrelated party acting at arm's length.

NOTE 20: FINANCIAL RISK MANAGEMENT

The Company's financial instruments consist mainly of deposits with banks, local money market instruments, short term investments, accounts receivables and payables.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 9: "Financial Instruments, Recognition and Measurement", as detailed in the accounting policies to these financial statements are as follows:

		2019	2018
		$	$
Financial assets			
Cash and cash equivalent	7	1,530,922	782,646
Trade and other receivables	8	300,602	314,158
Held-to-maturity investments	9	3,192,793	4,090,000
Total financial assets		**5,024,317**	**5,186,804**
Financial liabilities			
Financial liabilities at amortised costs:			
- trade and other payables	12	1,004,536	1,141,874
Total financial liabilities		**1,004,536**	**1,141,874**

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Windgap Foundation Limited ABN 14 050 095 077

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

NOTE 21: CHARITABLE FUNDRAISING ACT 1991

The Company is an Authority Holder under the above Act.

The Act and its supporting Regulations require additional information to be disclosed in the Financial Reports as follows:-

	2019	2018
	$	$
(a) Gross proceeds from donations	**76,639**	**42,084**
Specific Fundraising Activities		
– St Patrick's Day	10,730	10,518
– Windgap Gala Ball	217,031	215,385
	227,761	**225,903**
Total fundraising and donation proceeds	**304,400**	**267,987**
(b) Total costs of fundraising		
Specific fundraising activities		
– St Patrick's Day	(5,369)	(3,996)
– Windgap Gala Ball	(112,321)	(71,927)
Total fundraising costs	**(117,690)**	**(75,923)**
(c) Net Surplus from fundraising and donations		
Gross proceeds above	304,400	267,987
Less total costs above	(117,690)	(75,923)
Net Surplus from fundraising and donations	**186,710**	**192,064**

(d) Manner in which net surplus from fundraising was applied

The Company generated an operating profit of $198,485. Net proceeds from fundraising and donations were $186,710. The net proceeds were exclusively applied in the provision of services for clients.

	2019		2018	
	$		$	
(e) An analysis of fundraising /donation activities is as follows:				
(Percentage relates to total funds raised)	**$**	**%**	**$**	**%**
Total cost of fundraising and donations	117,690	39	75,923	28
Gross income from fundraising and donations	304,400		267,987	
Net surplus from fundraising and donations	**186,710**	**61**	**192,064**	**72**

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NOTE 22: RESERVES

	2019	2018
	$	$
General reserve	873,719	873,719
Total reserves	**873,719**	**873,719**

NOTE 23: ENTITY DETAILS

The registered office and the principal place of business is:

Tenancy 2, Unit 1, 14A Baker Street, Banksmeadow, NSW, 2019

DIRECTORS' DECLARATION

The directors of the Company declare that, in the directors' opinion:

1. The financial statements and notes, as set out on pages 5 to 27, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012 and*
   a. comply with Australian Accounting Standards – Reduced Disclosure Requirements and
   b. give a true and fair view of the financial position as at 30 June 2019 and of the performance for the year ended on that date of the Company.
2. There are reasonable grounds to believe that the entity will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with Subs 60.15(2) of the Australian Charities and Not-for-profits Commission Regulation 2013.

Brown

Christopher Herbert Brown

Dated this 1st November 2019

Andrew Simpson

Andrew James Simpson

DECLARATION BY CHAIRMAN IN RESPECT OF FUNDRAISING APPEALS

I, Christopher Herbert Brown, Chairman of Windgap Foundation Limited, declare that, in my opinion:

(a) The financial report gives a true and fair view of all income and expenditure of the Company with respect to fundraising appeals activities for the financial year ended 30 June 2019;

(b) The statement of financial position gives a true and fair view of all the state of affairs with respect to fundraising appeals activities as at 30 June 2019;

(c) The provisions of the Charitable Fundraising Act (NSW) 1991 and the regulations under the Act and the conditions attached to the authority have been complied with, and

(d) The internal controls exercised by the Company are appropriate and effective in accounting for all income received and applied from any fundraising appeals.

Chairman

Brown

CHRISTOPHER HERBERT BROWN

Dated this 1st November 2019

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Windgap Foundation Limited
ABN 14 050 095 077

Independent Audit Report to the members of Windgap Foundation Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Windgap Foundation Limited, which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the financial report of Windgap Foundation Limited 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 Registered Entity's financial position as at 30 June 2019 and of its financial performance for the year ended; and

(ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and 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 Registered Entity in accordance with the auditor independence requirements of 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.

Responsibilities of Directors for the Financial Report

The directors of the Registered Entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and the ACNC Act and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Registered Entity'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 directors either intend to liquidate the Registered Entity or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

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.

Level 6, 1 Chifley Square
Sydney, New South Wales 2000
Australia

Telephone + 61 2 8226 1655
Facsimile + 61 2 8226 1616
Web www.accru.com

Chartered Accountants + Business Advisors
Sydney + Melbourne + Brisbane
Perth + Adelaide + Hobart

As part of an audit in accordance with the 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 Registered Entity'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's 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 Registered Entity'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 Registered Entity 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 those charged with governance 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.

Charitable Fundraising Act 1991

In accordance with the requirements of the *Charitable Fundraising Act 1991*, we hereby report that in our opinion:

(i) the financial report gives a true and fair view of the financial result of fundraising appeal activities for the financial year ended 30 June 2019;
(ii) the financial report and association records of Windgap Foundation Limited have been properly kept during the year ended 30 June 2019 in accordance with the *Charitable Fundraising Act 1991*;
(iii) money received as a result of fundraising appeals conducted during the year ended 30 June 2019, has been properly accounted for and applied in accordance with the *Charitable Fundraising Act 1991*; and
(iv) there are reasonable grounds to believe that Windgap Foundation Limited will be able to pay its debt as and when they fall due.

Felsers

Felsers

Chartered Accountants

Steven H Zabeti
Partner
Dated: 1 November 2019

Level 6, 1 Chifley Square
Sydney, New South Wales 2000
Australia

Telephone + 61 2 8226 1655
Facsimile + 61 2 8226 1616
Web www.accru.com

Chartered Accountants + Business Advisors
Sydney + Melbourne + Brisbane
Perth + Adelaide + Hobart