

WINDGAP FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)
ABN 14 050 095 077

Financial Report for the Year Ended 30 June 2021

DIRECTORS' REPORT

Your directors present this report on Windgap Foundation Limited (the "Company") for the financial year ended 30 June 2021.

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
Byron John Fitzgerald
Madelaine Tracey Inglis
Kathryn Santifort

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

Purpose

The purpose of 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, consistent 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.

Windgap Foundation Limited ABN 14 050 095 077

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 \$2,229,126 (2020: profit of \$1,518,483).

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
Byron John Fitzgerald	—	Board member appointed 26 November 2019
Qualifications	—	Bachelor of Building
Experience	—	Professional in construction industry with experience in Building, Civil Engineering and project management, 25 year service in Surf Life Saving
Madelaine Tracey Inglis	—	Board member appointed 26 November 2019
Qualifications	—	Diploma of Law; Legal Profession Admission Board of NSW
Experience	—	Partner at Brown Wright Stein Lawyers
Kathryn Santifort	—	Board member appointed 26 November 2019
Qualifications	—	Bachelor in Nursing & Post Graduate in Anaesthetics
Experience	—	Registered nurse teaching within the clinical environment. Special focus in quality and improvement projects for ensuring national accreditation standards are evident in practice.

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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, 17 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	5	5	2	2	-	-
Heather Anne Brown	10	10	-	-	-	-	-	-
Andrew James Simpson	10	9	5	5	2	2	-	-
Byron John Fitzgerald	10	8	-	-	-	-	-	-
Kathryn Santifort	10	8	-	-	-	-	-	-
Madelaine Tracey Inglis	10	8	-	-	-	-	-	-

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 2021, the total amount that members of the Company are liable to contribute if the Company is wound up is \$9,500 (2020: \$8,800).

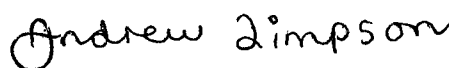
Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2021 has been received and can be found on page 4.

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



Directors Christopher Herbert Brown



Andrew James Simpson

Dated this 26/10/2021

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 2021 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



Steven H Zabeti
Partner

Dated: 26 October 2021

Windgap Foundation Limited ABN 14 050 095 077

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR
ENDED 30 JUNE 2021**

	Note	2021	2020
		\$	\$
Revenue	4	13,698,240	13,217,037
Finance income	5	8,079	61,126
Other income	4	3,362,182	2,849,489
Employee benefits expense	6b	(11,615,352)	(11,834,706)
Depreciation and amortisation expense	6a	(818,172)	(866,578)
Repairs, maintenance and vehicle running expense		(332,076)	(268,535)
Fuel, light and power expense		(75,086)	(74,208)
Finance expense	5, 15	(76,918)	(88,211)
Training expense		(44,604)	(48,377)
Audit expense		(66,400)	(27,900)
Consultancy expense		(434,791)	(371,114)
Administration expense		(1,257,435)	(1,023,797)
Fundraising expense	22	(118,541)	(5,743)
Profit before income tax		2,229,126	1,518,483
Income tax expense	3i	-	-
Profit for the year		2,229,126	1,518,483
Other comprehensive income for the year		-	-
Total comprehensive income for the year attributable to members of the company		2,229,126	1,518,483

In line with the 2020 financial year, the profit for the 2021 financial year stated above contain items which do not relate to the operating activities of the Company. These are outlined below:

Profit for the year		2,229,126	1,518,483
ATO JobKeeper Reimbursement	4	1,645,500	1,434,000
Government Cash Flow Boost	4	50,000	50,000
NDIS PPE Payment	4	206,408	-
Underlying profit from operating activities		327,218	34,483

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 2021

	Note	2021	2020
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	8,512,566	5,754,949
Trade and other receivables	8	484,938	309,185
Financial assets	9	796,773	792,793
Other assets	10	15,871	504,481
Contract assets	13	104,023	17,245
TOTAL CURRENT ASSETS		9,914,171	7,378,653
NON-CURRENT ASSETS			
Property, plant and equipment	11	3,764,263	4,098,539
Right-of-use assets	15	1,501,999	1,555,766
TOTAL NON-CURRENT ASSETS		5,266,262	5,654,305
TOTAL ASSETS		15,180,433	13,032,958
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	1,169,555	657,324
Short-term provisions	14	1,048,148	889,460
Lease liabilities	15	503,225	407,135
Contract liabilities	13	146,346	866,444
TOTAL CURRENT LIABILITIES		2,867,274	2,820,363
NON-CURRENT LIABILITIES			
Long-term provisions	14	303,518	310,619
Lease liabilities	15	1,085,633	1,207,094
TOTAL NON-CURRENT LIABILITIES		1,389,151	1,517,713
TOTAL LIABILITIES		4,256,425	4,338,076
NET ASSETS		10,924,008	8,694,882
EQUITY			
Retained earnings		10,050,289	7,821,163
Reserves	23	873,719	873,719
TOTAL EQUITY		10,924,008	8,694,882

The accompanying notes form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021**

	Retained Earnings	Reserves	Total
	\$	\$	\$
Balance at 30 June 2020	7,821,163	873,719	8,694,882
Profit attributable to the entity	2,229,126	-	2,229,126
Transfer from reserves	-	-	-
Balance at 30 June 2021	10,050,289	873,719	10,924,008
	\$	\$	\$
Balance at 30 June 2019	6,302,680	873,719	7,176,399
Profit attributable to the entity	1,518,483	-	1,518,483
Transfer from reserves	-	-	-
Balance at 30 June 2020	7,821,163	873,719	8,694,882

For a description of each reserve, refer to Note 23.

The accompanying notes form part of these financial statements.

Windgap Foundation Limited ABN 14 050 095 077

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021	2020
		\$	\$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts of payments for support services provided by the Company funded by the NDIS		11,705,272	11,363,595
Receipt of government grants		1,876,493	2,014,432
Other receipts		3,818,390	3,282,140
Payments to suppliers and employees		(13,934,821)	(14,016,410)
Interest received		8,079	61,126
Interest paid		(76,918)	(88,211)
Net cash generated from operating activities		3,396,495	2,616,672
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		350	500
Payment for property, plant and equipment		(106,789)	(295,618)
Proceeds for held-to-maturity investments		(3,980)	2,400,000
Net cash generated from investing activities		(110,419)	2,104,882
CASH FLOW FROM FINANCING ACTIVITIES			
Payment for lease liabilities		(528,459)	(497,527)
Net cash (used in) financing activities		(528,459)	(497,527)
Net increase in cash held		2,757,617	4,224,027
Cash and cash equivalents at beginning of the financial year		5,754,949	1,530,922
Cash and cash equivalents at the end of the financial year	7	8,512,566	5,754,949

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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 26 October 2021 by the directors of the Company.

NOTE 2: CORONAVIRUS (COVID-19) IMPACT

Within Australia and globally, unprecedented measures have been introduced to control the spread of the COVID-19 outbreak, including travel and trade restrictions, restrictions on public gatherings and temporary business closures. These significant measures have had a sudden and substantial negative impact on global economic activity, with certain industry sectors experiencing unforeseen financial difficulties. Consequently, the functioning of global capital markets has been impaired by increased volatility and negative investor sentiment.

The expected duration and magnitude of the COVID-19 global pandemic and its potential implications on the global economy and financial markets remains unclear. Should these circumstances become severe or prolonged, it is expected to have a material adverse impact on the global and Australian economies, which in turn may have a material adverse impact on the Company's financial performance and position.

NOTE 3: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 3: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

AASB 1058 Income of Not for Profit Entities

The Company has adopted AASB 1058 from 1 July 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not for profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where:

1. An asset is received in a transaction, such as by way of grant, bequest or donation;
2. There has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and
3. Where the intention is to principally enable the entity to further its objectives.

For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137. The liability is brought to account as income over the period in which the entity satisfies its performance obligation. If the transaction does not enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately.

The revenue recognition policies for the principal revenue streams of the Company are:

Grant revenue

Government grants that contain specific conditions on the use of those funds are recognised as and when the Company satisfies its performance obligations by providing those goods and services. A contract liability is recognised for unspent grant funds for which a refund obligation exists in relation to the funding period. General grants that do not impose specific performance obligations on the Company are recognised as income when the Company obtains control of those funds, which is usually on receipt.

Donations

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.

Statement of financial position balances relating to revenue recognition

Contract assets and liabilities

Where the amounts billed to customers are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts billed to or certified by the customer.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 3: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

When a performance obligation is satisfied by transferring a promised good or service to the customer before the customer pays consideration or before payment is due, the Company presents the contract as a contract asset, unless the Company's rights to that amount of consideration are unconditional, in which case the Company recognises a receivable.

When an amount of consideration is received from a customer prior to the entity transferring a good or service to the customer, the Company presents the contract as a contract liability.

Other income

Other income is recognised on an accruals basis when the Company is entitled to it.

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(c) 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 3: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

c. Financial Instruments

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 3: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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.

d. 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.

e. 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021
NOTE 3: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

f. 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.

g. Leases

At inception of a contract, the Company assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Company has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Company has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

Lessee accounting

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

At the lease commencement, the Company recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Company believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Company's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Company's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lease accounting

The Company has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Company recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

h. Good 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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 3: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 2021, 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.

Windgap Foundation Limited ABN 14 050 095 077

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 4: REVENUE AND OTHER INCOME

Revenue	Note	2021	2020
<i>Revenue from government grants and NDIS Income</i>		\$	\$
— Income from clients with respect to support services provided by the Company funded by the NDIS		11,882,937	11,363,595
— State/federal government grants		1,705,903	1,831,302
— Other organisations		109,400	22,140
		13,698,240	13,217,037
Other income			
— Net gain/(loss) on disposal of property, plant and equipment		(51,512)	(592)
— charitable income and fundraising	22	216,135	9,955
— Bequests/donations received	22	28,840	88,716
— Sales		159,169	163,932
— Client fees		803,576	846,863
— Administration fees		64,270	55,131
— Trust reimbursement		187,043	192,523
— ATO JobKeeper reimbursement		1,645,500	1,434,000
— Government cash flow boost		50,000	50,000
— NDIS PPE payment		206,408	-
— Other		52,753	8,961
Total Other Income		3,362,182	2,849,489

NOTE 5: FINANCE INCOME AND EXPENSES

Finance income	2021	2020
<i>Interest income</i>	\$	\$
— Assets measured at amortised cost	8,079	61,126
	8,079	61,126
Finance expenses		
<i>Lease Liability</i>	\$	\$
— Interest expense	76,918	88,211
	76,918	88,211

Windgap Foundation Limited ABN 14 050 095 077

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 6: RESULT FOR THE YEAR

	2021	2020
	\$	\$
a. Expenses		
Employee benefits expense:		
— contributions to defined superannuation funds	(916,679)	(934,625)
Depreciation and amortisation		
— land and buildings	(170,457)	(170,296)
— motor vehicle	(5,274)	(9,134)
— plant and equipment	(69,972)	(111,268)
— equipment	(15,614)	(19,890)
— right-of-use asset depreciation	(556,855)	(555,990)
Total depreciation and amortisation	(818,172)	(866,578)
Cost of sales	(50,469)	(58,165)
b. Results include the following significant expenses;		
Employee Benefits including Superannuation Contributions	(11,615,352)	(11,834,706)

NOTE 7: CASH AND CASH EQUIVALENTS

	2021	2020
	\$	\$
CURRENT		
Cash at bank	8,499,553	5,740,797
Cash on hand	13,013	14,152
Total cash and cash equivalents	8,512,566	5,754,949

NOTE 8: TRADE AND OTHER RECEIVABLES

		2021	2020
		\$	\$
CURRENT			
Trade receivables		501,557	323,892
Provision for impairment	8a	(18,205)	(18,205)
		483,352	305,687
Other receivables		1,586	3,498
Total current trade and other receivables		484,938	309,185

Trade and other receivables

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Note 8: TRADE AND OTHER RECEIVABLES

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 2021 is determined as follows, the expected credit losses incorporate forward looking information.

		< 30 days	< 90 days	> 90 days	
30 June 2021	Current	Overdue	Overdue	Overdue	Total
Gross Carrying amount (\$)	455,414	20,677	6,826	18,640	501,557
ECL provision	-	-		18,205	18,205

		< 30 days	< 90 days	> 90 days	
30 June 2020	Current	Overdue	Overdue	Overdue	Total
Gross Carrying amount (\$)	279,185	11,076	2,950	30,681	323,892
ECL provision	-	-		18,205	18,205

NOTE 9: FINANCIAL ASSETS

	2021	2020
	\$	\$
CURRENT		
Term deposits	796,773	792,793
	796,773	792,793

NOTE 10: OTHER ASSETS

	2021	2020
	\$	\$
CURRENT		
Prepayments	15,871	22,981
JobKeeper accrued income	-	481,500
	15,871	504,481

NOTE 11: PROPERTY, PLANT AND EQUIPMENT

	2021	2020
	\$	\$
CAPITAL WORK IN PROGRESS		
Capital Work in Progress	40,136	168,020
	40,136	168,020
LAND AND BUILDINGS		
Residential land & buildings at cost	11a 3,508,457	3,508,457
Less accumulated depreciation	(545,432)	(501,454)
	2,963,025	3,007,003
Residential building improvement at cost	426,485	433,705
Less accumulated depreciation	(199,161)	(186,137)
	227,324	247,568

Windgap Foundation Limited ABN 14 050 095 077

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 11: PROPERTY, PLANT AND EQUIPMENT

	2021	2020
	\$	\$
Leasehold improvements at cost	720,336	900,420
Less accumulated depreciation	(379,460)	(422,624)
	340,876	477,796
Total land and buildings	3,531,225	3,732,367
 Plant and Equipment		
Plant at cost	217,042	372,155
Less accumulated depreciation	(182,525)	(306,119)
	34,517	66,036
 Office Equipment at cost	144,052	204,159
Less accumulated depreciation	(118,417)	(172,687)
	25,635	31,472
 Furniture & Fixtures at cost	223,149	268,737
Less accumulated depreciation	(140,826)	(245,420)
	82,323	23,317
 Computer Equipment at cost	204,586	285,132
Less accumulated depreciation	(174,725)	(234,090)
	29,861	51,042
 Motor vehicles at cost	61,412	78,032
Accumulated depreciation	(40,846)	(51,747)
	20,566	26,285
Total plant and equipment	192,902	198,152
Total property, plant and equipment	3,764,263	4,098,539

Note 11a – Please refer to Note 17 for additional information.

Windgap Foundation Limited ABN 14 050 095 077

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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	Capital Work in Progress	Motor vehicles, Furniture, Plant and Equipment	Total
	\$	\$	\$	\$	\$
2020					
Balance at the beginning of the year	3,320,844	507,036	-	286,721	4,114,601
Additions at cost	1,410	74,400	168,020	51,788	295,618
Net disposals at written down value	(1,027)	-	-	(65)	(1,092)
Depreciation expense	(66,656)	(103,640)	-	(140,292)	(310,588)
Carrying amount at end of year	3,254,571	477,796	168,020	198,152	4,098,539
2021					
Balance at the beginning of the year	3,254,571	477,796	168,020	198,152	4,098,539
Additions at cost	5,608	-	36,824	64,357	106,789
Transfers between asset classes	-	-	(36,824)	36,824	-
Net disposals at written down value	(5,498)	(30,795)	(127,884)	(15,571)	(179,748)
Depreciation expense	(64,332)	(106,125)	-	(90,860)	(261,317)
Carrying amount at end of year	3,190,349	340,876	40,136	192,902	3,764,263

Asset revaluations

The freehold land and buildings were not independently valued at 30 June 2021.

NOTE 12: TRADE AND OTHER PAYABLES

	2021	2020
	\$	\$
Analysis of total provisions		
Trade payables	124,352	24,294
Accruals and Provisions	1,045,203	633,030
	1,169,555	657,324

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 13: CONTRACT BALANCES

Contract assets and liabilities

The Company has recognised the following contract assets and liabilities from contracts with customers:

	2021	2020
	\$	\$
CURRENT ASSETS		
Contract Assets - Revenue Accruals	104,023	17,245
Balance at 30 June	104,023	17,245

CURRENT LIABILITIES

Contract Liabilities - Revenue in Advance	146,346	866,444
Balance at 30 June	146,346	866,444

NOTE 14: PROVISIONS

	2021	2020
	\$	\$
Employee benefits		
Opening balance at 1 July	1,200,079	1,064,302
Additional provisions raised during year	151,587	135,777
Balance at 30 June	1,351,666	1,200,079

Analysis of total provisions

Current	1,048,148	889,460
Non-current	303,518	310,619
Balance at 30 June	1,351,666	1,200,079

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021
NOTE 15: LEASES

The Company has applied AASB 16 using the modified retrospective (cumulative catch-up) method and therefore the comparative information has not been restated and continues to be reported under AASB 117 and related Interpretations.

Company as a lessee

The Company has leases over a range of assets including buildings, motor vehicles, and office equipment.

The Company has chosen not to apply AASB 16 to leases of intangible assets.

Information relating to the leases in place and associated balances and transactions are provided below.

Terms and conditions of leases

Buildings

The Company leases a building for use as office facilities as well as the provision of services. The lease has a term of 5 years and includes an option to renew for a further 5 year period.

The leases contain an annual pricing mechanism based on CPI movements at each anniversary of the lease inception.

At commencement date and each subsequent reporting date, the Company assesses where it is reasonably certain that the extension options will be exercised.

There are \$2,190,965 in potential future lease payments which are not included in lease liabilities as the Company has assessed that the exercise of the option is not reasonably certain.

Motor Vehicles & Office Equipment

The Company leases a number of vehicles and photocopiers with lease terms of 3 - 6 years, the lease payments are fixed during the lease terms.

Right-of-use assets

	Buildings	Motor Vehicles	Office Equipment	Total
	\$	\$	\$	\$
Year ended 30 June 2021				
Balance at beginning of year	1,105,632	413,580	36,554	1,555,766
Depreciation charge	(315,895)	(227,252)	(13,708)	(556,855)
Additions to right-of-use assets	-	503,088	-	503,088
Balance at end of year	789,737	689,416	22,846	1,501,999

Lease liabilities

	2021	2020
	\$	\$
Current	503,225	407,135
Non-current	1,085,633	1,207,094
Total	1,588,858	1,614,229

Windgap Foundation Limited ABN 14 050 095 077

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Statement of Surplus or Deficit and Other Comprehensive Income

The amounts recognised in the statement of surplus or deficit and other comprehensive income relating to leases where the Company is a lessee are shown below:

	2021	2020
	\$	\$
Interest expense on lease liabilities	(76,918)	(88,211)
Depreciation of right-of-use assets	(556,855)	(555,990)
	(633,773)	(644,201)

Statement of Cash Flows

	2021	2020
	\$	\$
Total cash outflow for leases	(605,377)	(585,738)

NOTE 16: 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 17: 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 Ageing, Disability and Home Care (ADHC) ("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 Ageing, Disability and Home Care (ADHC) ("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.

The Minister for Disability has registered a caveat on these properties in recognition of these beneficial interests.

Windgap Foundation Limited ABN 14 050 095 077

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 18: 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 19: 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:

	2021	2020
	\$	\$
Short-term employees benefits	289,773	471,606
Post-employment benefits	24,710	33,654
	314,483	505,260

NOTE 20: 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 and Heather Brown 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 2021, the Trustee acting in its capacity as Trustee of the Trust paid \$213,723 to the Company as consideration for maintenance and administration services provided by the Company.

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.

Windgap Foundation Limited ABN 14 050 095 077

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 21: 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:

		2021	2020
		\$	\$
Financial assets			
Cash and cash equivalent	7	8,512,566	5,754,949
Trade and other receivables	8	484,938	309,185
Held-to-maturity investments	9	796,773	792,793
Total financial assets		9,794,277	6,856,927
Financial liabilities			
Financial liabilities at amortised costs:			
- trade and other payables	12	1,169,555	657,324
Total financial liabilities		1,169,555	657,324

Windgap Foundation Limited ABN 14 050 095 077

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 22: 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:-

	2021	2020
	\$	\$
(a) Gross proceeds from donations	28,840	88,716
Specific Fundraising Activities		
– St Patrick's Day	10,024	9,955
– Windgap Gala Ball	199,007	-
Other	7,104	-
	216,135	9,955
Total fundraising and donation proceeds	244,975	98,671
(b) Total costs of fundraising		
Specific fundraising activities		
– St Patrick's Day	(5,386)	(5,743)
– Windgap Gala Ball	(109,726)	-
Other	(3,429)	-
Total fundraising costs	(118,541)	(5,743)
(c) Net Surplus from fundraising and donations		
Gross proceeds above	244,975	98,671
Less total costs above	(118,541)	(5,743)
Net Surplus from fundraising and donations	126,434	92,928

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

The Company generated an operating profit of \$2,229,126. Net proceeds from fundraising and donations were \$126,434. The net proceeds were exclusively applied in the provision of services for clients.

	2021		2020	
	\$		\$	
(e) An analysis of fundraising /donation activities is as follows:				
(Percentage relates to total funds raised)	\$	%	\$	%
Total cost of fundraising and donations	118,541	48	5,743	6
Gross income from fundraising and donations	244,975		98,671	
Net surplus from fundraising and donations	126,434	52	92,928	94

Windgap Foundation Limited ABN 14 050 095 077

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 23: RESERVES

	2021	2020
	\$	\$
General reserve	873,719	873,719
Total reserves	873,719	873,719

NOTE 24 ENTITY DETAILS

The registered office and the principal place of business is:

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

DIRECTORS' DECLARATION

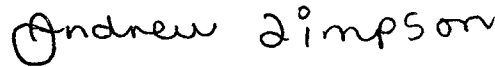
The directors of the Company declare that, in the directors' opinion:

1. The financial statements and notes, as set out on pages 5 to 28 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 2021 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.



Christopher Herbert Brown



Andrew James Simpson

Dated

this 26 October 2021

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 2021;
- (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 2021;
- (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



CHRISTOPHER HERBERT BROWN

Dated this 26 October 2021

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 2021, 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 2021 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.

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' 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 2021;
- (ii) the financial report and association records of Windgap Foundation Limited have been properly kept during the year ended 30 June 2021 in accordance with the *Charitable Fundraising Act 1991*;
- (iii) money received as a result of fundraising appeals conducted during the year ended 30 June 2021, 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



Steven H Zabeti

Partner

Dated: 26 October 2021