

WINDGAP FOUNDATION LIMITED
(A COMPANY LIMITED BY GUARANTEE)

ABN 14 050 095 077

Financial Report for the Year Ended 30 June 2017

DIRECTORS' REPORT

Your directors present this report on Windgap Foundation Limited (the "Company") for the financial year ended 30 June 2017.

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
Pedro Inguanzo De La Fuente
Catherine Margaret Jensen-Lee (Resigned on 22/11/2016)
Andrew James Simpson
Catherine Susan Wallace (Resigned on 15/05/2017)
Craig Andrew Wallace
Warwick Allan Wheeler (Resigned on 20/06/2017)
Peter Glen Grainger (Resigned on 09/06/2017)

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

Purpose and Objectives

The purpose and objectives of the Company are as follows:

- (i) Windgap clients are included and participate in the community to achieve their goals and are independent;
- (ii) the community is aware of Windgap and the needs and aspirations of clients of Windgap;
- (iii) on time delivery, every time, to clients;
- (iv) employees of Windgap are engaged and empowered; and
- (v) eliminate waste in all Windgap operations.

Strategy

The strategy of the Company to achieve the purpose and objectives of the Company is to:

- (i) allocate 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) recognise and manage 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) allocate and manage resources prudently.

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 and objectives set out above.

DIRECTORS' REPORT

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.

Operating Results

The profit of the Company amounted to \$684,911 (2016: loss of \$179,932).

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	—	Remuneration Committee member, Nomination Committee member
Catherine Margaret Jensen-Lee	—	Board member since 2004
Qualifications	—	Doctor of Philosophy in Sociology
Experience	—	Government sector policy (education and health)
Special Responsibilities	—	Remuneration Committee member, Nomination Committee member
	—	Resigned on 22/11/2016
Warwick Allan Wheeler	—	Board member since 2008
Experience	—	Experience in marketing and sales in manufacturing industries. Life member of Randwick Rugby Club.
Special Responsibilities	—	Remuneration Committee member, Nomination Committee member
	—	Resigned on 20/06/2017
Pedro Inguanzo De La Fuente	—	Board member since November 2012
Qualifications	—	Business administration, accounting and commercial law in Spain; Certified as an interpreter-translator (Spanish-English-Spanish) by Macquarie University Sydney
Experience	—	International trade, imports-exports, marketing-distribution. Voluntary work promoting institutions & sports for the disabled
Special Responsibilities	—	Audit and Risk Committee member, Nomination Committee member,



DIRECTORS' REPORT

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
Catherine Susan Wallace	—	Board member since December 2013
Experience	—	Secretary/PA in financial sector; Administration and events management, Aboriginal Catholic Ministry; Secretary of the ex-students' association of Our Lady of the Sacred Heart College, Kensington; Involved in the foundation years of Giant Steps, Sydney.
Special Responsibilities	—	Nomination Committee member
	—	Resigned on 15/05/2017
Craig Andrew Wallace	—	Board member since December 2013
Experience	—	NSW professional fire fighter; carpenter/builders; Providing fire/safety training and maintenance at petro-chemical plant; Involved in foundation years of Giant Steps, Sydney.
Special Responsibilities	—	Nomination Committee member
Peter Glen Grainger	—	Board member since June 2015
Qualifications	—	BBus, MAICD, FCPA; Graduate Conversion Course in Accounting (UTS) ; Member of the Institute of Analytics Professionals Australia (IAPA).
Experience	—	Forensic Analytics Partner; Management and IT consulting.
Special Responsibilities	—	Audit and Risk Committee member, Nomination Committee member, Remuneration Committee Member
	—	Resigned on 09/06/2017

DIRECTORS' REPORT

Meeting of Directors

During the financial year, 10 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	1	1	1	1
Heather Anne Brown	10	10	-	-	1	1	1	1
Peter Glen Grainger	10	9	5	4	1	1	1	1
Pedro Inguanzo De La Fuente	10	10	5	5	-	-	1	1
Catherine Margaret Jensen-Lee	5	5	-	-	-	-	-	-
Andrew James Simpson	10	10	5	5	-	-	1	1
Catherine Susan Wallace	10	4	-	-	-	-	1	1
Craig Andrew Wallace	10	9	-	-	-	-	1	1
Warwick Allan Wheeler	10	9	-	-	1	1	1	1

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 2017, the total amount that members of the Company are liable to contribute if the Company is wound up is \$4,100 (2016: \$6,800).

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2017 has been received and can be found on page 5.

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


 Directors Christopher Herbert Brown


 Andrew James Simpson

Dated this 24th October 2017

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

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017 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

Chartered Accountants



Steven H Zabeti
Partner

Dated: 24 October 2017

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR
ENDED 30 JUNE 2017**

	Note	2017 \$	2016 \$
Revenue	2	10,857,509	9,702,402
Other income	2	2,176,541	1,892,676
Employee benefits expense	3b	(9,866,123)	(9,437,181)
Depreciation and amortisation expense	3a	(217,830)	(206,440)
Repairs, maintenance and vehicle running expense		(148,479)	(193,385)
Fuel, light and power expense		(77,225)	(89,616)
Rental expense	3a	(452,250)	(411,342)
Training expense		(55,527)	(64,783)
Audit expense		(27,000)	(24,195)
Consultancy expense		(232,066)	(236,920)
Administration expense		(1,168,272)	(1,018,765)
Fundraising expense	19b	(104,367)	(92,383)
Profit/(loss) before income tax		684,911	(179,932)
Income tax expense	1i	-	-
Profit/(loss) for the year		684,911	(179,932)
Other comprehensive income for the year		-	-
Total comprehensive income for the year attributable to members of the company		684,911	(179,932)

Although the Profit for the 2017 year stated above is \$684,911, the 2017 year figures contain items which do not relate to the operating activities of the Company, outlined as follows:

Profit/(Loss) for the year		684,911	(179,932)
Unexpended funds approved by NSW government for retention by the Company			
Bega Avenue Little Bay	2, 13	204,374	-
2014/15 Acquittals	2	114,512	-
2015/16 Acquittals	2	200,440	-
Underlying profit / (loss) from operating activities		165,585	(179,932)

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

	Note	2017 \$	2016 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	796,319	981,937
Trade and other receivables	5	105,319	62,328
Financial assets	6	2,480,000	1,400,000
Other assets	7	43,078	37,587
TOTAL CURRENT ASSETS		3,424,716	2,481,852
NON-CURRENT ASSETS			
Financial assets	6	-	2
Property, plant and equipment	8	3,921,586	3,931,585
TOTAL NON-CURRENT ASSETS		3,921,586	3,931,587
TOTAL ASSETS		7,346,302	6,413,439
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	1,437,230	1,258,434
Borrowings	10	(100,685)	(30,338)
Short-term provisions	11	563,586	526,817
TOTAL CURRENT LIABILITIES		1,900,131	1,754,913
NON-CURRENT LIABILITIES			
Long-term provisions	11	324,956	222,222
TOTAL NON-CURRENT LIABILITIES		324,956	222,222
TOTAL LIABILITIES		2,225,087	1,977,135
NET ASSETS		5,121,215	4,436,304
EQUITY			
Retained earnings/(losses)		4,247,496	3,562,585
Reserves	20	873,719	873,719
TOTAL EQUITY		5,121,215	4,436,304

The accompanying notes form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017**

	Retained Earnings	Reserves	Total
	\$	\$	\$
Balance at 30 June 2015	3,742,517	873,719	4,616,236
Profit/(Loss) attributable to the entity	(179,932)	-	(179,932)
Transfer from reserves	-	-	-
Balance at 30 June 2016	3,562,585	873,719	4,436,304
	\$	\$	\$
Balance at 30 June 2016	3,562,585	873,719	4,436,304
Profit/(Loss) attributable to the entity	684,911	-	684,911
Transfer from reserves	-	-	-
Balance at 30 June 2017	4,247,496	873,719	5,121,215

For a description of each reserve, refer to Note 20.

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 2017

	Note	2017 \$	2016 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipt of grants		11,639,513	10,832,268
Other receipts		2,246,932	1,888,831
Payments to suppliers and employees		(12,806,184)	(12,536,671)
Interest received		94,362	76,501
Net cash generated from /(used in) operating activities	17b	1,174,623	260,929
CASH FLOW FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		-	10,887
Payment for property, plant and equipment		(209,896)	(182,809)
Proceeds /(Payment) for held-to-maturity investments		(1,080,000)	(799,509)
Proceeds from sale of available-for-sale investments		2	-
Net cash used in investing activities		(1,289,894)	(971,431)
CASH FLOW FROM FINANCING ACTIVITIES			
Loans from related party		(70,347)	(66,812)
Net cash (used in)/provided by financing activities		(70,347)	(66,812)
Net increase/(decrease) in cash held		(185,618)	(777,314)
Cash and cash equivalents at beginning of the financial year		981,937	1,759,251
Cash and cash equivalents at the end of the financial year	4	796,319	981,937

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 24th October 2017 by the directors of the Company.

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).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

b. Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair values 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 1(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	4%
Plant and equipment	10% – 40%
Motor vehicles	12.5% – 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

d. Financial Instruments

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

e Impairment of 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, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

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 payables 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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. Trade and other payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

m. 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.

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 Company is dependent on Federal and State Government grants for the majority of its revenue used to operate the enterprise. At the date of this report the Board of Directors has no reason to believe the Federal and State Governments will not continue to support Windgap Foundation Limited in some capacity for the foreseeable future.

NDIS will be rolled out in our region as from 1st July 2017. During the transition period both Federal and State government grants and NDIS funding will be received.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 (ie. 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 2: REVENUE AND OTHER INCOME

	Note	2017	2016
		\$	\$
Revenue			
<i>Revenue from government grants and other grants</i>			
— State/federal government grants		10,173,430	9,558,151
— Unexpended funds approved by NSW government for retention by the Company			
Bega Avenue Little Bay		204,374	-
2014/15 Acquittals		114,512	-
2015/16 Acquittals		200,440	-
— Other organisations		70,391	67,750
		10,763,147	9,625,901
<i>Other revenue</i>			
— Interest received on financial assets not at fair value through profit or loss		94,362	76,501
		94,362	76,501
Total revenue		10,857,509	9,702,402
Other income			
— Net gain/(loss) on disposal of property, plant and equipment	3b	(2,065)	(2,806)
— charitable income and fundraising	19	249,840	185,469
— Bequests/donations received	19	129,515	318,247
— Sales		601,972	484,243
— Client fees		900,872	831,306
— Administration fees		279,726	55,507
— Other		16,681	20,710
Total Other Income		2,176,541	1,892,676
Total revenue and other income		13,034,050	11,595,078

NOTE 3: RESULT FOR THE YEAR

	Note	2017	2016
		\$	\$
a. Expenses			
Employee benefits expense:			
— contributions to defined superannuation funds		(800,514)	(762,238)
Depreciation and amortisation			
— land and buildings		(96,044)	(97,714)
— motor vehicle		(11,579)	(8,909)
— plant and equipment		(87,184)	(90,294)
— furniture and equipment		(23,023)	(9,523)
Total depreciation and amortisation		(217,830)	(206,440)
Cost of sales		(84,783)	(130,390)
Rental expense on operating leases			
— minimum lease payments		(452,250)	(411,342)
Total rental expense		(452,250)	(411,342)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 3: RESULT FOR THE YEAR

	Note	2017 \$	2016 \$
Auditor remuneration			
- audit services		(27,000)	(24,195)
Auditor remuneration		<u>(27,000)</u>	<u>(24,195)</u>
b. Significant revenue and expenses			
(i) Revenue including:-			
Property, plant and equipment			
Proceeds on disposal		-	10,887
Disposals at costs		(2,065)	(13,693)
Net gain/(loss) on disposal		<u>(2,065)</u>	<u>(2,806)</u>
(ii) Expenses:-			
Employee Benefits		<u>(9,866,123)</u>	<u>(9,437,181)</u>

NOTE 4: CASH AND CASH EQUIVALENTS

	2017 \$	2016 \$
CURRENT		
Cash at bank	792,317	977,937
Cash on hand	4,002	4,000
Total cash and cash equivalents	<u><u>796,319</u></u>	<u><u>981,937</u></u>

NOTE 5: TRADE AND OTHER RECEIVABLES

	2017 \$	2016 \$
CURRENT		
Trade receivables	106,161	66,238
Provision for impairment	5a (20,000)	(19,000)
	86,161	47,238
Other receivables	19,158	15,090
Total current trade and other receivables	<u><u>105,319</u></u>	<u><u>62,328</u></u>

a. Provision for Impairment of Receivables

\$

Movement in the provision for impairment of receivables is as follows

Provision for impairment as at 1 July 2015	6,000
- Charge for year	13,000
- Written off	-
Provision for impairment as at 30 June 2016	<u>19,000</u>
- Charge for year	1,000
- Written off	-
Provision for impairment as at 30 June 2017	<u><u>20,000</u></u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 6: FINANCIAL ASSETS

	2017	2016
	\$	\$
CURRENT		
Term deposits	2,480,000	1,400,000
	<u>2,480,000</u>	<u>1,400,000</u>
NON-CURRENT		
Available-for-sale financial assets	-	2
	<u>-</u>	<u>2</u>

Available-for-sale financial assets comprise:

Unlisted investments, at fair value		
— shares in unlisted corporations	-	2
	<u>-</u>	<u>2</u>

NOTE 7: OTHER ASSETS

	2017	2016
	\$	\$
CURRENT		
Prepayments	2,480	3,031
Security bond	40,598	34,556
	<u>43,078</u>	<u>37,587</u>

NOTE 8: PROPERTY, PLANT AND EQUIPMENT

		2017	2016
		\$	\$
LAND AND BUILDINGS			
Residential land & buildings at cost	8a	3,508,457	3,508,457
Less accumulated depreciation		(363,731)	(318,154)
		<u>3,144,726</u>	<u>3,190,303</u>
Residential building improvement at cost		418,479	409,818
Less accumulated depreciation		(131,876)	(112,232)
		<u>286,603</u>	<u>297,586</u>
Leasehold improvements at cost		344,436	344,436
Less accumulated depreciation		(254,460)	(223,636)
		<u>89,976</u>	<u>120,800</u>
Total land and buildings		<u>3,521,305</u>	<u>3,608,689</u>

Note 8a – Please refer to Note 13 for additional information.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 8: PROPERTY, PLANT AND EQUIPMENT

	2017	2016
	\$	\$
Plant		
At cost	392,590	303,004
Less accumulated depreciation	(231,478)	(193,249)
	<u>161,112</u>	<u>109,755</u>
Office Equipment		
At cost	186,347	155,243
Less accumulated depreciation	(139,538)	(116,666)
	<u>46,809</u>	<u>38,577</u>
Furniture & Fixtures		
At cost	256,266	252,725
Less accumulated depreciation	(195,827)	(167,647)
	<u>60,439</u>	<u>85,078</u>
Computer Equipment		
At cost	260,291	225,911
Less accumulated depreciation	(216,831)	(196,758)
	<u>43,460</u>	<u>29,153</u>
Motor vehicles		
At cost	213,239	173,532
Accumulated depreciation	(124,778)	(113,199)
	<u>88,461</u>	<u>60,333</u>
Total plant and equipment	<u>400,281</u>	<u>322,896</u>
Total property, plant and equipment	<u><u>3,921,586</u></u>	<u><u>3,931,585</u></u>

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 Improvements	Motor vehicles, Furniture, Plant and Equipment	Total
	\$	\$	\$	\$
2016				
Balance at the beginning of the year	3,552,301	149,256	267,352	3,968,909
Additions at cost	4,846	-	177,963	182,809
Net disposals at written down value	-	-	(13,693)	(13,693)
Reclassification	(4,946)	4,946	-	-
Depreciation expense	(64,312)	(33,402)	(108,726)	(206,440)
Carrying amount at end of year	<u>3,487,889</u>	<u>120,800</u>	<u>322,896</u>	<u>3,931,585</u>
2017				
Balance at the beginning of the year	3,487,889	120,880	322,896	3,931,585
Additions at cost	8,660	-	201,236	209,896
Net disposals at written down value	-	-	(2,065)	(2,065)
Depreciation expense	(65,220)	(30,824)	(121,786)	(217,830)
Carrying amount at end of year	<u>3,431,329</u>	<u>89,976</u>	<u>400,281</u>	<u>3,921,586</u>

Asset revaluations

The freehold land and buildings were not independently valued at 30 June 2017.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 9: TRADE AND OTHER PAYABLES

	2017	2016
	\$	\$
Trade payables	87,309	84,404
Government grants	485,784	608,303
Other current payables	864,137	565,727
	<u>1,437,230</u>	<u>1,258,434</u>

NOTE 10: BORROWINGS

	2017	2016
	\$	\$
CURRENT		
Other loans	(100,685)	(30,338)
TOTAL BORROWINGS	<u>(100,685)</u>	<u>(30,338)</u>

NOTE 11: PROVISIONS

	2017	2016
	\$	\$
Employee benefits		
Opening balance at 1 July 2016	749,039	733,640
Additional provisions raised during year	139,503	15,399
Balance at 30 June 2017	<u>888,542</u>	<u>749,039</u>

Analysis of total provisions

	2017	2016
	\$	\$
Current	563,586	526,817
Non-current	324,956	222,222
	<u>888,542</u>	<u>749,039</u>

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.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 12: CAPITAL AND LEASING COMMITMENTS

	2017	2016
	\$	\$
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	61,375	140,600
— not later than 12 months - Motor vehicles/copiers	221,792	216,350
— later than 12 months but not later than 5 years - Property	-	54,375
— later than 12 months but not later than 5 years – Motor vehicles/copiers	394,438	539,611
— greater than 5 years	-	-
	677,605	950,936

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 in regards to the lease commitments at year-end.

No capital commitments exist at year end.

NOTE 13: 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 14: 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 15: KEY MANAGEMENT PERSONNEL COMPENSATION

2017	2016
\$	\$
422,493	437,806

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.

NOTE 16: RELATED PARTY TRANSACTIONS

(i) Transactions between related parties are on discounted commercial terms and conditions, but no more favourable than those available to other persons unless otherwise stated.

There were no related party transactions during the year.

(ii) 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
 Pedro Inguanzo De La Fuente
 Catherine Margaret Jensen-Lee (Resigned on 22/11/2016)
 Andrew James Simpson
 Catherine Susan Wallace (Resigned on 15/05/2017)
 Craig Andrew Wallace
 Warwick Allan Wheeler (Resigned on 20/06/2017)
 Peter Glen Grainger (Resigned on 09/06/2017)

NOTE 17: CASH FLOW INFORMATION

	2017	2016
	\$	\$
a. Reconciliation of cash		
Cash at bank	792,317	977,937
Other cash	4,002	4,000
	<u>796,319</u>	<u>981,937</u>
b. Reconciliation of cashflow from operations with profit/(loss)		
Profit/(loss) for the year	684,911	(179,932)
Non cash flow items		
Depreciation and amortisation	217,830	206,440
Loss/(profit) on sale of property, plant and equipment	2,065	2,806
Doubtful debt expenses	1,000	13,000
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	(43,991)	5,772
(Increase)/decrease in inventories	-	1,250
Increase/(decrease) in trade and other payables	178,796	169,670
(Increase)/decrease in other assets	(5,491)	26,524
Increase/(decrease) in employee entitlements	139,503	15,399
Net cash generated from/(used in) operating activities	<u>1,174,623</u>	<u>260,929</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 18: 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 139: "Financial Instruments, Recognition and Measurement", as detailed in the accounting policies to these financial statements are as follows:

		2017	2016
		\$	\$
Financial assets			
Cash and cash equivalent	4	796,319	981,937
Trade and other receivables	5	105,319	62,328
Held-to-maturity investments	6	2,480,000	1,400,000
Available-for-sale financial assets	6	-	2
Total financial assets		3,381,638	2,444,267
Financial liabilities			
Financial liabilities at amortised costs:			
- trade and other payables	9	1,437,230	1,258,434
- borrowings	10	(100,685)	(30,338)
Total financial liabilities		1,336,545	1,228,096

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 19: 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:-

	2017	2016
	\$	\$
(a) Gross proceeds from donations	<u>129,515</u>	<u>318,247</u>
Specific Fundraising Activities		
– St Patrick's Day	523	4,650
– Windgap Gala Ball	<u>249,317</u>	<u>180,819</u>
	<u>249,840</u>	<u>185,469</u>
Total fundraising and donation proceeds	<u>379,355</u>	<u>503,716</u>
 (b) Total costs of fundraising		
Specific fundraising activities		
– Windgap Gala Ball	(100,898)	(88,750)
– Other	<u>(3,469)</u>	<u>(3,633)</u>
Total fundraising Costs	<u>(104,367)</u>	<u>(92,383)</u>
 (c) Net Surplus from fundraising and donations		
Gross proceeds above	379,355	503,716
Less total costs above	<u>(104,367)</u>	<u>(92,383)</u>
Net Surplus from fundraising and donations	<u>274,988</u>	<u>411,333</u>

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

The Company generated an operating profit of \$684,911. Net proceeds from fundraising and donations were \$274,988. The proceeds were exclusively applied in the provision of direct services for clients.

	2017		2016	
	\$		\$	
(e) An analysis of fundraising /donation activities is as follows:				
(Percentage relates to total funds raised)	\$	%	\$	%
Total cost of fundraising and donations	104,367	28	92,383	18
Gross income from fundraising and donations	<u>379,355</u>		<u>503,716</u>	
Net surplus from fundraising and donations	<u>274,988</u>	72	<u>411,333</u>	82

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NOTE 20: RESERVES

	2017	2016
	\$	\$
General reserve	873,719	873,719
Total reserves	873,719	873,719

NOTE 21: CONTROLLED ENTITIES

Subsidiaries of the Company	Country of incorporation	Percentage owned	
		2017	2016
Windgap Pty Ltd	Australia	-	100
Windgap Trading Pty Ltd	Australia	-	100

The above subsidiaries are not consolidated because they contained no material transactions during the financial year.

DIRECTORS' DECLARATION

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

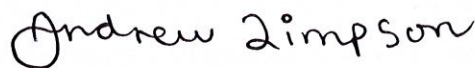
1. The financial statements and notes, as set out on pages 6 to 26, are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and
 - a. comply with Australian Accounting Standards – Reduced Disclosure Requirements and
 - b. give a true and fair view of the financial position as at 30 June 2017 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

Dated this 24th October 2017



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 2017;
- (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 2017;
- (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 24th October 2017

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 accompanying financial report, being a general purpose financial report of Windgap Foundation Limited (the Entity), which comprises the statement of financial position as at 30 June 2017, 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 accompanying financial report presents fairly, in all material respects, including:

- (i) giving a true and fair view of the Entity's financial position as at 30 June 2017 and of its financial performance for the year ended; and
- (ii) complying with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*.

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 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 Management and Those Charged with Governance

Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and the *Charitable Fundraising Act 1991* and for such internal control as the management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the management is responsible for assessing the 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 management either intends to liquidate the 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 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 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 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 the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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 2017;
- (ii) the financial report and association records of Windgap Foundation Limited have been properly kept during the year ended 30 June 2017 in accordance with the *Charitable Fundraising Act 1991*;
- (iii) money received as a result of fundraising appeals conducted during the year ended 30 June 2017, 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
Chartered Accountants



Steven H Zabeti
Partner

Dated: 24 October 2017

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Chartered Accountants + Business Advisors
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Perth + Adelaide + Hobart