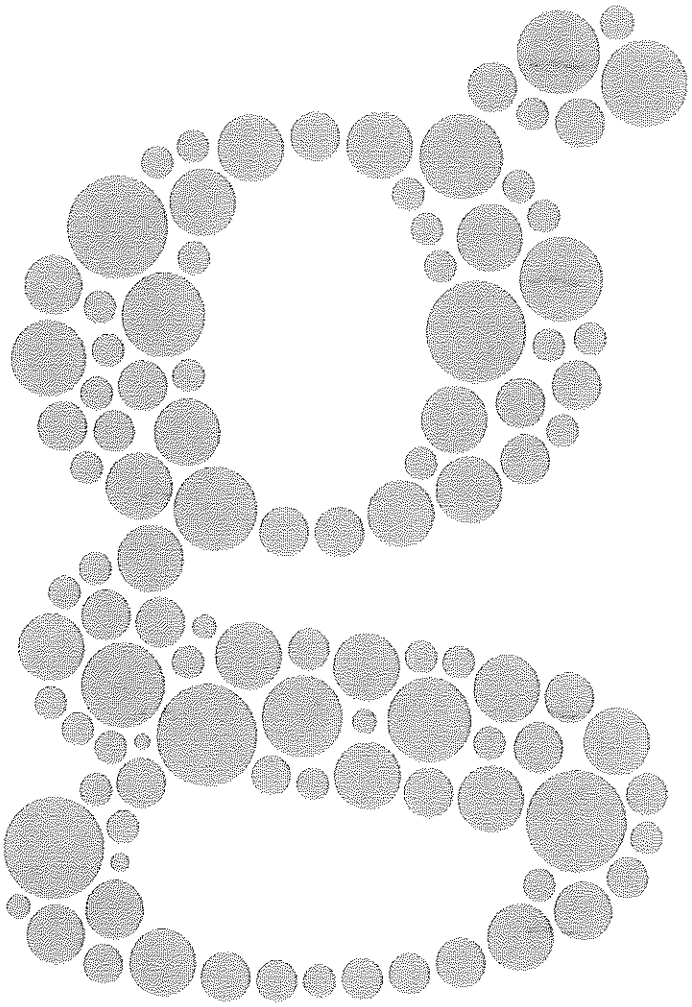

Gawith Foundation

Financial Report
for the year ended 30th June 2014

Gawith Foundation Inc.

INCOME STATEMENT
for the year ended 30 June 2014

2013 $	INCOME	2014 $
155,707	Dividends & distributions	162,955
61,366	Imputed credits on dividends	60,216
21,230	Interest income	16,753
118,152	Premises Hire	121,692
54,985	Profit on sale of Shares	28,478
75	Sundry Income	-
-	Grants Received	21,568
411,515	Total income	411,662
	EXPENSES	
35,730	Depreciation	39,750
3,182	Insurance	2,875
4,650	Buildings and grounds maintenance	14,340
2,350	Audit fee	2,400
309,000	Grants to eligible organisations	267,750
253	Bank fees	483
44	Legal fees	70
2,587	Share brokerage and stamp duty	9,105
3,984	Sundry expenses	4,954
361,780	Total expenses	341,727
49,735	Surplus(Deficit) before income tax expense	69,935
-	Income tax expense	-
49,735	Surplus (Deficit) after income tax expense	69,935

The notes on pages 5 to 9 form part of this financial report.

Gawith Foundation Inc.

BALANCE SHEET
as at 30 June 2014

2013 $			2014 $
	ASSETS		
	CURRENT ASSETS		
579,810	Cash and Cash Equivalents	Note 2	855,450
62,573	Trade and Other Receivables	Note 3	110,398
3,282,556	Financial Assets	Note 4	3,451,105
3,924,939	TOTAL CURRENT ASSETS		4,416,953
	NON-CURRENT ASSETS		
1,274,524	Land and Buildings	Note 5	3,900,250
1,274,524	TOTAL NON-CURRENT ASSETS		3,900,250
5,199,463	TOTAL ASSETS		8,317,203
	CURRENT LIABILITIES		
2,280	Trade and Other Payables	Note 6	107,597
2,280	TOTAL CURRENT LIABILITIES		107,597
5,197,183	NET ASSETS		8,209,606
5,197,183	ACCUMULATED FUNDS		8,209,606

The notes on pages 5 to 9 form part of this financial report.

STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2014

	Retained Earnings	Asset Revaluation Reserve	Fair Value Reserves	Total
	$	$	$	$
Balance as at 30 June 2012	4,187,177	479,136	141,595	4,807,908
Net Surplus(Deficit) for the year	49,735	-	-	49,735
Changes in fair value of available for sale assets	-	-	339,540	339,540
Balance as at 30 June 2013	4,236,912	479,136	481,135	5,197,183
Net Surplus(Deficit) for the year	69,935	-	-	69,935
Changes in asset Revaluation Reserve	-	2,665,476	-	2,665,476
Changes in fair value of available for sale assets			277,012	277,012
Balance as at 30 June 2014	4,306,847	3,144,612	758,147	8,209,606

The notes on pages 5 to 9 form part of this financial report.

CASH FLOW STATEMENT
for the year ended 30 June 2014

2013 $			2014 $
	CASH FLOWS FROM OPERATING ACTIVITIES		
355,068	Dividends and interest received & receipts from other income		339,200
(325,973)	Payments to service entities & other payments		(200,500)
29,095	**Net cash used in operating activities**	Note 7(b)	138,700
	CASH FLOWS FROM INVESTING ACTIVITIES:		
(188,839)	Purchase of available for sale investments		(780,506)
470,744	Proceeds on sale of shares		917,446
281,905	Net cash (used)/provided by investing activities		136,940
311,000	Net increase (decrease in) cash held		275,640
268,810	Cash at the beginning of the financial year		579,810
579,810	**Cash at the end of the financial year**	Note 7(a)	855,450

The notes on pages 5 to 9 form part of this financial report.

Gawith Foundation Inc.

NOTES TO ACCOUNTS

Note 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act. The Board has determined that the Association is not a reporting entity.

Gawith Foundation Inc is incorporated and domiciled in Australia.

The financial report has been prepared in accordance with the requirements of the Associations Incorporation Act (Vic) 1981, the basis of accounting specified by all Accounting Standards and Interpretations, and the disclosure requirements of Accounting Standards AASB101 'Presentation of Financial Statements', AASB107 'Cash Flow Statements', and AASB 108 'Accounting Policies, Changes in Accounting Estimate and Errors'.

(a) Basis of preparation

The financial report has been prepared on an accrual basis and is based on historical costs and does not take into account changing money values, or except where specifically stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following material accounting policies, which are consistent with those adopted in the previous year unless otherwise stated, have been adopted in the preparation of this financial report.

(b) 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. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(c) Revenue Recognition

Dividend and interest revenue

Dividend revenue from investments is recognized when the shareholder's right to receive payment has been established.

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

(d) Income Tax

Gawith Foundation Inc is classified as a non-profit charitable organisation under Section 23e of the ITAA 1997 and is therefore exempt from paying income tax. Accordingly no provision for income tax is made.

(e) Land and Buildings

During the year ended 30 June 2014, Land and Buildings have been revalued to reflect a more adequate view of current value:

Land	$2,350,000
Buildings	$1,590,000

Buildings are depreciated at 2.5% straight line.

Note 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

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 stated at amortised cost using the effective interest rate method.

Held-to-maturity investments

These investments have fixed maturities, and it is the Board's intention to hold these investments to maturity. Any held-to-maturity investments held by the Board are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the Board assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

(g) Comparative Figures

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

(i) Significant estimates and judgments

The Board evaluates estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assure a reasonable expectation of future events and are based on current trends and economic data.

There were no significant estimates or judgments made during the preparation of the accounts.

Gawith Foundation Inc.

NOTES TO ACCOUNTS

2013 $		2014 $
Note 2:	CASH AND CASH EQUIVALENTS	
5,362	Cash at bank	38,294
574,448	Bank deposit	817,156
579,810		855,450
Note 3:	TRADE AND OTHER RECEIVABLES	
61,367	Trade Debtors	91,383
1,206	Accrued revenue and Prepayments	19,015
62,573		110,398
Note 4:	FINANCIAL ASSETS	
	Available for sale, at market value	
3,282,556	Listed investments	3,451,105
Note 5:	LAND AND BUILDINGS	
233,244	Land (at valuation)	2,350,000
1,363,328	Buildings (at valuation)	1,590,000
(322,048)	Less Accumulated Depreciation	(39,750)
1,041,280		1,550,250
1,274,524	Total Land and Buildings	3,900,250
1,310,254	Balance at beginning of year	1,274,524
	Increase due to revaluation	2,665,476
(35,730)	Depreciation expense	(39,750)
1,274,524	Carrying amount at the end of the year	3,900,250
Note 6:	TRADE AND OTHER PAYABLES	
2,280	Accruals and Trade Creditors	107,597
2,280		107,597

2013 $		2014 $
Note 7:	**CASH FLOW INFORMATION**	
(a) Reconciliation of Cash and Cash Equivalents		
5,362	Cash at bank	38,294
574,448	Cash on deposit	817,156
579,810		855,450
(b) Reconciliation of net cash provided by operations to operating surplus after income tax expense		
49,735	Operating surplus(deficit) after income tax expense	69,935
	Non-cash flows in operating surplus:	
35,730	-Depreciation	39,750
(54,985)	-(Profit)/Loss on sale of shares	(28,478)
	Changes in assets and liabilities:	
(1,535)	-(Increase)/decrease in trade and other debtors	(47,825)
150	-Increase/(Decrease) in trade and other creditors	105,318
	-Increase/(Decrease) in loan from related party	-
29,095	Net cash provided by operating activities	138,700

Note 8: ASSOCIATION DETAILS

The Association is incorporated under the Associations Incorporation Act (Vic) and is domiciled in Australia.

The registered office and principal place of business of the Association is:

Gawith Foundation Inc.
67 Sutherland Road
ARMADALE VIC 3143

NOTE 9: EVENTS AFTER THE BALANCE SHEET DATE

The financial report was authorised for issue on by the Board of Management.

Gawith Foundation Inc.

STATEMENT BY MEMBERS OF THE BOARD

The Board has determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the Board the financial report as set out on pages 1 to 9

1 Presents fairly the financial position of Gawith Foundation Inc as at 30th June 2014 and its performance for the year ended on that date.

2 At the date of this statement, there are reasonable grounds to believe that Gawith Foundation Inc will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the Board and is signed for and on behalf of the Board by:

Chairman: Paul Gleeson

Treasurer: Michael Brand

Dated this 22 day of October 2014.

Gawith Foundation Inc.

Independent Auditor's Report
to the members of Gawith Foundation Inc

We have audited the accompanying financial report, being a special purpose financial report, of Inclusion Melbourne Foundation Inc which comprises the balance sheet as at 30 June 2014, and the income statement, cash flow statement and statement of changes in equity for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the Treasurer's Report and statement by members of the Board as set out on pages 1 to 9.

The Responsibility of the Board for the Financial Report
The Board of the entity are responsible for the preparation and fair presentation of the financial report and have determined that the accounting policies described in Note 1 to the financial statements, which form part of the financial report, are appropriate to meet the financial reporting requirements of the Board and are appropriate to meet the needs of the Association. The responsibility of the Board also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility
Our responsibility is to express an opinion on the financial report based on our audit. No opinion is expressed as to whether the accounting policies used, as described in Note 1, are appropriate to meet the needs of the Board. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial report.

The financial report has been prepared for distribution to the Board for the purpose of fulfilling the financial reporting requirements under the Associations Incorporation Act. We disclaim any assumption of responsibility for any reliance on this report or on the financial report to which it relates to any person other than the Board, or for any purpose other than that for which it was prepared.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's Independence Declaration
In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

Auditor's Opinion
In our opinion, the financial report gives a true and fair view, in all material respects, of the financial position of Gawith Foundation Inc as at 30 June 2014 and of its financial performance, its cash flows and its changes in equity for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements.

A.A. Gibbs & Company Pty. Ltd.
(Liability limited by a scheme approved under Professional Standards Legislation.)

Bryan A Gibbs
Partner
Chartered Accountants
Richmond, 22/10/2014