

WorkVENTURES LTD

ABN 74 002 721 217

FINANCIAL STATEMENTS FOR THE YEAR ENDED

31 DECEMBER 2015

CONTENTS

	PAGE
DIRECTORS' DECLARATION	3
AUDITORS' INDEPENDENCE DECLARATION	4
STATEMENT OF FINANCIAL POSITION	5
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	6
STATEMENT OF CHANGES IN EQUITY	7
STATEMENT OF CASH FLOWS	8
NOTES TO FINANCIAL STATEMENTS	9-21
INDEPENDENT AUDIT REPORT TO THE MEMBERS	22-23

WORKVENTURES LTD
ABN 74 002 721 217

DIRECTORS' DECLARATION

The Directors of the Company have determined that the Company is not a reporting entity. The Directors have determined that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The Directors of the Company declare that:

1. the financial statements comprising of the Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Financial Statements are in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*:
 - (a) comply with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the *Australian Charities and Not-for-profits Commission Regulations 2013* to the extent set out in Note 1 to the financial statements;
 - (b) give a true and fair view of the Company's financial position as at 31 December 2015 and of the performance for the year ended on that date of the company.
2. the financial statements comprising of the Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Financial Statements are in accordance with the *Charitable Fundraising Act 1991 (NSW)* and *Charitable Fundraising Regulations 1993 (NSW)*.
3. in the Directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
4. the provisions of the *Charitable Fundraising Act 1991 (NSW)* and *Charitable Fundraising Regulations 1993 (NSW)* have been complied with.
5. the internal controls exercised by the company are appropriate and effective in accounting for all income received and applied from fundraising appeals.

This declaration is made in accordance with a resolution of the directors.

Director


Director


Dated this 17th day of May 2016



PITCHER PARTNERS
ACCOUNTANTS • AUDITORS • ADVISORS

Level 22 MLC Centre
19 Martin Place
Sydney NSW 2000
Australia

Postal Address:
GPO Box 1615
Sydney NSW 2001
Australia

Tel: +61 2 9221 2099
Fax: +61 2 92231762

www.pitcher.com.au
partners@pitcher-nsw.com.au

Pitcher Partners is an association of independent firms
Melbourne | Sydney | Perth | Adelaide | Brisbane | Newcastle

WORKVENTURES LTD
ABN 74 002 721 217

AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF WORKVENTURES LTD

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2015 there has been:

- (i) No contraventions of the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012*; and
- (ii) No contraventions of any applicable code of professional conduct.

C R MILLINGTON

Partner

PITCHER PARTNERS

Sydney

17 May 2016

WORKVENTURES LTD
ABN 74 002 721 217

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER, 2015

	2015 \$	Restated 2014 \$
ASSETS		
Current Assets		
Cash and cash equivalents (Note 5)	4,542,492	3,420,642
Receivables (Note 6)	2,786,375	3,009,586
Inventories (Note 7)	374,607	402,093
Other Assets (Note 8)	74,238	77,918
Total Current Assets	7,777,712	6,910,239
Non-Current Assets		
Property, plant & equipment (Note 9)	71,823	73,405
Total non-current assets	71,823	73,405
Total Assets	7,849,535	6,983,644
LIABILITIES		
Current liabilities		
Payables (Note 10)	1,613,918	1,848,719
Provisions (Note 11)	1,605,939	1,691,573
Total current liabilities	3,219,857	3,540,292
Non-current liabilities		
Payables (Note 10)	2,252,867	1,589,824
Provisions (Note 11)	173,928	125,691
Total non-current liabilities	2,426,795	1,715,515
Total liabilities	5,646,652	5,255,807
NET ASSETS	2,202,883	1,727,837
EQUITY		
Accumulated funds (Note 12)	2,202,883	1,727,837

The accompanying notes form part of these financial statements.

WORKVENTURES LTD
ABN 74 002 721 217

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015	2014
	\$	\$
Revenue from continuing operations - Note 3	13,381,247	14,231,210
Changes in inventories	(27,486)	73,251
Raw materials and consumables used	(915,110)	(1,347,605)
Employee benefits expense	(7,327,199)	(8,418,898)
Cost of sub-contracted repair services	(1,438,675)	(1,428,944)
Occupancy expenses - Note 4	(1,908,126)	(1,899,050)
Communication expense	(671,505)	(726,728)
Administration expense	(202,355)	(238,675)
Consultants	(126,081)	(3,270)
Depreciation and amortisation - Note 4	(50,360)	(39,299)
Bad and doubtful debts	(2,361)	(2,244)
Cost of fundraising appeals	-	(17,603)
Marketing and promotion	(67,330)	(56,157)
Other expenses from continuing operations	(169,613)	(166,637)
Surplus for the year	475,046	(40,649)
Other comprehensive income	-	-
Comprehensive income	<u>475,046</u>	<u>(40,649)</u>

The accompanying notes form part of these financial statements.

WORKVENTURES LTD
ABN 74 002 721 217

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015	Restated 2014
	\$	\$
Total equity at the beginning of the financial year	1,727,837	1,768,486
Net surplus (deficit) for the year	475,046	(40,649)
Total equity at the end of the financial year	<u>2,202,883</u>	<u>1,727,837</u>

The accompanying notes form part of these financial statements.

WORKVENTURES LTD
ABN 74 002 721 217

STATEMENT OF CASH FLOWS
FOR YEAR ENDED 31 DECEMBER 2015

	Notes	2015 \$	2014 \$
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		13,262,957	15,231,558
Payments to suppliers and employees (inclusive of goods and services tax)		(13,650,218)	(15,324,510)
Net proceeds from Payroll tax refunds		1,462,065	-
Interest received		95,824	96,473
Net cash inflow from operating activities	13	1,170,628	3,521
Cash flows from investing activities			
Payments for property, plant and equipment		(48,778)	(43,605)
Net cash (outflow) from investing activities		(48,778)	(43,605)
Net increase / (decrease) in cash and cash equivalents		1,121,850	(40,084)
Cash and cash equivalents at the beginning of the financial year		3,420,642	3,460,726
Cash and cash equivalents at the end of the financial year	5	<u><u>4,542,492</u></u>	<u><u>3,420,642</u></u>

The accompanying notes form part of these financial statements.

WORKVENTURES LTD
ABN 74 002 721 217

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

1 Summary of significant accounting policies

Basis of preparation

In the directors' opinion, the company is not a reporting entity because there are no users dependent on general purpose financial reports.

This is a special purpose financial report that has been prepared for the sole purpose of complying with the *Australian Charities and Not-for-profits Commission Act 2012* requirements to prepare and distribute a financial report to the members and must not be used for any other purpose. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the members.

The financial report covers WorkVentures Limited as an individual entity. The company is limited by guarantee, incorporated and domiciled in Australia.

This special purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the *Australian Charities and Not-for-profits Commission Act 2012* with the exception of the disclosure requirements in the following.

- AASB 124 – Related Party Disclosures
- AASB 7 – Financial Instruments: Disclosures
- AASB 132 – Financial Instruments: Disclosure and Presentation (the classification standards in AASB 132 have been complied with)
- AASB 139 – Financial Instruments: Recognition and Measurement
- AASB 13 – Fair Value Measurement

Reporting basis and convention

The financial report is prepared on an accruals basis and is in accordance with the historical cost convention. Unless otherwise stated, the accounting policies adopted are consistent with those of the previous year. Comparative information is reclassified where appropriate to enhance comparability.

a) Foreign currency translation

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The company's financial statements are presented in Australian dollars, which is WorkVentures Limited's functional and presentation currency.

b) Revenue recognition

Revenue from the sale of goods is recognised upon the delivery of goods to customers. Interest revenue is recognised on accrual basis taking into account the interest rates applicable to the financial assets. Funding received is recognised in the period to which it relates. Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid.

c) Income Tax

No income tax is charged on the profit / (loss) for the year as the company has exempt status under the *Income Tax Assessment Act of 1997*.

WORKVENTURES LTD
ABN 74 002 721 217

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

d) Leases

Leases of property, plant and equipment where the company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other long term payables. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The interest element of the finance cost is charged to the statement of profit or loss and other comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases (Note 18). Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of profit or loss and other comprehensive income on a straight-line basis over the period of the lease.

Lease income from operating leases is recognised in income on a straight-line basis over the lease term (Note 3).

e) Acquisitions of assets

The purchase method of accounting is used to account for all acquisitions of assets (including business combinations) regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange plus costs directly attributable to the acquisition.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

f) Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

g) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

WORKVENTURES LTD
ABN 74 002 721 217

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

h) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. The amounts are unsecured and are usually paid within 90 days of recognition. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the statement of profit or loss and other comprehensive income.

i) Inventories

Inventories are primarily replacement parts purchased and are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion, when required, and the estimated costs necessary to make the sale.

j) Property, plant and equipment

Land and buildings are shown at cost. All other property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Land is not depreciated. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts over their estimated useful lives, as follows:

Plant and equipment:	3 – 10 years
Leasehold improvements:	based on lease period

The assets' useful lives are reviewed, and adjusted if appropriate, at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit or loss and other comprehensive income. When revalued assets are sold, it is the company's policy to transfer the amounts included in other reserves in respect of those assets to retained earnings.

k) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 90 days of recognition.

WORKVENTURES LTD
ABN 74 002 721 217

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

l) Interest bearing liabilities

Loans are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and is recorded as part of balance.

Loans are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

m) Borrowing costs

Borrowing costs are recognised as expenses in the period in which they are incurred. Borrowing costs include interest on bank overdrafts and short-term borrowings.

n) Provisions

Provisions for legal claims and service warranties are recognised when the company has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

o) Employee benefits

(i) Wages, salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the current rate (annual and long service leave liability is increased for expected salary increase), however this reasonably approximates the amounts expected to be paid when the liabilities are settled.

(ii) Long service leave

The liability for long service leave expected to be settled within 12 months of the reporting date is recognised in the provision for employee benefits and is measured in accordance with (i) above. The liability for long service leave expected to be settled after 12 months is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. To simplify the calculation of the present value, the company adopted the Commonwealth Government's "short hand" method which uses a net factor of .95. This means that the liability at the reporting date is discounted by 5%. The method will be reviewed on an annual basis to establish whether a more detailed calculation is appropriate. Notwithstanding the aforementioned measurement criteria, long service leave vested as at the reporting date shall be classified as current and all other remaining long service leave be classified as non-current.

(iii) Employee benefit on-costs

Employee benefit on-costs, including payroll tax, are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

p) Donated goods and services

Donated goods and services in the form of time, facilities and equipment have not been brought to account in the financial statements. During the year ended 31 December 2015 these amounted to \$2,345,598 (2014: \$2,129,983).

q) New and amended accounting policies adopted

Classification of Amounts Payable to Alter-Tech

The company changed its accounting policy relating to the classification of amounts payable to Alter-Tech Pty Limited ("Alter-Tech"), manager of the company's electronics / business equipment repair (and associated logistics) division trading as Sydney ITeC Repair Centre ("SIRC") for the financial year ending 31 December 2015. Management is of the opinion that amounts payable to Alter-Tech as detailed in a Memorandum of Understanding to the 2005 SIRC Management Agreement between WorkVentures Limited and Alter-Tech signed in May 2016 are more accurately recognised as payables rather than as provisions as previously reported. Management is also of the opinion that an amount of \$1,506,992, which relates to unpaid Alter-Tech incentive fees incurred prior to 1 January 2008, which were previously recognised in equity as accumulated funds, should be reclassified and recognised as a non-current payable, as detailed and agreed in the Memorandum of Understanding to the 2005 SIRC Management Agreement between WorkVentures Limited and Alter-Tech.

The tables below provide a summary of the adjustments for each financial statement line affected by the change in classification of amounts payable to Alter-Tech for the annual reporting period ending 31 December 2015, as well as the comparative periods ending 31 December 2014 and 31 December 2013.

Effect of the changes in accounting policy for classification of amount payable to Alter-Tech

2015 Statement of Financial Position	Previous Policy	Effect of change in Accounting Policy	Revised Policy
Current Liabilities			
Payables	1,013,918	600,000	1,613,918
Provisions	2,205,939	(600,000)	1,605,939
Non-current liabilities			
Payables	-	2,252,867	2,252,867
Provisions	919,803	(745,875)	173,928
Equity			
Accumulated Funds	3,709,874	(1,506,992)	2,202,883

WORKVENTURES LTD
ABN 74 002 721 217

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

2014 Statement of Financial Position	Previous Policy	Effect of change in Accounting Policy	Revised Policy
Current Liabilities			
Payables	1,248,719	600,000	1,848,719
Provisions	2,291,573	(600,000)	1,691,573
Non-current liabilities			
Payables	-	1,589,824	1,589,824
Provisions	208,523	(82,832)	125,691
Equity			
Accumulated Funds	3,234,829	(1,506,992)	1,727,837

As at 1 January 2014 Statement of Financial Position	Previous Policy	Effect of change in Accounting Policy	Revised Policy
Current Liabilities			
Payables	1,298,228	600,000	1,898,228
Provisions	2,106,447	(600,000)	1,506,447
Non-current liabilities			
Payables	-	1,529,913	1,529,913
Provisions	255,111	(22,921)	232,190
Equity			
Accumulated Funds	3,275,478	(1,506,992)	1,768,486

Effects of the changes in accounting policies on accumulated funds	2015	2014	1 January 2014
Balance under previous policies	3,709,874	3,234,829	3,275,478
Effect of change in classification of amount payable to Alter-Tech	(1,506,992)	(1,506,992)	(1,506,992)
	2,202,883	1,727,837	1,768,486

WORKVENTURES LTD
ABN 74 002 721 217

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

2 Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The policy for Warranty and Alter-Tech's entitlement are covered separately under the Note for Provisions (Note 1 n).

Inventories

The company's inventories are made up primarily of parts it uses for its electronic repair business. The company reviews its inventories based on a 3-year usage cycle and the carrying value is written off to the statement of profit or loss and other comprehensive income in the current year for items older than 3 years which have had no activity in the previous 3 years. Those with activity are individually assessed to determine whether they are likely to be used in the coming 3 years and if not are also written off. In 2015 there was a write off of \$32,463.

	2015	2014
	\$	\$
3 Revenue		
From continuing operations		
Sales revenue		
Services rendered	9,434,920	10,439,171
Sale of goods	2,407,476	3,554,575
Gross proceeds from fundraising appeals	65,636	140,991
	11,908,032	14,134,737
Other revenue		
Payroll tax refund prior to 2015	1,386,524	-
Interest revenue	86,691	96,473
Revenue from continuing operations	13,381,247	14,231,210

WORKVENTURES LTD
ABN 74 002 721 217

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015	2014
	\$	\$
4 Expenses		
Surplus / (deficit) includes the following specific expenses		
Depreciation	40,237	29,176
Amortisation	10,123	10,123
Occupancy expenses	1,908,126	1,899,050
Bad debt	1,665	5,774
Provision for doubtful debts	-	(3,529)

5 Cash and cash equivalents

Cash at bank and on hand	1,666,876	1,640,472
Deposits at call	2,875,616	1,780,170
	4,542,492	3,420,642

Commonwealth Bank and Westpac Bank provide bank guarantees of \$611,511 and \$ 102,664 respectively, which are used as security deposit guarantees for properties leased by the Company.

6 Receivables

Current		
Trade receivables	2,176,722	2,283,534
Other receivables	615,699	732,098
Provision for doubtful receivables	(6,046)	(6,046)
	2,786,375	3,009,586

The Company has loss of \$ 1,665 (2014 - \$2,245) in respect of bad and doubtful trade receivables during the year ended 31 December 2015. The loss is shown in the statement of profit and loss and other comprehensive income.

WORKVENTURES LTD
ABN 74 002 721 217

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015	2014
	\$	\$
7 Inventories		
Current		
Inventories	374,607	402,093
	<u>374,607</u>	<u>402,093</u>

Write-down of inventories recognised as an expense during the year ended
31 December 2015 amounted to \$ 32,463 (2014 - \$ 25,650)

8 Other assets		
Current		
Prepayments	43,594	47,274
Security deposit	30,644	30,644
	<u>74,238</u>	<u>77,918</u>

WORKVENTURES LTD
ABN 74 002 721 217

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

9 Property, plant and equipment

	Equipment	Leasehold Improvements	Total
Year ended 31 December 2015	\$	\$	\$
Opening net book amount	47,182	26,223	73,405
Additions	7,180	41,598	48,778
Depreciation Charge	(40,237)	(10,123)	(50,360)
Closing net book amount	14,125	57,698	71,823

At 31 December 2015			
Cost	1,002,818	400,549	1,403,367
Accumulated depreciation	(988,693)	(342,851)	(1,331,544)
Net book amount	14,125	57,698	71,823

Year ended 31 December 2014			
Opening net book amount	32,753	36,346	69,099
Additions	43,605	-	43,605
Depreciation Charge	(29,176)	(10,123)	(39,299)
Closing net book amount	47,182	26,223	73,405

At 31 December 2014			
Cost	995,638	358,951	1,354,589
Accumulated depreciation	(948,456)	(332,728)	(1,281,184)
Net book amount	47,182	26,223	73,405

Non-current assets are carried at cost as at 31 December 2015.

WORKVENTURES LTD
ABN 74 002 721 217

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015	Restated 2014
	\$	\$
10 Payables		
Current		
<i>Unsecured Liabilities</i>		
Trade payables and accrued charges	541,276	705,282
Amount payable to other related body corporates	600,000	600,000
Grants in advance	193,413	124,008
Holding Deposit	2,068	2,068
Fees received in advance	90,847	195,990
GST output tax	186,314	221,371
	1,613,918	1,848,719
Non-current		
<i>Unsecured Liabilities</i>		
Amount payable to other related body corporates	2,252,867	1,589,824
	2,252,867	1,589,824
11 Provisions		
Current		
Employee benefits	1,605,939	1,691,573
	1,605,939	1,691,573
Non-current		
Employee benefits	173,928	125,691
	173,928	125,691
12 Equity		
Accumulated funds		
Balance 1 January	1,727,837	1,768,486
Net surplus (deficit) for the year	475,046	(40,649)
	2,202,883	1,727,837

WORKVENTURES LTD
ABN 74 002 721 217

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

	2015 \$	2014 \$
13 Reconciliation of surplus / (deficit) from continuing operations to net cash inflow from operating activities.		
Surplus / (deficit) for the year	475,046	(40,649)
Depreciation and amortisation	50,360	39,299
<i>Change in operating assets and liabilities</i>		
(Increase) / decrease in receivables	223,211	(286,521)
Decrease in inventories	27,486	73,252
(Increase) / decrease in other assets	3,680	(15,871)
Increase in payables	428,242	95,473
Increase / (decrease) in provisions	(37,397)	138,538
Net cash outflow from operating activities	1,170,628	3,521

WORKVENTURES LTD
ABN 74 002 721 217

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

14 Members' guarantee

The Company is limited by guarantee. If the Company is wound up, the Constitution states that each member is required to contribute a maximum of \$100 towards meeting any outstanding obligations of the Company. At 31 December 2015 the number of members was thirty seven (2014: thirty five).

15 Remuneration of auditors

During the year the following amounts were payable to the auditors:

	2015	2014
	\$	\$
Audit of the financial report	35,000	30,000
Government grant audits	<u>0</u>	<u>1,625</u>

Amounts are before GST. No other amounts were paid or benefits received by the auditors of the company.

16 Commitments

Lease commitments: Company as lessee (operating leases)

The company leases various offices under non-cancellable and cancellable operating leases expiring within one to five years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the lease are renegotiated.

Non-cancellable leases

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

Within one year	572,600	840,274
Later than one year but not later than five years	<u>1,269,832</u>	<u>740,703</u>
<i>Cancellable leases</i>	<u>189,364</u>	<u>382,269</u>

Commitments for minimum lease payments in relation to cancellable operating leases which are payable within one year

The above commitments are before GST. There are no other material commitments.

17 Statement showing how funds received were applied to charitable purposes

During the year the organisation received proceeds from fundraising appeals and grants of \$155,834 mostly from corporate donations. The cost associated with the fundraising activities was \$0.

18 Related party transactions

Transactions between related parties are on normal commercial terms and conditions were no more favourable than those available to other persons unless otherwise stated.

19 Other matters

The registered office and principal place of business is 146 O'Riordan Street, Mascot, NSW 2020.



PITCHER PARTNERS
ACCOUNTANTS • AUDITORS • ADVISORS

S

Level 22 MLC Centre
19 Martin Place
Sydney NSW 2000
Australia

Postal Address:
GPO Box 1615
Sydney NSW 2001
Australia

Tel: +61 2 9221 2099
Fax: +61 2 92231762

www.pitcher.com.au
partners@pitcher-nsw.com.au

Pitcher Partners is an association of independent firms
Melbourne | Sydney | Perth | Adelaide | Brisbane | Newcastle

WORKVENTURES LTD
ABN 74 002 721 217

INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF WORKVENTURES LTD

We have audited the accompanying financial report, being a special purpose financial report of WorkVentures Limited, which comprises the Statement of Financial Position as at 31 December 2015, and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration

Director's Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements the *Australian Charities and Not-for-profits Commission Act 2012* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those 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 judgement, 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 company's preparation of the financial report that gives a true and fair view 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 company's internal control. An audit also includes evaluating the appropriateness of accounting estimates used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012*.

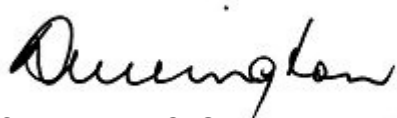
Auditor's Opinion

In our opinion, the financial report of WorkVentures Limited is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2015 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
- (b) complying with Australian Accounting Standards to the extent described in Note 1 and complying with the *Australian Charities and Not-for-profits Commission Regulations 2013*;
- (c) the financial report and associated records have been properly kept, in all material respects, in accordance with the *Charitable Fundraising Act 1991* (NSW) and its regulations;
- (d) monies received as a result of fundraising appeals conducted during the year have, in all material respects, been properly accounted for and applied in accordance with the *Charitable Fundraising Act 1991* (NSW) and its regulations; and
- (e) there are reasonable grounds to believe the company will be able to pay its debts as and when they fall due.

Basis of Accounting

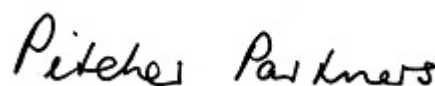
Without modifying our opinion we draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Australian Charities and Not-for-profits Commission Act 2012*. As a result, the financial report may not be suitable for another purpose.



CARL MILLINGTON

Partner

17 May 2016



PITCHER PARTNERS

Sydney