WorkVentures
social inclusion through technology

Financial Statements

01 January 2019 to 31 December 2019

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Directors Report

The Directors present their report together with the financial statements on WorkVentures Limited ("the Company" or "WorkVentures") for the year ended 31 December 2019.

Information on Directors

The names of directors who held office at any time during, or since the end of the year are set out below together with the information on director's qualifications and special responsibilities:

Name of Director	Qualification	Occupation	Special Responsibilities	Year commenced
Andrew Macpherson	B Indust. Eng. (Hon), MAICD	Non-executive Director	Chair	April 2017
Jennine Blundell	M Mgt. (UTS) B. Bus (UTS), Grad. Cert NFP Mgt (UTS)	Chief Executive Officer		April 2017
Joanne Gorton	B Bus, ICAA, Registered Company Auditor, MAICD	Partner	Chair, Finance, Audit & Risk Management	June 2016
Inese Kingsmill	B Bus (Marketing)	Non-executive Director		Feb 2018
Doug Taylor	Bachelor of Arts (UWS), Grad Cert Mgt (UTS), GAICD	Executive Director		Jan 2019
Bruce Thomlinson	Cert in Engineering NZ	Director		Feb 2015

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

What do we do

The principal activities of the company during the financial year were electronic repairs, sales of refurbished technology, training and placement of vulnerable, disadvantaged, unemployed youth and school leavers.
No significant change in the nature of these activities occurred during the year.

A review of our operations for 2019

WorkVentures is two years through the implementation of its 2018-2020 Strategic Plan which supports an investment in social impact, business growth and infrastructure that will position the organisation for future.

The company delivered a deficit of $380,893 in 2019 (2018: $7,115 - surplus) resulting from a gross revenue of $8,905,967 (2018: 9,797,028) due to a change in market demand and activity of the company, while continuing to invest in people and systems. Operating expenses in 2019 reduced by 5.69% to $9,360,240.

2019 was also a year of transition as we continue to embed organisation change and seek opportunities to grow our social mission and commercial activities.

Directors Report (continued)

Key highlights for 2019 include:

- Successfully completed brand refresh
- Increased brand awareness with 40 year celebrations with members, staff and partners; affordable technology campaigns for seniors and young people; and partner channel marketing
- Participated and completed two research studies on 'the impact social enterprises have on the well-being of young people' and 'sustainable manufacturing'
- Reduced traineeship non-completion rates to 20% (national average for Cert III 51%)
- Foundational member to set up Social Enterprise Council in NSW/ACT
- Building business development capability with some growth in existing customers and new EBay revenue
- Secured existing repair contracts with key customers
- Reviewed and implemented a new organisational structure to support growth and change
- Improved governance frameworks including a new WorkVentures Constitution
- Competed IT Strategic Review and implemented Phase I recommendations
- Achieved ISO 9001:2015 quality accreditation
- Achieved Social Enterprise Certification (Social Traders

Meeting of Directors

The Directors meet on a bi-monthly basis, 6 meetings were held in the financial year to 31 December 2019. The number of meetings of the Company's board of directors held during the year ended 31 December 2019, and the numbers of meetings attended by each director were:

Name	Board 2019		FARM 2019	
	Eligible	Attended	Eligible	Attended
Jennine Blundell	6	6	3	3
Andrew Macpherson	6	6	3*	1
Joanne Gorton	6	4	3	3
Bruce Thomlinson	6	6	3	3
Inese Kingsmill	6	5	-	-
Doug Taylor	6	5	-	-

* Optional

Insurance of Officers

The company has agreed to indemnify the directors and officers of the company for costs incurred, in their capacity as a director or officer, for which they may be held liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and officers of the company to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Environmental Regulation

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Directors Report (continued)

Proceedings on behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

Members' guarantee

WorkVentures Limited is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If WorkVentures Limited is wound up, the liability of each member (during the time or within one year afterwards) is limited to $100.

Subsequent Events

The emergence of Coronavirus disease (COVID-19) during the first months of 2020 has had a significant impact on financial markets and assets globally, with broader economic and social disruption now evident and anticipated to continue in the near-term.

On March 9, 2020, WorkVentures implemented its Business Continuity Plan where staff commenced working from home to limit the potential spread of the COVID-19 virus. Only essential staff will work on site and additional practices and safeguards have been implemented (e.g. additional disinfecting and cleaning of common areas, social distancing practices of 1.5 metre, spacing of 2 metres between work areas, staggered starting and finishing times, staggered meal breaks, all meetings conducted remotely, no unauthorised visitors on site, illness reporting and self-isolation processes).

WorkVentures has also put in place operational measures to ensure continuity of services to our customers and clients, including building up stock reserves and storing inventory at alternate sites in Sydney and Melbourne. This enables the Company to continue to operate largely as normal. We are complying with all government requirements.

While the impact of COVID-19 is yet to be fully determined, we have assessed our balance sheet and considered potential impacts to be as follows:

1. Carrying value of cash and cash equivalents. As set out in Note 5 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. Therefore the current volatility in investment markets is not expected to impact on the carrying value of these assets.
2. The recoverability of receivables. We have reviewed our aged receivables report and the majority (90%) of our receivables are due from 2 large Corporate companies. There is currently no information to suggest that these receivables will not be collectable.

Given the nature of the services provided we are not currently experiencing or expecting a major downturn in business. Management will continue to monitor the economic impact of this situation on the assets held and the business as whole.

Other than the item noted above, in the interval between the end of the financial year and the date of this report, no transaction or event of a material and unusual nature has arisen to significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

BDO

Auditor

BDO East Coast Partnership continues in office.

Andrew Macpherson
Chair
31 March 2020

Financial Statements

Statement of Profit or Loss and other Comprehensive Income

For the year ended 31 December 2019

	Note	2019	2018
		$	$
Revenue from continuing operations	2	8,905,967	9,797,028
Other income	2	73,380	2,672,864
Changes in inventories		(37,497)	(68,666)
Raw materials and consumables used		(325,764)	(418,337)
Employee benefits expenses		(6,719,605)	(6,810,780)
Cost of sub-contracted repair services		-	(265,645)
Lease expenses		(900,925)	(1,405,231)
Communication expense		(463,170)	(462,270)
Administration expense		(181,093)	(226,470)
Depreciation, amortisation and impairment	4	(576,719)	(2,585,672)
Cost of fundraising appeals		(400)	(2,582)
Marketing and promotion		(27,036)	(43,591)
Other expenses from continuing operations		(128,031)	(173,533)
(Deficit) / Surplus for the year before income tax expense		**(380,893)**	**7,115**
Income tax expense	**1(b)**		**-**
(Deficit) / Surplus for the year		**(380,893)**	**7,115**
Other comprehensive income			
Other comprehensive income			**-**
Total comprehensive (Loss) / income for the year		**(380,893)**	**7,115**

The above statement of profit and loss and other comprehensive income should be read in conjunction with the accompanying notes.

Statement of Financial Position

As at 31 December 2019

	Note	2019	2018
		$	$
Assets			
Current Assets			
Cash and cash equivalents	5	2,574,560	3,376,868
Receivables	6	1,562,589	1,963,434
Inventories	7	219,948	257,444
Other Assets	8	65,779	46,470
Total Current Assets		**4,422,876**	**5,644,216**
Non-Current Assets			
Investment in Subsidiary	9	-	11,906
Property, plant & equipment	10	138,841	172,820
Right-of-use Assets	11	931,469	-
Total Non-Current Assets		**1,070,310**	**184,726**
Total Assets		**5,493,186**	**5,828,942**
Liabilities			
Current Liabilities			
Payables	12	1,034,092	1,149,450
Lease Liabilities	13	719,795	-
Provisions	14	1,339,305	1,640,899
Total Current Liabilities		**3,093,192**	**2,790,349**
Non-current Liabilities			
Payables	12	600,000	1,050,000
Lease Liabilities	13	211,674	
Provisions	14	23,795	43,175
Total Non-Current Liabilities		**835,469**	**1,093,175**
Total Liabilities		**3,928,661**	**3,883,524**
Net assets		**1,564,525**	**1,945,418**
Equity			
Members' funds		**1,564,525**	**1,945,418**

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the year ended 31 December 2019

	2019	2018
	$	$
Equity – Accumulated funds		
Balance as at 1 January 2018	**1,945,418**	**1,938,303**
Net (deficit) / surplus for the year	(380,893)	7,115
Total Other Comprehensive income	-	-
Balance as at 31 December 2018	**1,564,525**	**1,945,418**

The above statement of statement of change in equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

For the year ended 31 December 2019

	2019	2018
	$	$
Cash flows from operating activities		
Receipts from customers (inclusive of goods and services tax)	11,203,363	10,780,706
Payment to suppliers and employees (including goods and services tax)	(11,086,311)	(10,836,397)
Interest received	73,380	68,163
Net cash provided by operating activities	**190,432**	**12,472**
Cash flows from investing activities		
Payments for property, plant & equipment	(25,789)	(45,858)
Proceeds from property, plant & equipment	-	-
Payments for purchase of investment	(450,000)	(1,050,000)
Net cash (used in) investing activities	**(475,789)**	**(1,095,858)**
Cash flows from financing activities		
Payments for lease liabilities	(516,951)	-
Net cash (used in) financing activities	**(516,951)**	**-**
Net (decrease) / increase in cash and cash equivalents	**(802,308)**	**(1,083,386)**
Cash and cash equivalents at the beginning of the financial year	**3,376,868**	**4,460,254**
Cash and cash equivalents at the end of the financial year	**2,574,560**	**3,376,868**

The above statement of cash flow should be read in conjunction with the accompanying notes.

Notes to Financial Statements
For the Year Ended 31 December 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

WorkVentures Ltd is a company limited by guarantee, incorporated and domiciled in Australia. The financial statements were authorised for issue on 26 March 2020 by the directors of the company.

Basis of Preparation

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the *Australian Charities and Not-for-profit Commission Act 2012*. The company is a not for-profit entity for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared in accordance with the mandatory Australian Accounting Standards applicable to entities reporting under the *Australian Charities and Not-for-profit Commission Act 2012* and the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The amounts presented in the financial statements have been rounded to the nearest dollar.

Accounting Policies

a. Income Tax

The Company has been granted exemption from income tax under section 50-10 of the Income Tax Assessment Act 1997.

b. 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. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST components of investing and financing activities, which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

c. New or amended Accounting Standards and Interpretations adopted

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

AASB 15 Revenue from Contracts with Customers

The company has adopted AASB 15 from 1 January 2019. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period. Adoption of AASB 15 has had no impact on retained earnings.

Impact of adoption

AASB 15 was adopted using the modified retrospective approach and as such the comparatives have not been restated. There is no impact of adoption on opening retained profits as at 1 January 2019.

AASB 16 Leases

The company has adopted AASB 16 from 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (including in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier period of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to the lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclose din financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Impact of adoption

AASB 16 was adopted using the modified retrospective approach and as such the comparatives have not been restated. There is no impact of adoption on opening retained profits as at 1 January 2019 as all property leases are new and taken out after this date.

	2019	2018
	$	$
Note 2 Revenue		
Sales revenue		
Services rendered	6,240,159	6,932,103
Sale of goods	1,337,981	1,372,361
Fees from host employers	1,205,019	1,301,640
Government grants	120,962	138,424
Gross proceeds from fundraising appeals	1,846	52,500
	8,905,967	**9,797,028**
Other Income		
Interest revenue	67,441	68,163
Management Services – termination of entitlement	-	2,604,701
Dividend Income	5,939	-
	73,380	**2,672,864**

Revenue recognition
The company recognises revenue as follows:

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Fundraising revenue
Fundraising revenue is recognised when the amount of revenue can be measured reliably and it is controlled by the company.

Grants
If conditions are attached to the grant which must be satisfied before the company is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established. In 2019, this includes $5,939 of dividend income from Alter Tech and in 2018, a write back to the profit and loss statement of $2,604,701 as a result of the termination of the amount payable to management service provider.

Volunteer services
The company has elected not to recognise volunteer services as either revenue or other form of contribution received. As such, any related consumption or capitalisation of such resources received is also not recognised.

Donations
Donations are recognised at the time the pledge is made. The company has elected not to recognise donations of low-value assets which are acquired for consideration that was significantly less than fair value principally to enable the entity to meets its objectives.

Judgement and Estimates: Revenue from contracts with customers involving the sale of goods
When recognising revenue in relation to the sale of goods to customers, the key performance obligation of the company is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of access.

	2019	2018
	$	$
Note 3 Disaggregation of Revenue		
The disaggregation of revenue from contracts with customers is as follows:		
Australia	**9,797,915**	**-**

AASB 15 was adopted using the modified retrospective approach and as such comparatives have not been provided for disaggregation of revenue.

	2019	2018
	$	$
Note 4 Expenses		
Depreciation	8,751	4,232
Impairment of investment in subsidiary	-	2,538,094
Amortisation of Right of use asset	567,968	43,346
	576,719	**2,585,672**

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.

In 2019, WorkVentures capitalised operating leases as detailed in Note 9 and incurred $663,698 in amortisation in accordance with AASB 16. In 2018 WorkVentures incurred an impairment of the carrying value of the investment of $2,538,094 which was recognised as an expense in the profit and loss statement for 2018. The impairment was a result of the termination of a pre-existing management service agreement between Alter-Tech and WorkVentures on 16 November 2018.

	2019	2018
	$	$
Note 5 Current assets – Cash and cash equivalent		
Cash at bank and on hold	967,874	1,357,126
Deposits at call	1,606,686	2,019,742
	2,574,560	**3,376,868**

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.

Commonwealth Bank and Westpac Bank provide bank guarantee of $41,026 and $502,664 respectively, which are used as security deposit guarantees for properties leased by the Company.

	2019	2018
	$	$
Note 6 Current assets – Receivables		
Trade receivables	1,101,963	1,480,163
Other receivables	-	-
Accrued Income	461,264	483,909
Provision for doubtful receivables	(638)	(638)
	1,562,589	**1,963,434**

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Accrued income

Accrued income is recognised when the company has transferred goods or services to the customer but where the entity is yet to establish an unconditional right ot consideration.

Judgement and Estimates - Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

As at 31 December 2019, The Company had no uncollectible bad debt and thus nothing applied against provision from 2018: $5,408.

	2019	2018
	$	$
Note 7 Current assets – Inventories		
Inventories	**219,948**	**257,444**

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.

Judgement and Estimates: Provision for impairment of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence. Write-down of inventories recognised as an expense during the year ended 31 December 2019 amounted to $30,082 (2019: $44,911).

	2019	2018
	$	$
Note 8 Current assets – Current assets		
Prepayments	35,135	15,826
Security deposit	30,644	30,644
	65,779	**46,470**

	2019	2018
	$	$
Note 9 Non-Current assets – Investment in subsidiary		
Investment in subsidiary	-	11,906
	-	**11,906**

WorkVentures acquired Alter-Tech on 15 November 2018. The entity has since been deregistered and has no carrying value.

Notes to the Financial Statements for The Year Ended 31 December 2019 (continued)

Note 10 Non-Current assets – Property, plants and equipment

	Equipment	Leasehold Improvements	Total
	$	$	$
Year ended 31 December 2019			
Opening net book amount	12,896	159,924	172,820
Additions	23,609	2,180	25,789
Disposal	-	-	-
Depreciation charge	(8,751)	(51,017)	(59,768)
Closing net book amount	**27,754**	**111,087**	**138,841**
At 31 December 2019			
At cost	970,983	616,218	1,587,201
Accumulated depreciation	(943,229)	(505,131)	(1,448,360)
Net book amount	**27,754**	**111,087**	**138,841**
Year ended 31 December 2018			
Opening net book amount	9,628	164,912	174,540
Additions	7,500	37,538	45,858
Disposal	-	-	-
Depreciation Charge	(4,232)	(43,346)	(47,578)
Closing net book amount	**12,896**	**159,924**	**172,820**
As at 31 December 2018			
At cost	987,172	614,038	1,601,210
Accumulated depreciation	(974,276)	(454,114)	(1,428,390)
Net book amount	**12,896**	**159,924**	**172,820**

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.

Depreciation on plant and equipment 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 term
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.

	2019	2018
	$	$
Note 11 Right-of-use Assets		
At cost	1,440,164	-
Accumulated depreciation	(508,695)	-
	931,469	**-**

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and moving the underlying asset, and restoring the site or asset. Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities. The company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with the terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Additions to the right-of-use assets during the year were $1,440,164.
The company leases land and buildings for its offices and warehouses under agreements of between one to two years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

Judgement and Estimates – Lease term
The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the company's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Judgement and Estimates – Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

	2019	2018
	$	$
Note 12 Payables		
Unsecured Liabilities		
Trade payables and accrued charges	371,171	488,544
Amount payable to Non-trade Creditors	487,670	450,000
Grants in advance	-	-
Holding deposit	2,068	2,068
Fees received in advance	64,511	39,700
GST payable	108,672	169,138
	1,034,092	**1,149,450**
Non-Current		
Unsecured Liabilities		
Amount payable to Non-trade Creditors	600,000	1,050,000
	600,000	**1,050,000**

Trade and Other Payables 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. Cash flows are presented in the cash flow statement on a gross basis, except for the GST components of investing and financing activities, which are recoverable from, or payable to the taxation authority, are presented as operating cash flows

	2019	2018
	$	$
Note 13 Lease Liabilities		
Current	719,795	-
Non-Current	211,674	-
	931,469	**-**

	2019	2018
	$	$
Note 14 Provisions		
Current		
Employee benefits	1,339,305	1,640,899
	1,339,305	**1,640,899**
Non-Current		
Employee benefits	23,795	43,175
	23,795	**43,175**

Short-term employee's benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date, are recognised in current liabilities in respect of employee's services up to the reporting date, and are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long services leave not expected to be settled within 12 months of the reporting date is recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability 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, using the probability discounted method. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of services. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and current that match, as closely as possible, the estimated future cash outflows.

Other 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.

	2019	2018
	$	$
Note 15 Reconciliation of surplus after income tax to net cash inflow from operating activities		
(Deficit) / Surplus for the year	(380,893)	7,115
Depreciation, amortisation and impairment	723,466	2,585,672
Profit on Disposal of Assets		-
Change in operating assets and liabilities		
(Increase) / decrease in trade receivables	400,844	95,121
Decrease in inventories	**37,497**	**68,666**
(Increase) / decrease in other assets	(19,309)	8,780
(Increase) / decrease in non-current assets	11,906	-
(Decrease) / increase in trade payables	(153,028)	(2,843,521)
(Decrease) / increase in provisions	(283,304)	90,639
Net cash outflow from operating activities	**(337,179)**	**12,472**

Note 16 Lease Commitments

Non-cancellable leases

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

	2019	2018
	$	$
Within one year	20,876	236,242
Later than one year, but no later than five years	20,640	-

Commitments for minimum lease payments in relation to cancellable operating leases which are payable within one year. The above commitments are before GST.

Note 17 Contingent liabilities

The Company lease office space under lease agreements. The bank guarantee of $543,690 which is secured by cash deposits with the respective banks. No other contingent liabilities are recorded at balance date.

	2019	2018
	$	$
Note 18 Remuneration of Auditors		
Audit services – BDO	39,500	38,000

Note 19 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 the meeting any outstanding obligations of the Company.

As at 31 December 2019 the number of members was 30 (2018: 27).

Note 20 Fundraising Activities

Below is additional information furnished under the Charitable Fundraising Act 1991 (NSW) and the Office Charites Fundraising Authority Conditions;

a. Details of aggregate gross income and total

	2019	2018
	$	$
Gross proceeds from fundraising appeals	-	52,500
Total costs of fundraising appeals	-	-
Net surplus from fundraising appeals	-	52,500
Net margin from fundraising appeals	-	-

b. Application of funds for charitable purpose

During the year the company did not engage in any fundraising appeals

Note 21 Subsequent Events

The emergence of Coronavirus disease (COVID-19) during the first months of 2020 has had a significant impact on financial markets and assets globally, with broader economic and social disruption now evident and anticipated to continue in the near-term.

On March 9, 2020, WorkVentures implemented its Business Continuity Plan where staff commenced working from home to limit the potential spread of the COVID-19 virus. Only essential staff will work on site and additional practices and safeguards have been implemented (e.g. additional disinfecting and cleaning of common areas, social distancing practices of 1.5 metre, spacing of 2 metres between work areas, staggered starting and finishing times, staggered meal breaks, all meetings conducted remotely, no unauthorised visitors on site, illness reporting and self-isolation processes).

WorkVentures has also put in place operational measures to ensure continuity of services to our customers and clients, including building up stock reserves and storing inventory at alternate sites in Sydney and Melbourne. This enables the Company to continue to operate largely as normal. We are complying with all government requirements.

While the impact of COVID-19 is yet to be fully determined, we have assessed our balance sheet and considered potential impacts to be as follows:

1. Carrying value of cash and cash equivalents. As set out in Note 5 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. Therefore the current volatility in investment markets is not expected to impact on the carrying value of these assets.
2. The recoverability of receivables. We have reviewed our aged receivables report and the majority (90%) of our receivables are due from 2 large Corporate companies. There is currently no information to suggest that these receivables will not be collectable.

Given the nature of the services provided we are not currently experiencing or expecting a major downturn in business. Management will continue to monitor the economic impact of this situation on the assets held and the business as whole.

Other than the item noted above, in the interval between the end of the financial year and the date of this report, no transaction or event of a material and unusual nature has arisen to significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Note 22 Company Details

The registered office of the company is:
WorkVentures Ltd
146 O’Riordan Street
Mascot, NSW 2020

The Principal place of business is:
WorkVentures Ltd
146 O’Riordan Street
Mascot, NSW 2020

Director's Declaration

In accordance with a resolution of the directors of WorkVentures Ltd, the directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies described in Note 1 to the financial statements.

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 7 to 24, are in accordance with the Division 60 of the Australian Charities and Not-for-profit Commission Act 2012, including:
    a. Give a true and fair view of the company's financial position as at 31 December 2019 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and
    b. Complies with Note 1 and the requirements of Division 60 of the Australian Charities and Not-for-profit Commission Act 2012.

2. 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.

We also report that:

1. The financial statements show a true and fair view of the financial results of fundraising appeals for the year ended 31 December 2019 as required by the *Charitable Fundraising Act 1991*;

2. The accounting and associated records of WorkVentures Ltd have been kept in accordance with the *Charitable Fundraising Act 1991* and the Regulations for the year ended 31 December 2019;

3. Money received as a result of fundraising appeals conducted during the year have been properly accounted for and applied in accordance with the *Chartable Fundraising Act 1991* and the Regulation; and

4. As at the date of this report, there are reasonable grounds to believe that WorkVentures Ltd will be able to pay its debts as and when they fall due.

Director ______________________________

Andrew Macpherson, Chair

Dated this 31st day of March 2020

Independent Auditor’s Report

To the members of WorkVentures Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of WorkVentures Limited (the registered entity), which comprises the statement of financial position as at 31 December 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity, and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the Directors’ declaration.

In our opinion the accompanying financial report of WorkVentures Limited, is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

(i) Giving a true and fair view of the registered entity’s financial position as at 31 December 2019 and of its financial performance for the year then ended; and

(ii) Complying with Australian Accounting Standards to the extent described in Note 1 and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor’s responsibilities for the audit of the Financial Report* section of our report. We are independent of the registered entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) 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.

Report on Other Legal and Regulatory Requirements

We also report that:

a) the accompanying financial report shows a true and fair view of the financial result of fundraising appeals for the year ended 31 December 2019, as required by the Charitable Fundraising Act 1991;

b) the accounting and associated records of WorkVentures Limited have been kept in accordance with the Charitable Fundraising Act 1991 and the associated Regulations for the year ended 31 December 2019;

c) money received as a result of fundraising appeals conducted during the year have been properly accounted for and applied in accordance with the Charitable Fundraising Act 1991 and the associated Regulations; and

d) as at the date of this report, there are reasonable grounds to believe that WorkVentures Limited will be able to pay its debts as and when they fall due.

Emphasis of matter – Basis of accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the registered entity’s financial reporting responsibilities under the

ACNC Act. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other information

Those charged with governance are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the WorkVentures Limited's annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors' for the Financial Report

The Directors of the registered entity 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 of the ACNC Act. 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.

In preparing the financial report, the Directors are responsible for assessing the registered entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the registered entity or to cease operations, or have no realistic alternative but to do so.

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 the 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 this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:
http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf
This description forms part of our auditor's report.

BDO East Coast Partnership

BDO

L Russell

Leah Russell

Partner

Sydney, 7 April 2020