Financial Statements

For the year ended 31 December 2021

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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 2021.

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
Caroline McDaid	BA Accounting & Finance, ICAS (CA), MBA	Chief Executive Officer		Sep 2021
Felix Wong	B Sc, BE (Hon), GAICD	Non-executive Director		May 2021
Jennine Blundell	M Mgt. (UTS) B. Bus (UTS), Grad. Cert NFP Mgt (UTS)	Chief Executive Officer		April 2017 (Resigned July 2021)
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 (Resigned Nov 2021)
Doug Taylor	Bachelor of Arts (UWS), Grad Cert Mgt (UTS), GAICD	Executive Director		Jan 2019
Bruce Thomlinson	Cert in Engineering NZ	Director		Feb 2015 (Resigned May 21)

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 training and job placements for vulnerable, disadvantaged, unemployed young people and school leavers; providing technology to those who are digitally excluded from society through the sale of refurbished technology, supporting software, call centre support and other supporting digital services and responsible recycling of technology and electronic repairs. No significant change in the nature of these activities occurred during the year.

A review of our operations for 2021

The company delivered a loss of $478,959 in 2021 (2020: $856,353 - profit) resulting from gross revenue of $6,693,876 (2020: $8,639,943). The comparably lower Sales in 2021 were attributable to the loss of a substantial contract, the decline in volume from another material contract and lower once-off hardware Sales than seen during 2020 Covid-19 lockdowns. In addition, new business development opportunities were delayed or did not progress due to continuous prolonged lockdowns. The second half of 2021 saw operational disruptions associated with relocating our operations to a new lower cost facility.

Directors Report (Continued)

On the other hand traineeships as well as on-line device Sales saw significant growth and we have been working hard to replace some of our legacy declining business with a revitalised pipeline of opportunities. The organisation benefited from job saver payments throughout the second half of 2020. Operating expenses in 2021 decreased by 20% to $7,577,333.

With life slowly resuming back to normal as we all are learning to 'live with Covid-19', the Board remains optimistic, energised and focused on delivering upon our mid-term organisational strategy for the upcoming year.

Despite the challenges throughout the year, there were some highlights:

- WorkVentures proudly accepted the 2021 Community organisation of the year (Sydney Metro) award by Business NSW.
- We expanded the range of digital inclusion solutions provided, from hardware and technical support only, to address more of the barriers to digital inclusion, including connectivity, remote support, enhanced software and reporting.
- We supported 3,294 individuals and 180 NFP's with affordable technology in every State and Territory.
- We relocated our premises from Mascot to a newly upgraded Corporate Park facility in Alexandria securing savings for the next 5 years.
- In the second half of 2021, we bolstered the executive team with the introduction of a new CEO and new leaders across Sales, Partnerships and Marketing.
- Moved onto phase III of launching our Cyber-security program with market beta launch expected in Q1/Q2 of 2022.
- We diverted 111 tonnes of e-waste from landfill through re-use in our digital inclusion programs and responsible recycling.
- We supported 46 young people in traineeships, achieving a substantial increase in diversity; 48% of trainees were First Nations People, 70% female and 12% were young Mums.
- 18 young people completed their traineeships in challenging circumstances. Our high completion rate was maintained at 80%, compared to industry standard of 56%. Of those who completed their traineeship, **all** trainees remained with their host employer, or moved on to further employment elsewhere.
- We reinvigorated our digital marketing function and achieved significant growth across our online sales and social platforms.
- Created a network of new values-aligned partnerships across the For Purpose, local government and corporate sectors.

Meeting of Directors

The Directors meet on a bi-monthly basis with 7 meetings held in the financial year to 31 December 2021. The number of meetings of the Company's board of directors held during the year ended 31 December 2021, and the numbers of meetings attended by each director were:

Name	Board 2021		FARM 2021	
	Eligible	Attended	Eligible	Attended
Jennine Blundell	3	3	1	1
Andrew Macpherson	7	7	4*	3
Caroline McDaid	2	4**	1	3**
Felix Wong	4	4	3	3
Joanne Gorton	7	4	4	2
Bruce Thomlinson	3	3	1	1
Inese Kingsmill	6	6	-	-
Doug Taylor	7	6	-	-

* Optional
** attended 2 Board meetings and 2 FARM meetings in the capacity of interim CEO (not director)

Directors Report (Continued)

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.

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.

There is currently an alleged claim against WorkVentures, in respect of past activities. These claims are being managed by our legal representatives in conjunction with management. The claim is currently regarded as a contingent liability as the amount, if any, that may be paid as a result of these claims is currently unable to be determined.

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

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.

Auditor

BDO Audit Pty Ltd continues in office.

Andrew Macpherson
Chair

Financial Statements

Statement of Profit or Loss and other Comprehensive Income

For the year ended 31 December 2021

	Note	2021	2020
		$	$
Revenue from continuing operations	2	6,693,876	8,639,943
Other income	2	404,498	1,661,891
Changes in inventories		(10,071)	(6,545)
Raw materials and consumables used		(280,644)	(524,312)
Employee benefits expenses		(5,249,480)	(6,531,022)
Cost of sub-contracted repair services		-	-
Lease expenses		(822,151)	(627,765)
Communication expense		(263,351)	(598,032)
Administration expense		(232,403)	(166,660)
Depreciation, amortisation and impairment	3	(394,513)	(782,138)
Bad and doubtful debts		-	(1,239)
Cost of fundraising appeals		-	(370)
Marketing and promotion		(140,310)	(42,897)
Other expenses from continuing operations		(184,412)	(164,501)
(Deficit) / Surplus for the year before income tax expense		**(478,959)**	**856,353**
Income tax expense	1(a)	**-**	**-**
(Deficit) / Surplus for the year		**(478,959)**	**856,353**
Other comprehensive income		-	-
Total comprehensive (Loss) / income for the year		**(478,959)**	**856,353**

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

Statement of Financial Position

As at 31 December 2021

	Note	2021	2020
		$	$
Assets			
Current Assets			
Cash and cash equivalents	4	2,922,485	4,131,345
Receivables	5	783,104	1,591,478
Inventories	6	203,330	213,400
Other Assets	7	96,832	54,743
Total Current Assets		**4,005,751**	**5,990,966**
Non-Current Assets			
Other Assets	4	356,172	-
Property, plant & equipment	8	536,357	88,680
Right-of-use Assets	9	2,517,937	211,674
Total Non-Current Assets		**3,410,466**	**300,354**
Total Assets		**7,416,217**	**6,291,320**
Liabilities			
Current Liabilities			
Payables	10	1,413,291	1,931,565
Lease Liabilities	11	621,154	211,674
Provisions	12	1,139,601	1,403,409
Total Current Liabilities		**3,174,046**	**3,546,648**
Non-current Liabilities			
Payables	10	-	300,000
Lease Liabilities	11	2,059,060	-
Provisions	12	241,193	23,795
Total Non-Current Liabilities		**2,300,253**	**323,795**
Total Liabilities		**5,474,299**	**3,870,443**
Net assets		**1,941,918**	**2,420,877**
Equity			
Members' funds		**1,941,918**	**2,420,877**

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 2021

	2021	2020
	$	$
Equity – Accumulated funds		
Balance at the beginning of the period	**2,420,877**	**1,564,524**
Net (deficit) / surplus for the year	**(478,959)**	**856,353**
Total Other Comprehensive income	-	-
Balance at the end of the period	**1,941,918**	**2,420,877**

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

Statement of Cash Flows

For the year ended 31 December 2021

		2021	2020
		$	$
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		8,195,251	9,938,229
Payment to suppliers and employees (including goods and services tax)		(8,732,472)	(8,895,287)
Receipts from Government stimulus funding		380,530	1,452,423
Interest received		2,501	2,449
Interest paid lease		(18,335)	-
Net cash (used in)/provided by operating activities	13	**(172,525)**	**2,497,814**
Cash flows from investing activities			
Payments for property, plant & equipment		(532,889)	(12,182)
Proceeds from property, plant & equipment		-	15,948
Payment for security of new lease		(356,172)	-
Proceeds from fit contributions		377,539	-
Payments for purchase of investment		(225,000)	(225,000)
Net cash (used in) investing activities		**(736,522)**	**(221,234)**
Cash flows from financing activities			
Payments for lease liabilities		(299,813)	(719,795)
Net cash (used in) financing activities		**(299,813)**	**(719,795)**
Net (decrease) / increase in cash and cash equivalents		**(1,208,860)**	**1,556,785**
Cash and cash equivalents at the beginning of the financial Year		**4,131,345**	**2,574,560**
Cash and cash equivalents at the end of the financial year		**2,922,485**	**4,131,345**

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

Notes to Financial Statements
For the Year Ended 31 December 2021

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 20th of June 2022 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.

Going Concern

The financial report has been prepared on the going concern basis, which assumes that the company will be able to realize its assets and extinguish its liabilities as and when they fall due in the normal course of business. During the financial year, the company's financial performance has been adversely impacted by lower-than-expected revenue for IT repair sales and services, including the loss of a substantial contract and the decline in volume from another material contract. In addition, new business development opportunities were delayed or did not progress due to continuous lockdowns associated with the COVID-19 global pandemic. The second half of 2021 saw operational disruptions associated with relocating operations to a new facility. These factors have resulted in the company reporting a loss for the year of $478,959 in 2021 (2020: $856,353 - profit) and a net cash outflow from operations of $172,525 (2020: $2,497,814 net cash inflow).

As a result of the lower revenues through the COVID-19 global pandemic and the uncertainty around the timing and extent of the economic recovery, management has accordingly reflected such uncertainty by reducing forecast cash flows in comparison to prior financial periods. The cash flow forecasts currently highlight tight liquidity for the foreseeable future.

In addition, there is a potential cash outflow which is unknown in relation to a legal claim noted in Note 15. Management anticipates to be able to negotiate a payment plan for the settlement amount (if any) in due course.

The company has been evaluating alternatives targeted at improving its financial and operational position, including taking actions to manage cash flow to offset lower sales revenues and protect liquidity. These include accessing the Australian Government wage subsidies and reducing expenses where applicable. Management continues to monitor cashflow very closely with a 12-month cash flow forecast in place.

The company continues to evaluate alternatives to improve forecast cash flows such as strategic cost containment initiatives and new business development opportunities.

The factors mentioned above regarding going concern create material uncertainty that may cast significant doubt as to whether the Company will continue as a going concern. If the Company is unable to achieve the above factors, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial statements. At the time of signing the accounts, there are several material opportunities the company is in late stages of negotiating which, if realized will significantly improve the financial performance of WorkVentures. These opportunities are for work commencing in the next 3 months.

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.

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

	2021	2020
	$	$
Note 2 Revenue		
Sales revenue		
Services rendered	3,489,050	5,465,274
Sale of goods	1,741,882	2,179,159
Fees from host employers	1,249,780	932,960
Government grants	210,414	60,500
Gross proceeds from fundraising appeals	2,750	2,050
	6,693,876	**8,639,943**
Other Income		
Interest revenue	2,501	2,449
Job Keeper	32,844	1,526,923
Job Saver	347,686	-
Government subsidies	12,500	116,571
Proceeds from sale of assets	-	15,948
Sundry Income	8,967	-
	404,498	**1,661,891**

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. The grants received relate to incentive training payments from the Federal Government by the Department of education, employment and workplace relations.

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 income
Other revenue is recognised when it is received or when the right to receive payment is established. In 2021 this included the Government stimulus funding for JobKeeper of $ 32,844 and JobSaver of $ 347,686 as well as Government subsidies in the form of Covid-19 cashflow boost from the Australian taxation office of $ 12,500. In 2020 this included the JobKeeper Government stimulus funding of $1,526,923 as well as Government subsidies in the form of Covid-19 cashflow boost from the Australian taxation office of $87,500.
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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 meet 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.

	2021	2020
	$	$
Note 3 Expenses		
Depreciation on property, plant and equipment	85,211	62,343
Depreciation of Right of use asset	309,302	719,795
	394,513	**782,138**

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.

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

	2021	2020
	$	$
Note 4 Current assets – Cash and cash equivalent		
Cash at bank and on hold	2,775,896	3,992,539
Deposits at call	146,589	138,806
	2,922,485	**4,131,345**
Note 4 Non-Current assets		
Other Assets - Bank security on lease	356,172	-
	356,172	**-**

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. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

Commonwealth Bank and Westpac provides bank guarantees of $502,761 (2020 $138,806) relating to leases and corporate credit cards. During the year a security deposit of $356,172 was taken relating to a new leases premises in Alexandria NSW.

	2021	2020
	$	$
Note 5 Current assets – Receivables		
Trade receivables	490,199	1,046,325
Accrued Income*	293,543	545,791
Provision for doubtful receivables	(638)	(638)
	783,104	**1,591,478**

* Includes Job keeper receivable 2021: Nil (2020: $ 162,000)

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 30-60 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 to 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 2021, the Company had no uncollectible bad debt and therefore nothing has been applied against the provision. 2020: $nil.

	2021	2020
	$	$
Note 6 Current assets – Inventories		
Inventories	**203,330**	**213,400**

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 2021 amounted to $nil (2020: $13,621).

	2021	2020
	$	$
Note 7 Current assets – Other assets		
Prepayments	66,188	24,099
Security deposit	30,644	30,644
	96,832	**54,743**

Note 8 Non-Current assets – Property, plant and equipment

	Equipment	Leasehold Improvements	Total
	$	$	$
Year ended 31 December 2021			
Opening net book amount	28,611	60,069	88,680
Additions	-	532,887	532,887
Depreciation charge	(16,721)	(68,490)	(85,211)
Closing net book amount	**11,890**	**524,466**	**536,357**
At 31 December 2021			
At cost	907,760	533,356	1,441,116
Accumulated depreciation	(895,870)	(8,889)	(904,760)
Net book amount	**11,890**	**524,466**	**536,357**
Year ended 31 December 2020			
Opening net book amount	27,754	111,087	138,841
Additions	12,182	-	12,182
Depreciation Charge	(11,325)	(51,018)	(62,343)
Closing net book amount	**28,611**	**60,069**	**88,680**
As at 31 December 2020			
At cost	907,760	616,218	1,523,978
Accumulated depreciation	(879,149)	(556,149)	(1,435,298)
Net book amount	**28,611**	**60,069**	**88,680**

Leasehold improvements 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 leasehold improvements 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.

	2021	2020
	$	$
Note 9 Right-of-use Assets		
Opening net book amount	211,674	931,469
Additions net of incentive payments	2,971,737	-
Depreciation charge	(309,302)	(719,795)
Fit-out contribution incentive	(356,172)	-
Closing net book amount	**2,517,937**	**211,674**
At cost	2,827,239	1,440,164
Accumulated depreciation	(309,302)	(1,228,490)
Closing net book amount	**2,517,937**	**211,674**

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 $2,971,737.
The company leases land and buildings for its offices and warehouses under agreements of between one to five years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated. During the year, the Company entered into a new 5 year property lease that included a fit-out contribution incentive of $356,172. Pursuant to the conditions of the incentive deed, the fit-out contribution incentive is repayable if the lease is terminated within 1 year, otherwise pro-rated according to remaining term of the lease. The Company also extended its lease in Tullamarine, Victoria for another year.

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.

	2021	2020
	$	$
Note 10 Payables		
Current		
Trade payables and accrued charges	616,878	1,015,092
Amount payable to Non-trade Creditors	600,000	525,000
Holding deposit	-	2,068
Fees received in advance	106,765	261,093
GST payable	89,648	128,312
	1,413,291	**1,931,565**
Non-Current		
Amount payable to Non-trade Creditors	-	300,000
	-	**300,000**

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.

Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

	2021	2020
	$	$
Note 11 Lease Liabilities		
Leases Current Liabilities		
Current	621,154	211,674
Non-Current	2,059,060	-
	2,680,214	**211,674**
Movement table		
Opening	211,674	-
addition	2,768,378	-
Lease payments	(299,838)	-
	2,680,214	**-**

Lease liabilities represent the remaining obligations for 2 commercial leased properties. During the year Work Ventures received $nil in rent concessions ($43,075 in 2020).

	2021	2020
	$	$
Note 12 Provisions		
Current		
Employee benefits	1,139,601	1,403,409
	1,139,601	**1,403,409**
Non-Current		
Employee benefits	16,442	23,795
Provision for make good	224,751	-
	241,193	**23,795**

The Company has recognized the present value of a lease make good provision for $224,751 (2020 $nil).

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.

Lease make good provision

A provision has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

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.

	2021	2020
	$	$
Note 13 Reconciliation of surplus after income tax to net cash inflow from operating activities		
(Deficit) / Surplus for the year	(478,959)	856,353
Depreciation, amortisation and impairment	394,513	782,138
Profit on Disposal of Assets	-	(15,948)
Change in operating assets and liabilities		
(Increase) / decrease in trade and other receivables	808,374	44,158
(Increase) / decrease in inventories	10,071	6,547
(Increase) / decrease in other assets	(42,089)	11,037
(Increase) / decrease in non-current assets	-	-
(Decrease) / increase in trade payables	(593,274)	820,002
(Decrease) / increase in provisions	(271,161)	(6,473)
Net cash outflow from operating activities	**(172,525)**	**(2,497,814)**

Note 14 Lease Commitments

Non-cancellable leases

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

	2021	2020
	$	$
Within one year	8,256	8,256
Later than one year, but no later than five years	4,128	12,384

Commitments for minimum lease payments in relation to cancellable operating leases.

Note 15 Contingent liability

There is currently an alleged claim against WorkVentures, in respect of past activities. These claims are being managed by our legal representatives in conjunction with management. The claim is currently regarded as a contingent liability as the amount, if any, that may be paid as a result of these claims is currently unable to be determined.

The Company leases office and warehouse space under lease agreements. The bank guarantee of $502,761 which is secured by cash deposits with the respective banks. No other contingent liabilities are recorded at balance date.

	2021	2020
	$	$
Note 16 Remuneration of Auditors		
Audit services – BDO	39,200	38,000

Note 17 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 2021 the number of members was 28 (2020: 30).

Note 18 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

	2021	2020
	$	$
Gross proceeds from fundraising appeals	2,750	2,050
Total costs of fundraising appeals	-	-
Net surplus from fundraising appeals	**2,750**	**2,050**
Net margin from fundraising appeals	**100%**	**100%**

b. Application of funds for charitable purpose

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

Note 19 Subsequent Events

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 20 Company Details

The registered office of the company is:

WorkVentures Ltd

Building 3, Suite 3.01
190 Bourke Road

Alexandria, NSW 2015

The principal place of business is:

WorkVentures Ltd

Building 3, Suite 3.01
190 Bourke Road

Alexandria, NSW 2015

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 because there are no users dependent on general purpose financial statements.

Accordingly, as described in note 1 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the Australian Charities and Not-for-profits Commission Act 2012 and the Charitable Fundraising Act 1991 (NSW) and associated regulations and the Corporations Act 2001 requirements to prepare and distribute financial statements to the members of WorkVentures Ltd

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 6 to 21, 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 2021 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 the requirements of Division 60 of the Australian Charities and Not-for-Profit Commission Act 2012 and the Accounting Standards as described in note 1 to the financial statements and other mandatory professional reporting requirements.

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 2021 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 2021;

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.

Signed in accordance with Director's resolution:

Director

Andrew Macpherson, Chair

Dated this 20th of June 2022

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 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the responsible entities' 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 2021 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 (including Independence Standards)* (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.

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the registered entity's ability to continue as a going concern and therefore the registered entity may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

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 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 responsible entities for the Financial Report

The responsible entities 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 and the needs of the members. The responsible entities' responsibility also includes such internal control as the responsible entities 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 responsible entities 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 responsible entities 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 Audit Pty Ltd

Leah Russell
Director

Sydney 23 June 2022