

# Financial Statements

For the year ended 31 December 2022

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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 2022.

## 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
Joanne Gorton	B Bus, ICAA, Registered Company Auditor, MAICD	Partner	Chair, Finance, Audit & Risk Management	June 2016 (resigned Aug 2022)
Doug Taylor	Bachelor of Arts (UWS), Grad Cert Mgt (UTS), GAICD	Executive Director		Jan 2019 (resigned Oct 2022)

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;
- delivering digital inclusion programs to those who are digitally excluded from society through the sale of refurbished technology, supporting software, call centre support, internet connectivity and other supporting digital services;
- the decommissioning, sanitization, asset management, reuse and responsible recycling of technology; and
- delivering electronic repairs, testing and configuration services.

## A review of our operations for 2022

The company delivered a loss of \$724,807 in 2022 (2021: \$ 478,959 - loss) resulting from gross revenue of \$7,041,214 (2021: \$ 6,693,876). The comparably higher Sales were attributable to higher decommissioning project work, higher device sales under digital inclusion programs and higher traineeship numbers than the prior year. The loss exceeded the prior year due to higher job keeper/job saver income reported in 2021, higher legal costs and higher costs across business development and marketing.

## Directors Report (Continued)

Despite the operating performance, 2022 remains a year of strategic transformation. We delivered a number of new sustainable business initiatives that led to operational performance progressively improving throughout the year and were in line with our purpose and social impact goals. We believe that these initiatives provide the foundations for our new strategic direction that will benefit WorkVentures for many years to come.

Some of the highlights during the year include:

- Securing a material Federal grant that will assist with funding diversity in the cyber security sector and improve the quality and quantity of cybersecurity services within the NFP industry. The Grant will be recognised in our financial results during 2023 and beyond.
- Launched our Cyber Security program identifying cyber risks for other NFPs. The program aims to develop tailored cyber security plans to mitigate risks and educate employees. While immaterial financially in 2022, we expect this to grow in 2023 and beyond.
- Forming a strategic partnership with The Smith Family supporting the digital inclusion elements of its "Learning for Life students' program".
- Strengthening our important decommissioning partnership program with Westpac which is making a real impact in reducing the digital divide through our repurposed Westpac devices.
- Continuing our long-lasting technology donation relationship with NBN.
- We supported 84 people in paid traineeship programs throughout the year (up 67% compared to the year before). Our completion rates of 82% continue to substantially surpass the National average (56%).
- Collaborated with KPMG and ABCN to support the "Lifelong Learning" campaign assisting 178 students across 6 schools in 5 States with digital devices and technical support. This program will also form the basis of an important digital inclusion social impact measurement and analysis project.
- 23 of our trainees were proudly nominated for awards which included winner of trainee of the year award of NSW Aboriginal/Torres Strait Islander for Western Sydney/Blue Mountains NSW and regional finalist for Central & Northern Sydney region.
- We diverted 153 tonnes of e-waste from landfill from repurposing our digital devices through re-use in our digital inclusion programs and responsible recycling.
- We restructured and extended a major electronics repairs and logistics contract.

### Meeting of Directors

The Directors meet on a minimum monthly basis with 17 meetings held in the financial year to 31 December 2022. The number of meetings of the Company's board of directors held during the year ended 31 December 2022, and the numbers of meetings attended by each director were:

Name	Board 2022		FARM 2022	
	Eligible	Attended	Eligible	Attended
Andrew Macpherson	17	16	3*	3
Caroline McDaid	17	17	3	3
Felix Wong	17	15	3	3
Joanne Gorton	7	4	2	2
Doug Taylor	13	11	1*	1

\* Optional

# 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. This claim is being managed by our legal representatives in conjunction with management and the Board. 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

## DECLARATION OF INDEPENDENCE BY LEAH RUSSELL TO THE DIRECTORS OF WORKVENTURES LIMITED

As lead auditor of WorkVentures Limited for the year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of section 60-40 of the *Australian Charities and Not-for-profit Commission Act 2012* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.



Leah Russell  
Director

BDO Audit Pty Ltd

Sydney

7 July 2023

# Financial Statements

## Statement of Profit or Loss and other Comprehensive Income

For the year ended 31 December 2022

	Note	2022	2021
		\$	\$
Revenue from continuing operations	2	7,041,214	6,693,876
Other income	2	93,392	404,498
Changes in inventories		(64,483)	(10,071)
Raw materials and consumables used		(292,975)	(280,644)
Employee benefits expenses		(5,734,913)	(5,249,480)
Lease expenses		(138,972)	(822,151)
Communication expense		(193,526)	(263,351)
Administration expense		(337,536)	(232,403)
Depreciation, amortisation and impairment	3	(799,058)	(394,513)
Marketing and promotion		-	(140,310)
Other expenses from continuing operations		(297,950)	(184,412)
<b>(Deficit) / Surplus for the year before income tax expense</b>		<b>(724,807)</b>	<b>(478,959)</b>
<b>Income tax expense</b>	1(a)	-	-
<b>(Deficit) / Surplus for the year</b>		<b>(724,807)</b>	<b>(478,959)</b>
Other comprehensive income		-	-
<b>Total comprehensive (Loss) / income for the year</b>		<b>(724,807)</b>	<b>(478,959)</b>

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 2022

	Note	2022	2021
		\$	\$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	2,333,527	2,922,485
Trade and other receivables	5	684,329	783,104
Inventories	6	138,847	203,330
Other Assets	7	47,252	96,832
<b>Total Current Assets</b>		<b>3,203,955</b>	<b>4,005,751</b>
<b>Non-Current Assets</b>			
Other Assets	4	356,172	356,172
Property, plant & equipment	8	421,354	536,357
Right-of-use Assets	9	1,854,599	2,517,937
<b>Total Non-Current Assets</b>		<b>2,632,125</b>	<b>3,410,466</b>
<b>Total Assets</b>		<b>5,836,080</b>	<b>7,416,217</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Payables	10	1,105,624	1,306,526
Lease Liabilities	11	478,389	621,154
Provisions	12	1,067,879	1,139,601
Fees received in advance		145,135	106,765
<b>Total Current Liabilities</b>		<b>2,797,027</b>	<b>3,174,046</b>
<b>Non-current Liabilities</b>			
Lease Liabilities	11	1,580,671	2,059,060
Provisions	12	241,271	241,193
<b>Total Non-Current Liabilities</b>		<b>1,821,942</b>	<b>2,300,253</b>
<b>Total Liabilities</b>		<b>4,618,969</b>	<b>5,474,299</b>
<b>Net assets</b>		<b>1,217,111</b>	<b>1,941,918</b>
<b>Equity</b>			
<b>Members' funds</b>		<b>1,217,111</b>	<b>1,941,918</b>

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 2022

	2022	2021
	\$	\$
<b>Equity – Accumulated funds</b>		
<b>Balance at the beginning of the period</b>	<b>1,941,918</b>	<b>2,420,877</b>
Net (deficit) / surplus for the year	<b>(724,807)</b>	<b>(478,959)</b>
Total Other Comprehensive income	-	-
<b>Balance at the end of the period</b>	<b>1,217,111</b>	<b>1,941,918</b>

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 2022

		2022	2021
		\$	\$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of goods and services tax)		7,878,552	8,195,251
Payment to suppliers and employees (including goods and services tax)		(7,192,667)	(8,732,472)
Receipts from Government stimulus funding		53,729	380,530
Interest received		8,354	2,501
Interest paid lease		(104,817)	(18,335)
<b>Net cash (used in)/provided by operating activities</b>	13	<b>643,151</b>	<b>(172,525)</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant & equipment		-	(532,889)
Payment for security of new lease		-	(356,172)
Proceeds of lease		-	377,539
Payments for purchase of investment		(600,000)	(225,000)
<b>Net cash (used in) investing activities</b>		<b>(600,000)</b>	<b>(736,522)</b>
<b>Cash flows from financing activities</b>			
Payments for lease liabilities		(632,109)	(299,813)
<b>Net cash (used in) financing activities</b>		<b>(632,109)</b>	<b>(299,813)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(588,958)</b>	<b>(1,208,860)</b>
Cash and cash equivalents at the beginning of the financial Year		2,922,485	4,131,345
<b>Cash and cash equivalents at the end of the financial year</b>		<b>2,333,527</b>	<b>2,922,485</b>

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 2022

### 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 7<sup>th</sup> of July 2023 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 company applied the measurements and recognition criteria of all standards.

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 statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realization of assets and discharge liabilities in the normal course of business.

As presented in the financial statements, in the year ending 31 December 2022, the Company incurred a loss before comprehensive income of \$724,807 (2021: loss \$478,959) and generated net cash outflows of \$588,958 (2021 cash outflow \$1,208,860).

Notwithstanding these conditions, the Directors believe that the Company will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- Having introduced plans to preserve cashflows, the Company's net current asset position at the reporting date was positive, and the Company generated cash inflows from operating activities during the year ended 31 December 2022;
- The Company has experienced significant growth in several new programs supporting digital inclusion. The Company expects these programs to continue into the second half of 2023, in addition to a number of other growth opportunities in late stages as at date of signing these accounts.
- The Company has successfully negotiated the renewal of a substantial contract subsequent to the reporting date, ensuring a continued generation of cashflows from this contract for a period extending at least 12 months from the date of signing of these financial statements;
- The Directors' continued commitment to careful cashflow management, demonstrated by a cash balance as at 31 May 2023 of \$2,888,138, which represents an increase in cash since 31 December 2022 from the additional activities noted above;

- The Directors' continued commitment to the actions taken to preserve cashflows during the 2022 financial year which included, non-replacement of headcounts where feasible, introducing a 12-month wage freeze during 2022, and focusing on key strategic growth.

## **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 2022

	2022	2021
	\$	\$
<b>Note 2 Revenue</b>		
Sales revenue		
Services rendered	2,993,180	3,489,050
Sale of goods	1,787,911	1,741,882
Fees from host employers	2,076,209	1,249,780
Government grants	174,970	210,414
Gross proceeds from fundraising appeals	8,944	2,750
	<b>7,041,214</b>	<b>6,693,876</b>
<b>Other Income</b>		
Interest revenue	8,354	2,501
Job Keeper	-	32,844
Job Saver	53,729	347,686
Government subsidies	-	12,500
Sundry Income	31,309	8,967
	<b>93,392</b>	<b>404,498</b>

**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.

Notes to the Financial Statements for the Year Ended 31 December 2022

*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 (2022 \$53,729) as well as Government subsidies in the form of Covid-19 cashflow boost from the Australian taxation office of \$12,500 (2022 nil).

*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.

	2022	2021
	\$	\$
<b>Note 3 Expenses</b>		
Depreciation on property, plant and equipment	115,002	85,211
Depreciation of Right of use asset	684,056	309,302
	<b>799,058</b>	<b>394,513</b>

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 2022

	2022	2021
	\$	\$
<b>Note 4 Current assets – Cash and cash equivalent</b>		
Cash at bank and on hold	2,292,501	2,775,896
Deposits at call	41,026	146,589
	<b>2,333,527</b>	<b>2,922,485</b>
<b>Note 4 Non-Current assets</b>		
Other Assets - Bank security on lease	356,172	356,172
	<b>356,172</b>	<b>356,172</b>

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.

Bank guarantee facilities of \$397,198 (2021 \$502,761) are in place relating to leases and corporate credit cards.

	2022	2021
	\$	\$
<b>Note 5 Current assets – Receivables</b>		
Trade receivables	444,529	490,199
Accrued Income	239,800	293,543
Provision for doubtful receivables	-	(638)
	<b>684,329</b>	<b>783,104</b>

**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.

Notes to the Financial Statements for the Year Ended 31 December 2022

*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 2022, the Company had no uncollectible bad debt and therefore nothing has been applied against the provision. 2021: \$nil.

	2022	2021
	\$	\$
<b>Note 6 Current assets – Inventories</b>		
Inventories	<b>186,298</b>	<b>203,330</b>
Provision for Obsolescence	<b>(47,451)</b>	-
	<b>138,847</b>	<b>203,330</b>

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 2022 amounted to \$ 47,451 (2021: Nil).

	2022	2021
	\$	\$
<b>Note 7 Current assets – Other assets</b>		
Prepayments	47,252	66,188
Security deposit	-	30,644
	<b>47,252</b>	<b>96,832</b>



Notes to the Financial Statements for the Year Ended 31 December 2022

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

	Equipment	Leasehold Improvements	Total
	\$	\$	\$
<b>Year ended 31 December 2022</b>			
Opening net book amount	43,291	533,356	576,647
Depreciation from previous year	(31,401)	(8,889)	(40,290)
Depreciation charge during the year	(8,324)	(106,678)	(115,002)
<b>Closing net book amount</b>	<b>3,566</b>	<b>417,788</b>	<b>421,354</b>
<b>At 31 December 2022</b>			
At cost	907,760	533,356	1,441,116
Asset disposed	(864,469)	-	(864,469)
	<b>43,291</b>	<b>533,356</b>	<b>576,647</b>
<b>Accumulated Depreciation</b>			
Opening net book amount	(895,870)	(8,889)	(904,759)
Charge during the year	(8,324)	(106,678)	(115,002)
Disposals/write off	864,469	-	864,469
	<b>(39,725)</b>	<b>(115,567)</b>	<b>(155,292)</b>
<b>Closing net book amount</b>	<b>3,566</b>	<b>417,788</b>	<b>421,354</b>
<b>As at 31 December 2021</b>			
At cost	907,760	533,356	1,441,116
Accumulated depreciation	(895,870)	(8,889)	(904,759)
<b>Net book amount</b>	<b>11,890</b>	<b>524,466</b>	<b>536,356</b>

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:

Notes to the Financial Statements for the Year Ended 31 December 2022

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.

	2022	2021
	\$	\$
<b>Note 9 Right-of-use Assets</b>		
Opening net book amount	2,517,937	211,674
Additions net of incentive payments	20,718	2,971,737
Depreciation charge	(684,056)	(309,302)
Fit-out contribution incentive	-	(356,172)
<b>Closing net book amount</b>	<b>1,854,599</b>	<b>2,517,937</b>
At cost	2,827,239	2,827,239
Termination of lease	(189,425)	-
Accumulated depreciation, net of write off	(783,215)	(309,302)
<b>Closing net book amount</b>	<b>1,854,599</b>	<b>2,517,937</b>

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.

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. In 2021 the Company entered into a new 5 year property lease that included a once off 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 did not extend its lease in Tullamarine, Victoria and therefore \$189,425 worth of asset was written off during the year.

Notes to the Financial Statements for the Year Ended 31 December 2022

**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.

	2022	2021
	\$	\$
<b>Note 10 Payables</b>		
<b>Current</b>		
Trade payables and accrued charges	958,625	616,878
Amount payable to Non-trade Creditors	-	600,000
GST payable	146,999	89,648
	<b>1,105,624</b>	<b>1,306,526</b>

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 2022

	2022	2021
	\$	\$
<b>Note 11 Lease Liabilities</b>		
<b>Leases Current Liabilities</b>		
Current	478,389	621,154
Non-Current	1,580,671	2,059,060
	<b>2,059,060</b>	<b>2,680,214</b>
<b>Movement table</b>		
Opening	2,680,214	211,674
Addition	-	2,768,378
Adjustment for make good provision	10,955	-
Lease payments	(632,109)	(299,838)
	<b>2,059,060</b>	<b>2,680,214</b>

Lease liabilities represent the remaining obligations for 1 commercial leased property.

	2022	2021
	\$	\$
<b>Note 12 Provisions</b>		
Current		
Employee benefits	1,067,879	1,139,601
	<b>1,067,879</b>	<b>1,139,601</b>
Non-Current		
Employee benefits	6,756	16,442
Provision for make good	234,515	224,751
	<b>241,271</b>	<b>241,193</b>

The Company has recognized the present value of a lease make good provision for \$234.515 (2021 \$224,751).

**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

Notes to the Financial Statements for the Year Ended 31 December 2022

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.

	2022	2021
	\$	\$
<b>Note 13 Reconciliation of surplus after income tax to net cash inflow from operating activities</b>		
(Deficit) / Surplus for the year	(724,807)	(478,959)
Depreciation, amortisation and impairment	799,058	394,513
Change in operating assets and liabilities		
(Increase) / decrease in trade and other receivables	98,775	808,374
(Increase) / decrease in inventories	64,484	10,071
(Increase) / decrease in other assets	49,581	(42,089)
(Decrease) / increase in trade payables	399,098	(438,946)
(Decrease) / increase in fees in advance	38,370	(154,328)
(Decrease) / increase in provisions	(81,408)	(271,161)
<b>Net cash outflow from operating activities</b>	<b>643,151</b>	<b>(172,525)</b>

Notes to the Financial Statements for the Year Ended 31 December 2022

**Note 14 Lease Commitments**

*Non-cancellable leases*

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

	2022	2021
	\$	\$
Within one year	4,128	8,256
Later than one year, but no later than five years	-	4,128

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. This claim is 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 offices and warehouse space under lease agreements. The bank guarantee of \$356,172 is secured by cash deposits with the respective banks. No other contingent liabilities are recorded at balance date.

	2022	2021
	\$	\$
<b>Note 16 Remuneration of Auditors</b>		
Audit services – BDO	45,000	\$47,633

**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 2022 the number of members was 26 (2021: 28).

Notes to the Financial Statements for the Year Ended 31 December 2022

**Note 18 Fundraising Activities**

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

**a. Details of aggregate gross income and total**

	2022	2021
	\$	\$
Gross proceeds from fundraising appeals	8,944	2,750
Total costs of fundraising appeals	-	-
<b>Net surplus from fundraising appeals</b>	<b>8,944</b>	<b>2,750</b>
<b>Net margin from fundraising appeals</b>	<b>100%</b>	<b>100%</b>

**b. Application of funds for charitable purpose**

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

**Note 19 Subsequent Events**

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 22, 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 2022 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 2022 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 2022;
3. 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 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 7<sup>th</sup> of July 2023



## 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 2022, 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:

- a) Giving a true and fair view of the registered entity's financial position as at 31 December 2022 and of its financial performance for the year then ended; and
- b) 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 2022*.

#### 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.



#### 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](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf)



This description forms part of our auditor's report.

**BDO Audit Pty Ltd**

*BDO*

*Leah Russell*

Leah Russell

Director

Sydney 10 July 2023