Workspace Australia Ltd

ABN 40 360 571 780

2018-2019 Finance Report

Contents

Finance Report

Directors Report

Your directors submit the financial report of Workspace Australia Limited for the financial year ended 30 June 2019.

Directors

The names of each person who has been a director during the year and to the date of this report are:

Michael Langdon
Jim Norris
Leon Scott
John Stewart
Matthew Driscoll
Henry Bleeck
Daryl Warren
Kylie Ovenden (Appointed 14/02/2019)
Bronwen Machin (Appointed 11/10/2018) – (Resigned 13/06/2019)
Elaine Murphy (Retired 11/10/2018)
Harold Kanost (Retired 11/10/2018)
Brian Gould (Resigned 11/10/2018)
Robin Taylor (Resigned 11/10/2018)
Matt Emond (Resigned 14/02/2019)

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

Principal Activities

The principal activities of the Company during the course of the financial year was to assist in the relief of poverty, suffering and misfortune through striving to obtain the following short-term and long-term objectives.

Short-term and Long-term Objectives

The company's short-term objectives are to:

Stimulate economic growth with the view of increasing employment opportunities

Create self-sustaining social enterprises, ventures and programs

Provide a platform for the transition of high quality, professional information and assistance to individuals seeking to obtain employment.

The Company's long-term objective is to:

Create opportunities for people who seek employment by providing skills training and other support through the establishment and operation of sustainable social enterprises, ventures and programs, thereby contributing to building a vibrant and sustainable community.

Finance Report

Directors Report (cont'd)

Strategies

To achieve its stated objectives, the company has adopted the following strategies:

The company strives to achieve and retain quality staff who are committed to working with individuals seeking to secure long-term sustainable employment. The directors consider that attracting and retaining quality staff is essential for the company to continue providing the services that it does, and critical to it achieving all of its short-term and long-term objectives.

The company establishes and fosters working partnerships with a range of community stakeholders. By actively encouraging and facilitating stakeholder involvement in the entity's activities, the company will be able to achieve its short-term and long-term objectives.

The company is committed to operating programs that support and empower those wishing to obtain employment by conducting the following activities:

Coaching	Education	Facilitation	Mentoring
Networking	Promotion	Social Enterprises	Training

Key Performance Measures

The company measures its own performance through the use of both qualitative and quantitative benchmarks. The benchmarks are used by the directors to assess the financial sustainability of the company and whether the company's short-term and long-term objectives are being achieved.

Directors use information on the number of employment outcomes achieved, as a basis to evaluate and monitor the success of operations.

Information on Directors

Dr Michael Langdon	Chairman	
	Qualifications	Ph.D., B.Ed., Dip. Bus; Dip.T; GradCert.Ed. Studies; GradDip.Ed. Admin; Dip. Company Directors MACE
	Date Appointed	16th December 2010
Mr Jim Norris	Vice Chairman	
	Qualifications	Studied Architecture at RMIT, Graduate Diploma in Community Planning and Development.
	Date Appointed	9th December 2004
Mr John Stewart	Treasurer	
	Qualifications	Bachelor of Commerce, Certified Practicing Accounting
	Date Appointed	16th October 2003
Mr Leon Scott	Secretary	
	Qualifications	Order of Australia Medal
	Date Appointed	2nd June 1998
Mr Matthew Driscoll	Promotion	
	Qualifications	Bachelor of Arts Degree, Graduate Diploma in Education, Graduate Diploma of Applied Finance, Graduate member of the Institute of Company Directors and a Senior Fellow of the Financial Services Institute of Australasia SF (FIN).
	Date Appointed	16th October 2003

Finance Report

Directors Report (cont'd)

Information on Directors (cont'd)

Cr Henry Bleeck	Director	
	Qualifications	Councillor, Macedon Ranges Shire Council
	Date Appointed	8th February 2018
Cr Daryl Warren	Director	
	Qualifications	Councillor, Buloke Shire Council
	Date Appointed	9th February 2017
Cr Bronwen Machin	Director	
	Qualifications	Councillor, Mount Alexander Shire Council
	Date Appointed	11th October 2018
	Date Resigned	13th June 2019
Ms Kylie Ovenden	Director	
	Qualifications	Representative, City of Greater Bendigo
	Date Appointed	14th February 2019
Dr Elaine Murphy	Director	
	Qualifications	Member of the Order of Australia. Doctor of Philosophy, University of Melbourne, Graduate School of Management. Master of Science, Loughborough University, U.K., Recreation Management. Bachelor of Commerce, University of Melbourne, Economics and Commerce. Trained Primary Teacher's Certificate, Melbourne Teachers' College. Diploma of Physical Education, University of Melbourne. Certificate IV in Workplace Training, Swinburne University.
	Date Appointed	21st January 1999
	Date Retired	11th October 2018
Mr Harold Kanost	Director	
	Qualifications	Bachelor of Science (Ceramic Engineering) 21st January 1999
	Date Appointed	21st January 1999
	Date Retired	11th October 2018
Mr Brian Gould	Director	
	Qualifications	Senior Management Federal, State and Local Government
	Date Appointed	12th October 2017
	Date Resigned	11th October 2018
Cr Robin Taylor	Director	
	Qualifications	Councillor, Mount Alexander Shire Council
	Date Appointed	8th December 2016
	Date Resigned	11th October 2018
Cr Matt Emond	Director	
	Qualifications	Councillor, City of Greater Bendigo
	Date Appointed	9th February 2017
	Date Resigned	14th February 2019

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Directors Report (cont'd)

Meeting of Directors

During the financial year 6 meetings of directors were held. Attendance by each director during the year were as follows:

	Director's Meetings	
	Number Eligible to Attend	Number Attended
Michael Langdon	6	6
Jim Norris	6	5
Leon Scott	6	6
John Stewart	6	5
Matthew Driscoll	6	4
Henry Bleeck	6	6
Daryl Warren	6	5
Kylie Ovenden (appointed 14 February 2019)	3	2
Bronwen Machin (appointed 11 October 2018) – (resigned 13 June 2019)	4	1
Elaine Murphy (retired 11 October 2018)	2	1
Harold Kanost (retired 11 October 2018)	2	0
Brian Gould (resigned 11 October 2018)	2	2
Robin Taylor (resigned 11 October 2018)	2	0
Matt Emond (resigned 14 February 2019)	3	2

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of $1 each towards meeting any outstanding obligations of the entity. At 30 June 2019, the total amount that members of the company are liable to contribute if the company is wound up is $13 (2018: $13).

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2019 has been received and can be found on page 26 of this report.

Signed in accordance with a resolution of the Board of Directors at Bendigo, Victoria on 4th October 2019.

Michael Langdon
Chairman

Leon Scott
Company Secretary

Finance Report

Statement of Comprehensive Income for the year ended 30 June 2019

	Notes	2019	2018
		$	$
Revenue	2	820,070	908,466
Depreciation expense	3	(58,152)	(67,990)
Employee expenses		(220,175)	(189,419)
Rental expenses		(137,106)	(145,111)
Utilities		(161,758)	(167,010)
Repairs and maintenance expense		(84,585)	(64,126)
Motor vehicle expenses		(8,206)	(10,368)
Insurance		(8,314)	(7,347)
Administration and other expenses from ordinary income activities		(132,902)	(96,183)
Current year surplus before income tax		**8,872**	**160,912**
Tax expense		-	-
Net Current year surplus		**8,872**	**160,912**
Other comprehensive income		-	-
Total comprehensive income for the year		**8,872**	**160,912**
Total comprehensive income attributable to members of the entity		**8,872**	**160,912**

The accompanying notes form part of these financial statements

Finance Report

Statement of Financial Position as at 30 June 2019

	Notes	2019	2018
Assets		$	$
Current Assets			
Cash and cash equivalents	4	5,821	89,398
Financial assets	7	224,533	974,008
Accounts receivable and other debtors	5	53,646	133,754
Other current assets	6	3,308	2,392
Total Current Assets		287,308	1,199,552
Non-Current Assets			
Property, plant and equipment	8	996,160	985,497
Total Non-Current Assets		996,160	985,497
Total Assets		1,283,468	2,185,049
Liabilities			
Current Liabilities			
Accounts payable and other payables	9	55,797	985,015
Employee benefits	11	26,063	27,353
Total Current Liabilities		81,860	1,012,368
Non-Current Liabilities			
Non-interest bearing liabilities	10	180,114	160,059
Total Non-Current Liabilities		180,114	160,059
Total Liabilities		261,974	1,172,427
Net Assets		1,021,494	1,012,622
Equity			
Retained surplus		577,458	568,586
Reserves		444,036	444,036
Total Equity		1,021,494	1,012,622

The accompanying notes form part of these financial statements

Finance Report

Statement of Changes in Equity for the year ended 30 June 2019

	Maintenance Reserve	Retained Surplus	Total Equity
	$	$	$
As at 30 June 2017	444,036	407,674	851,710
Surplus for the year attributable to members of the entity	-	160,912	160,912
As at 30 June 2018	444,036	568,586	1,012,622
As at 1 July 2018	444,036	568,586	1,012,622
Surplus for the year attributable to members of the entity	-	8,872	8,872
As at 30 June 2019	444,036	577,458	1,021,494

The accompanying notes form part of these financial statements

Finance Report

Statement of Cash Flows for the year ended 30 June 2019

	Notes	2019	2018
Cash Flow from/(to) Operating Activities		$	$
Cash receipts in the course of operations		972,492	931,345
Cash payments in the course of operations		(831,232)	(875,019)
Interest received		9,328	21,952
Interest expense		(3,825)	-
Net cash provided from/(to) Operating Activities	12	146,763	78,278
Cash Flow from/(to) Investing Activities			
Payments from property, plant and equipment		(979,815)	(1,103)
Purchase (proceeds of disposal) of investments		749,475	(21,951)
Net cash flow from/(to) Investing Activities		(230,340)	(23,054)
Net increase/(decrease) in cash held		(83,577)	55,224
Cash on hand at the beginning of the financial year		89,398	34,174
Cash at the end of the financial year	4	5,841	89,398

The accompanying notes form part of these financial statements

Notes to the Financial Statements for the year ended 30 June 2019

The financial statements cover Workspace Australia Limited as an individual entity, incorporated and domiciled in Australia. Workspace Australia Limited is a company limited by guarantee.
The financial statements were authorised for issue on the 4th October 2019 by the directors of the company

NOTE: 1. Summary of Significant Accounting Policies

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act* 2012 and Australian Accounting Standards Board. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied 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, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

(a) Revenue

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customer.

All revenue is stated net of the amount of goods and services tax (GST).

(b) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated, less, where applicable, accumulated depreciation and any impairment losses.

Plant and Equipment

Property, plant and equipment are measured on the cost basis less depreciation and any impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

In the event the carrying amount of plant and equipment is greater than the recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when the impairment indicators are present (refer to Note 1(e) for details on impairment).

Plant and equipment that have been contributed at no cost, or for nominal cost, are recognised at the fair value of the asset at the date it is acquired.

Notes to the Financial Statements for the year ended 30 June 2019

Note 1. Summary of significant accounting policies (continued)

(b) Property, plant and equipment (continued)

Depreciation

The depreciable amount of all fixed assets including buildings, is depreciated on a straight-line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Asset	Depreciation Rate
Buildings – Leasehold Improvements	9 – 10%
Buildings	2.5%
Plant and Equipment	15 – 44%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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 the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(c) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

(d) Financial instruments

Initial recognition and measurement

Financial assets are recognised when the entity becomes a party to the contractual provisions to the instrument. This is equivalent to the date that the company commits itself to either purchase or sell the asset, Financial instruments are initially measured at fair value plus transaction costs.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

The effective interest method is used to allocate interest income over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

Notes to the Financial Statements for the year ended 30 June 2019

Note 1. Summary of significant accounting policies (continued)

From 1 July 2018, the Company applies AASB9 and classifies all of its financial assets based on the business model for managing the assets and the assets contractual terms.

Categories of financial assets under AASB9:

- Financial assets at amortised cost

Financial assets are measured at amortised costs if both of the following criteria are met and the assets are not designated as fair value through net result:

- The assets are held by the Company to collect the contractual cash flows, and
- The assets are contractual terms give rise to cash flows that are solely payments of principal and interests

These assets are initially recognised at fair value plus any direct attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment. The Company recognises the following assets in this category:

- Cash and deposits;
- Receivables (excluding statutory receivables); and
- Term deposits

Impairment

The Company recognises a loss allowance for expected credit losses on:

- Financial assets that are measured at amortised cost or fair value through other comprehensive income

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Company uses the following approach to impairment, as applicable under AASB9:

- The simplified approach

Simplified approach

The simplified approach does not require tracking of changes in credit risk in every reporting period, but instead requires the recognition of lifetime expected credit loss at all times. This approach is applicable to trade receivables; and lease receivables. In measuring the expected credit loss, a provision matrix for trade receivables has been used, taking into consideration various data to get to an expected credit loss (i.e. diversity of its customer base, appropriate groupings of its historical loss experience, etc).

Recognition of expected credit losses in financial statements at each reporting date, the Company recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income. The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset. Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. An amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period. For financial assets that are unrecognised (e.g. loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

No provision has been raised as a result of the assessment under the simplified approach of AASB 9. This is due to a large proportion of activity being completed under lease arrangements where security deposits are held to offset any outstanding or doubtful debtors.

Notes to the Financial Statements for the year ended 30 June 2019

Note 1. Summary of significant accounting policies (continued)

(e) Impairment of non financial assets

At each reporting date, the company assesses whether there is any indication that an asset is impaired. Where an indicator of impairment exists, the company makes a formal estimate of the recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

(f) Employee Provisions

Short-term employee benefits

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages & salaries. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The company's obligation for short-term employee benefits such as wages, salaries and annual leave are recognised as part of Employee benefits in the statement of financial position.

Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred.

(g) Cash and Cash Equivalents

Cash and Cash Equivalents includes cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

(h) Accounts Receivable and Other Debtors

Account receivables and other debtors include amounts due from members as well as amounts receivable from customers for goods sold in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Accounts receivable are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(d) for further discussion on the determination of impairment losses.

(i) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

Notes to the Financial Statements for the year ended 30 June 2019

Note 1. Summary of significant accounting policies (continued)

(j) Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.

(k) Accounts Payable and Other Payables

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

(l) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

When the Company retrospectively applies and accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, a third statement of financial position as at the beginning of the preceding period, in addition to the minimum comparative financial statements, must be disclosed.

(m) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key estimates

- *Useful lives of property, plant and equipment*

As described in Note 1(b), the Company reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period.

Key judgements

- *Employee benefits*

For the purpose of measurement, AASB119: Employee Benefits defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. The Company expects most employees will take their annual leave entitlements within 24 months of the reporting period in which they were earned, but this will not have a material impact on the amounts recognised in respect of obligations for employees' leave entitlements.

Notes to the Financial Statements for the year ended 30 June 2019

Note 1. Summary of significant accounting policies (continued)

(n) New accounting standards for application in future periods

Australian Accounting Standards that have been recently issued or amended but not yet effective have not been adopted in the preparation of these financial statements. These changes have been assessed by Directors and determined the following:

Standard/Interpretation
AASB1058 Income for Not-For-Profit Entities and AASB2018-8 Amendments to Australian Accounting Standards – Right of Use Assets for Not-for-Profit entities.

Summary
This standard amends various other accounting standards to provide an option for not-for-profit entities to not apply their fair value initial measurement requirements to a class or classes of right of use assets arising under leases with significantly below-market terms and conditions principally to enable the entity to further its objectives. This standard also adds additional disclosure requirements to AASB16 for not-for-profit entities that elect to apply this option.

Applicable for annual reporting periods beginning on:

- 1 January 2019

Impact on Company Financial Statements
Under AASB1058, not-for-profit entities are required to measure right-of-use assets at fair value at initial recognition for leases that have significantly below-market terms and conditions.

For right-of-use assets arising under leases with significantly below market terms and conditions principally to enable the entity to further its objectives (peppercorn leases), AASB2018-8 provides a temporary option for Not-for-Profit entities to measure the initial recognition, a class or classes of right-of-use assets at cost rather than at fair value and requires disclosure of the adoption.

The Company has elected to apply the temporary option in AASB2018-8 for Not-for-Profit entities to not apply the fair value provisions under AASB1058 for these right of use assets. In making this election, the Company considered that the methodology of valuing peppercorn leases was still being developed.

Finance Report

Notes to the Financial Statements for the year ended 30 June 2019

Note 2: Revenue and Other Income

	2019	2018
	$	$
Operating Activities		
User Fees	817,917	884,328
Non-operating activities		
Interest Income	2,153	24,138
Total revenue	**820,070**	**908,466**

Note 3: Surplus for the Year

(a) Expenses

	2019	2018
Depreciation of non-current assets:		
Buildings – leasehold improvements	32,847	39,193
Fixtures & Fittings	3,638	3,449
Motor vehicles	21,667	25,348
Total depreciation of non-current assets	58,152	67,990
Audit fees	2,950	2,860

Note 4: Cash and cash equivalents

	2019	2018
Current		
cash at bank - unrestricted	57,440	89,398
Bank overdraft	(51,619)	
	5,821	**89,398**

Note 5: Accounts Receivable and Other Debtors

	2019	2018
Accounts receivable	51,708	124,641
Interest receivable	1,938	9,113
Total current accounts receivable and other debtors	**53,646**	**133,754**

The Company applies the simplified approach to providing for expected credit losses prescribed by AASB9, which permits the use of the lifetime expected loss provision for all accounts receivable. No provision was required under assessment of AASB9 as at 30 June 2019.

Notes to the Financial Statements for the year ended 30 June 2019

Note 5: Accounts Receivable and Other Debtors (continued)

(a) Company Risk

The Company has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The main source of credit risk to the entity is considered to relate to the class of assets described as "accounts receivable and other debtors".

The Company always measure the loss allowance for accounts receivables as an amount equal to lifetime expected credit loss. The expected credit losses on accounts receivable are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques used or significant assumptions made during the current reporting period.

The Company writes off an accounts receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery (e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings) or when the trade receivables are over two years past due, whichever occurs earlier. None of the accounts receivable that have been written off are subject to enforcement activities.

Note 6: Other Current Assets	2019	2018
	$	$
Prepayments	3,308	2,392
	3,308	**2,392**

Note 7: Financial Assets

Current		
Financial assets at amortised cost:		
investments in term deposits	224,533	974,008
	224,533	**974,008**

Notes to the Financial Statements for the year ended 30 June 2019

Note 8: Plant and Equipment	2019	2018
	$	$
Buildings – leasehold improvements		
328 Lyttleton Terrace, Bendigo		
At cost	42,627	42,627
Less accumulated depreciation	(42,627)	(42,627)
Net Carrying Amount	-	-
195 Upper Road, Eaglehawk		
At cost	559,080	559,080
Less accumulated depreciation	(559,080)	(559,080)
Net Carrying Amount	-	-
8 Sauer Road, New Gisborne		
At cost	368,481	368,481
Less accumulated depreciation	(368,481)	(366,004)
Net Carrying Amount	-	2,477
93 High Street, Maldon		
At cost	24,479	24,479
Less accumulated depreciation	(24,479)	(24,479)
Net Carrying Amount	-	
1 Halford Street, Castlemaine		
At cost	482,558	482,558
Less accumulated depreciation	(482,558)	(472,832)
Net Carrying Amount	-	9,726
1 Thompson Street, Dunolly		
At cost	147,322	147,322
Less accumulated depreciation	(147,322)	(147,322)
Net Carrying Amount	-	-
45 Mundy Street, Bendigo		
At cost	-	6,670
Less accumulated depreciation	-	(6,670)
Net Carrying Amount	-	-
Lot 41 Racecourse Road, Donald		
At cost	258,570	258,570
Less accumulated depreciation	(258,570)	(258,570)
Net Carrying Amount	-	-
Total Leasehold Improvements	-	12,203

Finance Report

Notes to the Financial Statements for the year ended 30 June 2019

Note 8: Plant and Equipment (continued)	2019	2018
	$	$
Fixtures and Fittings		
At cost	44,652	36,351
Less accumulated depreciation	(20,850)	(17,212)
Net Carrying Amount	23,802	19,139
Motor Vehicles		
At cost	86,666	86,666
Less accumulated depreciation	(64,177)	(42,511)
Net Carrying Amount	22,489	44,155
Buildings – King St		
At cost	970,513	910,000
Less accumulated depreciation	(20,644)	-
Net Carrying Amount	949,869	910,000
Total property, plant and equipment	**996,160**	**985,497**

Movements in Carrying Amounts

	Leasehold Improvements	Fixture & Fittings	Motor Vehicles	Buildings	Total
2018	$	$	$	$	$
Balance at beginning of the year	51,396	20,485	69,503	-	141,384
Additions	-	2,104	-	910,000	912,104
Disposals	-	-	-	-	-
Depreciation expense	(39,193)	(3,450)	(25,348)	-	(67,991)
Carrying amount at the end of year	12,203	19,139	44,155	910,000	985,497
2019					
Balance at beginning of the year	12,203	19,139	44,155	910,000	985,497
Additions	-	8,300	-	60,513	68,813
Disposals	-	-	-	-	-
Depreciation expense	(12,203)	(3,637)	(21,666)	(20,644)	(58,150)
Carrying amount at the end of year	-	23,802	22,489	949,869	996,160

Notes to the Financial Statements for the year ended 30 June 2019

Note 9: Accounts Payable and Other Payables

	2019	2018
	$	$
Accounts payable	55,797	985,015
	55,797	**985,015**

The average credit period on accounts payable and other payables (excluding GST payable) is two months. No interest is payable on outstanding payables during this period.

Note 10: Non-Interest-bearing liabilities

Security Deposits	180,114	160,059

Note 11: Employee Benefits

	Employee Provisions
	$
Opening balance at 1 July 2018	27,352
Additional provisions raised during the year	23,816
Amount Used	(25,105)
Balance at 30 June 2019	**26,063**

Analysis of employee provisions

Current:		
- annual leave entitlements	7,585	2,015
- long service leave entitlements	18,478	25,338
Total current employee provisions	**26,063**	**27,353**

Employee provisions

Employee provisions represent amounts accrued for annual leave and long service leave.

The current portion of this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the entity does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the entity does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

Notes to the Financial Statements for the year ended 30 June 2019

Note 12: Cash Flow Information	2019	2018
Reconciliation of Cash Flow from Operating Activities with Current Year Surplus	$	$
Net current year surplus after income tax	8,872	160,912
Non-cash flows		
Loss on sale of PP&E	-	
Depreciation of PP&E	58,152	67,990
Changes in assets and liabilities		
(Increase)/decrease in accounts receivable and other debtors	80,108	1,497
(Increase)/decrease in prepayments and other current assets	(916)	(5,707)
Increase/(decrease) in accounts payable and other payables	(18,219)	82,147
Increase/(decrease) in other liabilities	20,055	(19,609)
(Increase)/decrease in provisions	(1,289)	5,266
Net cash flows provided by operating activities	**146,763**	**73,867**

The Company has no credit standby or financing facilities in place. There were no non-cash financing or investing activities during the year.

Note 13: Operating lease commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements:

Payable – minimum lease payments		
No later than 12 months	145,555	174,740
Between 12 months and 5 years	142,637	274,238
Greater than 5 years	-	-
	288,192	**448,478**

The property leases are non-cancellable leases with terms up to twenty years. In 2012, Workspace Australia Ltd entered into a five-year lease agreement with Greater Bendigo City Council. They also received a financial grant from the council which is equivalent to the total rental payable during the term of the lease. An option for a further five years has now been taken up.

Notes to the Financial Statements for the year ended 30 June 2019

Note 14: Contingent Assets and Contingent Liabilities

Upon settlement of purchase of 118 King St property, the Company paid a sum of $57,515 to the State Revenue Office in relation to land tax payable on the property. The directors have applied to the State Revenue Office seeking an exemption under s74 of the Land Tax Act 2005 due to the Company's status as a registered charity under the ACNC. If successful in being granted an exemption, the full sum of land tax paid will be refunded to the Company.

There were no contingent assets or liabilities at the date of this report to affect the financial statements.

Note 15: Related Party Transactions

Each Council with lease arrangements with Workspace Australia Limited are offered a representative on the board of directors and are considered related parties of the Company. The following transactions have occurred during the financial year:

	Income $	Expenditure $
City of Greater Bendigo	145,000	154,016
Macedon Ranges Shire	-	19,208
Buloke Shire	-	2,894
Mount Alexander Shire	-	8,151

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

Note 16: Events after the Reporting Period

There have been no events after the end of financial year that would materially affect the financial statements.

Note 17: Entity Details

The registered office and principal place of business is: 118 King Street, Bendigo, Victoria 3550

Note 18: Members Guarantee

The company is incorporated under the Corporations Act 2001 and is a company limited by guarantee. If the company is wound up, the constitution states that each member is required to contribute a maximum of $1 each towards meeting any outstanding obligations of the entity. At 30 June 2019, the total amount that members of the company are liable to contribute if the company is wound up is $13 (2018: $13).

Notes to the Financial Statements for the year ended 30 June 2019

Note 19: Financial Risk Management

The company's financial instruments consist mainly of deposits with banks and local money market instruments, short-term investments, accounts receivable and payable (excluding statutory receivables and payables.

The totals for each category of financial instruments, measured in accordance with AASB9: Financial Instruments as detailed in the accounting policies to these financial statements, are as follows:

		2019	2018
Financial assets		$	$
Financial assets at amortised cost			
- Cash and cash equivalents	4	5,821	89,398
- Accounts receivable and other debtors	5	53,646	133,754
- Investments in fixed interest securities	7	224,533	974,008
- Other current assets	6	3,308	2,392
		287,308	1,199,552
Financial liabilities			
Financial liabilities at amortised cost:			
- Accounts payable and other payables	9	55,797	985,015
		55,797	985,015

Directors Declaration for the year ended 30 June 2019

In accordance with a resolution of the directors of Workspace Australia Limited, the directors of the Registered Company declare that, in the directors' opinion:

(a) the financial statements and notes of the company are in accordance with the Australian Charities and Not-for-profits Commission Act 2012

(i) comply with Australian Accounting Standards applicable to the Registered Company; and

(ii) Give a true and fair view of the financial position of the Registered Company as at the 30 June 2019 and its performance for the year ended on that date.

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Michael Langdon
Chairman

Leon Scott
Company Secretary

Signed on the 4th October 2019

Finance Report

Auditors Report

41A Breen Street
Bendigo, Victoria
PO Box 448, Bendigo, VIC, 3552

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF WORKSPACE AUSTRALIA LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Workspace Australia Limited, which comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information and the directors' declaration.

In our opinion the financial report of Workspace Australia Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the company's financial position as at 30 June 2019 and of its performance for the year then ended; and
(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

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 entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declarations required by the Corporations Act 2001, which has been given to the directors of Workspace Australia Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

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 statements which describes the basis of accounting. The financial report has been prepared as special purpose financial statements to fulfil the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for other purposes. Our audit opinion is not modified in respect of this matter.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2019 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, 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 the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001,* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibility 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

RSD Audit

P.P. Delahunty
Partner
Bendigo
Dated: 6 October 2019

Richmond Sinnott & Delahunty, trading as RSD Audit
ABN 60 616 244 309
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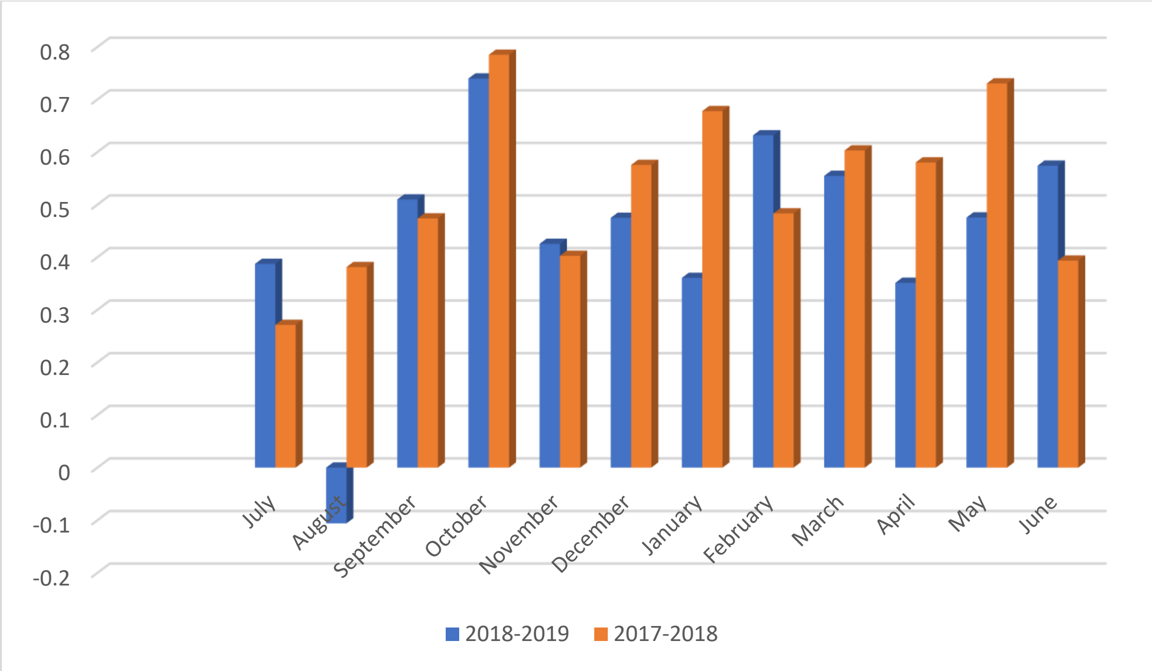
Finance Report

Gross Profit Margin



Finance Report

Operating Expense Ratio