

Work Connection Limited

PO Box 160
Cannonvale
Queensland 4802

Profit & Loss Statement

July 2018 To June 2019

ABN: 51 051 778 440

Email: accounts@workconnection.com.au

Income		
WCL Case Based Funding		\$575,902.53
Wage Subsidies & Grants		\$28,712.23
NDIS Funding		
NDIS Com&Social Particip Inc	\$330,302.13	
NDIS Financial Int Income	\$75,700.74	
NDIS Support Coord Income	\$22,597.78	
Total NDIS Funding		\$428,600.65
Rent Income		\$590.91
Insurance Payments		\$14,592.00
Interest		\$1,750.41
Total Income		\$1,050,148.73
Gross Profit		\$1,050,148.73
Expenses		
Accounting		\$4,536.00
Advertising		\$8,925.62
ASIC Fees		\$338.00
Audit Fees		\$11,805.19
Bank Charges		\$481.46
Cleaning / Waste Removal		\$1,336.93
Client Support Service		\$1,886.42
Clothing etc Support		\$989.79
Client Support - NDIS		-\$2,803.97
Computer Software		\$146.50
Computer Repairs		\$16,667.65
Conference and Training		\$6,826.36
Consultants		\$19,800.00
Depreciation		\$14,512.95
Donations		\$10.00
Discounts		
Electricity		\$6,400.25
Freight Charges		\$24.80
General Office Expenses		\$1,101.93
Insurance		\$3,838.12
Interest	\$984.46	
Jobstart Subsidy		\$32,909.07
Motor Vehicles		
Motor Vehicle Rep & Mntnce		\$14,591.11
Motor Vehicle Registration		\$4,794.90
Motor Vehicle Insurance		\$4,967.19
Motor Vehicle Fuel		\$12,703.57
Vehicle Tracking	\$900.00	
New Equipment	\$1,680.90	
Postage Charges		\$430.92
Rent		\$48,357.18
Repairs & Maintenance	\$3,326.82	
Stationery		\$6,253.94
Subscriptions/Fees/Licences		\$5,909.09
Telephone		\$19,187.32
Telephone System Lease		\$683.10
Travel & Entertainment		\$921.78

This report includes Year-End Adjustments and must be read in conjunction with the notes to the accounts.

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Employment Expenses		
Staff Amenities	\$1,834.92	
Staff Incentives	\$927.18	
Staff Uniforms	-\$325.00	
Superannuation	\$65,126.22	
Wages & Salaries	\$709,924.90	
Workers' Compensation	\$6,024.88	
Total Expenses		\$1,038,938.45
Operating Profit		\$11,210.28
Total Other Income		\$0.00
Total Other Expenses		\$0.00
Net Profit/(Loss)		\$11,210.28

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Balance Sheet

As of June 2019

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Assets		
Current Assets		
Cash On Hand		
Bendigo Working A/c	\$10,131.07	
Bendigo Savings a/c	\$14.76	
Bendigo Holding a/c	\$699.12	
NDIS Bendigo Working a/c	\$102,679.12	
NDIS Bendigo Savings a/c	\$116,174.27	
Suncorp Cheque Account	-\$34.80	
Suncorp Saver Account	\$25.39	
Undeposited Funds	\$40,725.27	
Petty Cash	\$490.00	
Total Cash On Hand		\$270,904.20
Total Current Assets		\$270,904.20
Other Assets		
Deposits Paid		\$27,603.95
Total Other Assets		\$27,603.95
Fixed Assets		
Office Equipment		
Office Equipment at Cost	\$7,474.80	
Total Office Equipment		\$7,474.80
Computer Equipment		
Computer Equipment Original Co	\$16,205.67	
Total Computer Equipment		\$16,205.67
Motor Vehicles		
Vehicles at Cost	\$9,454.20	
Total Motor Vehicles		\$9,454.20
Vehicles at Cost 2012 and 2013		\$22,157.72
Total Fixed Assets		\$55,292.39
Total Assets		\$353,800.54
Liabilities		
Current Liabilities		
Trade Creditors		\$35,692.63
GST Liabilities		
GST Collected	\$16,362.68	
GST Paid	-\$5,256.25	
Total GST Liabilities		\$11,106.43
Payroll Liabilities		
PAYG Withholding	\$5,870.91	
Superannuation	-\$0.01	
Provision for Long Service Lea	\$24,104.74	
Total Payroll Liabilities		\$29,975.64
Macquarie Pacific Funding		\$4,776.52
Total Current Liabilities		\$81,551.22
Total Liabilities		\$81,551.22
Net Assets		\$272,249.32
Equity		
Retained Earnings		-\$27,098.60

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Balance Sheet

As of June 2019

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Current Year Earnings	\$11,210.28
Historical Balancing	\$288,137.64
Total Equity	\$272,249.32

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Statement of Cash Flow

July 2018 To June 2019

ABN: 51 051 778 440

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Cash Flow from Operating Activities

Net Income **\$11,210.28**

Deposits Paid	\$4,505.41
Office Equipment at Cost	\$5,540.12
Computer Equipment Original Co	-\$16,205.67
Vehicles at Cost	\$2,181.73
Vehicles at Cost 2012 and 2013	\$12,310.22
Trade Creditors	\$22,902.46
GST Collected	-\$16,356.60
GST Paid	\$6,134.90
PAYG Withholding	-\$5,846.42
Child Support	-\$35.26
Garnishee Order	-\$50.00
Provision for Long Service Lea	-\$8,250.00
Macquarie Pacific Funding	\$182.82

Net Cash Flow from Operating Activities **\$18,223.99**

Cash Flow from Investing Activities

Net Cash Flow from Investing Activities **\$0.00**

Cash Flow from Financing Activities

Retained Earnings	\$304,992.64
Historical Balancing	-\$304,992.64

Net Cash Flow from Financing Activities **\$0.00**

Net Increase/Decrease for the period **\$18,223.99**

Cash at the Beginning of the period **\$252,680.21**

Cash at the End of the period **\$270,904.20**

This report includes Year-End Adjustments and must be read in conjunction with the notes to the accounts.

JOB P&L - WCL
Profit & Loss Statement
July 2018 To June 2019

	TOTAL	
Income		
WCL Case Based Funding	\$575,902.53	
Wage Subsidies & Grants	\$26,237.23	
Rent Income	\$590.91	
Insurance Payments	\$14,592.00	
Interest	\$875.21	
Total Income/Gross Profit	\$618,197.88	
Expenses		
Accounting	\$2,268.00	
Advertising	\$2,994.19	
ASIC Fees	\$338.00	
Audit Fees	\$11,805.19	
Bank Charges	\$240.83	
Cleaning / Waste Removal	\$764.89	
Client Support Service	\$1,886.42	
Clothing etc Support	\$989.79	
Client Support - NDIS	\$0.00	
Computer Software	\$73.25	
Computer Repairs	\$12,509.42	
Conference and Training	\$5,468.79	
Consultants	\$9,900.00	
Depreciation	\$14,512.95	
Donations	\$10.00	
Electricity	\$3,226.24	
Freight Charges	\$24.80	
General Office Expenses	\$550.97	
Insurance	\$2,691.54	
Interest	\$742.81	
Jobstart Subsidy	\$32,909.07	
Motor Vehicle Rep & Mntnce	\$11,100.57	
Motor Vehicle Registration	\$3,596.49	
Motor Vehicle Insurance	\$3,265.26	
Motor Vehicle Fuel	\$6,391.21	
Vehicle Tracking	\$677.50	
New Equipment	\$1,596.64	
Postage Charges	\$430.92	
Rent	\$41,819.51	
Repairs & Maintenance	\$3,326.82	
Stationery	\$3,111.62	
Subscriptions/Fees/Licences	\$5,110.38	
Telephone	\$3,066.05	
Telephone System Lease	\$569.25	
Travel & Entertainment	\$921.78	
Employment Expenses		
Staff Amenities	\$1,834.92	
Staff Incentives	\$927.18	
Staff Uniforms	(\$473.50)	
Superannuation	\$36,536.35	
Wages & Salaries	\$392,451.71	
Workers' Compensation	\$3,635.00	
Total Expenses	\$623,802.81	
Operating Profit		(\$5,604.93)
Net Profit/(Loss)		(\$5,604.93)

JOB P&L - NDIS
Profit & Loss Statement
July 2018 To June 2019

	TOTAL	
Income		
Wage Subsidies & Grants		\$2,475.00
NDIS Com&Social Particip Inc	\$330,302.13	
NDIS Financial Int Income	\$75,700.74	
NDIS Support Coord Income	\$22,597.78	
Total NDIS Funding		\$428,600.65
Interest		\$875.20
Total Income/Gross Profit		\$431,950.85
Expenses		
Accounting		\$2,268.00
Advertising		\$5,931.43
ASIC Fees		\$0.00
Audit Fees		\$0.00
Bank Charges		\$240.63
Cleaning / Waste Removal		\$572.04
Client Support Service		\$0.00
Clothing etc Support		\$0.00
Client Support - NDIS		(\$2,803.97)
Computer Software		\$73.25
Computer Repairs		\$4,158.23
Conference and Training		\$1,357.57
Consultants		\$9,900.00
Depreciation		\$0.00
Donations		\$0.00
Electricity		\$3,174.01
Freight Charges		\$0.00
General Office Expenses		\$550.96
Insurance		\$1,146.58
Interest		\$241.65
Jobstart Subsidy		\$0.00
Motor Vehicle Rep & Mntnce		\$3,490.54
Motor Vehicle Registration		\$1,198.41
Motor Vehicle Insurance		\$1,701.93
Motor Vehicle Fuel		\$6,312.36
Vehicle Tracking		\$222.50
New Equipment		\$84.26
Postage Charges		\$0.00
Rent		\$6,537.67
Repairs & Maintenance		
Stationery		\$3,142.32
Subscriptions/Fees/Licences		\$798.71
Telephone		\$16,121.27
Telephone System Lease		\$113.85
Travel & Entertainment		\$0.00
Employment Expenses		
Staff Amenities		
Staff Incentives		
Staff Uniforms		\$148.50
Superannuation		\$28,589.87
Wages & Salaries		\$317,473.19
Workers' Compensation		\$2,389.88
Total Expenses		\$415,135.64
Operating Profit		\$16,815.21
Net Profit/(Loss)		\$16,815.21

WORK CONNECTION LIMITED
NOTES TO AND FORMING PART OF THE ACCOUNTS
For the Year Ended 30 June 2019

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report is a special purpose financial report prepared in order to satisfy the financial reporting requirements of the Associations Incorporation Act. The committee has determined that the association is not a reporting entity.

The Committee has determined that the association is not a reporting entity as defined in Statement of Accounting Concepts 1: Definition of the Reporting Entity, and therefore there is no requirement to apply accounting standards in the preparation of these financial statements.

No regard has been paid to the application of Australian Accounting Standards, Urgent Issues Group Consensus Views or other authoritative pronouncements of the Australian Accounting Standards Board except where specifically stated.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values, or except where specially stated, current valuations of non-current assets.

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report.

(a) Basis of Accounting

The accounts have been prepared on the basis of historical costs, and except where stated, do not take into account current valuations of Non-Current Assets.

(b) Income Tax

The Association, as a community service organisation is exempt from income tax under section 23(g)(v) of the Income Tax Assessment Act.

(c) Depreciation of Fixed Assets

Fixed Assets are depreciated over their estimated useful life.

(d) Cash-Flows

A Cash-flow statement has been included with the Financial Statements of the Association.

(e) Financial Instruments

Disclosures have not been made in regards to financial instruments other than their appearance in the balance sheet at their carrying values.

NOTE 2 - MORTGAGES, CHARGES AND SECURITIES

There were no Mortgages, Charges or Securities in existence at 30 June 2019.

NOTE 3 – EMPLOYEE ENTITLEMENTS

There is a Provision for Long Service Leave reported at 30 June 2019 that relates to an employee who left during the year. The payout of this provision was reduced by the value of the motor vehicle being \$8,250, that was taken by the former employee however the final payout of employee entitlements remains in dispute.

NOTE 4 – RELATED PARTY TRANSACTIONS

As per the Committee Representation Letter, no transactions took place during the year with related party. The Committee is aware of its obligations to report any dealings with Related Parties.

NOTE 5 – HISTORICAL BALANCING ACCOUNT

The Historical Balancing Account was reconciled during the year and was recognized as Retained Earnings. The Historical Balancing Account was journaled to Retained Earnings to reflect the true nature of the account.

WORK CONNECTION LIMITED

ABN: 51 051 778 440

DIRECTOR'S REPORT

The directors present their report and audited financial statements for the year ended 30 June 2019.

Activities and business overview

Work Connection Limited's principal activities during 2019 were job placement, job search and on-the-job support, specifically for people with disabilities and is also a NDIS registered provider. Work Connection Ltd provides multiple services in relation to a client's NDIS plan including Plan Management, Support Coordination, Daily Activities and Community Access.

Significant changes and events affecting the Organisation during 2019 have been:

- A previous Director resigned in January 2018. There is currently a dispute in regards to their long service leave payout. One of the cars was taken has been used to reduce in part the long service entitlement.

Auditors

The auditors of Work Connections Limited, Accountancy Plus Whitsundays, have indicated their willingness to continue with their position as auditors of Work Connections Limited.

The Directors' report is made in accordance with a resolution of the board.

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Director

Date:

WORK CONNECTION LIMITED

ABN: 51 051 778 440

DIRECTOR'S DECLARATION

The directors have determined that this special purpose financial report should be prepared in accordance with the accounting policies outlines in Note 1 to the financial statements.

The directors of the company hereby declare that:

The accompanying financial statements and notes of the company as at 30 June 2019;

- a) Present a true and fair view of the company's financial position as at 30 June 2019 and its performance for the year ended on that date in accordance with the accounting policies as described in Note 1 of the financial statements.
- b) Comply with Australian Accounting Standards as detailed in Note 1 of the financial statements and the Corporation Act.
- c) There are reasonable grounds to believe that the company will be able to meet its debt as and when they become payable.

This declaration is made in accordance with a resolution of the Board of Directors

.....

Director

Date:

Independent Audit Report

To the Committee of Work Connection Limited,

Scope

We have audited the accompanying financial report, being a special purpose financial report, of Work Connection Limited which comprises the committee's report, statement of financial position as at 30 June 2019 and the statement of profit or loss for the year then ended, notes comprising a summary of significant accounting policies and other explanatory notes.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with our understanding of the association's financial position, and performance as represented by the results of its operations and its cash flows.

Committee's Responsibility for the Financial Report

The Committee of Work Connection Limited is responsible for the preparation and fair presentation of the financial report in accordance Australian Accounting Standards and ASIC and for such internal control as the committee determines is necessary to enable the preparation and fair presentation of a financial report that is free of material misstatement, whether due to fraud or error.

In preparing the financial report, the committee is responsible for assessing the association'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 committee either intends to liquidate the association or to cease operations, or has 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 the 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 the 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 controls 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 association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee.
- Conclude on the appropriateness of the committee's 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 association'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 association 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.

We communicate with the committee 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.

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

Independence

In conducting our audit, we have complied with applicable independence requirements of Australian professional ethical pronouncements.

The audit opinion expressed in this report has been formed in accordance with the above.

Basis for the Qualified Opinion

No physical confirmation has occurred as to the accuracy of the Asset Register, therefore, reliance has been placed on the association's accounting records and Committee's Representation to confirm the accuracy of the Asset Register.

No audit has been undertaken to substantiate the wages and payroll activities, reliance was placed on the Committee's representation letter where it is stated that they are confident wages are being paid in accordance to the appropriate awards.

No audit has been undertaken on the NDIS Inflows and Outflows, as there are strict government protocols in place which manages the NDIS system. The NDIS have their own controls in place requiring sufficient evidence prior to making any payments for reimbursements and provision of services and therefore this has been relied upon when reviewing the financials.

No opinion can be expressed as to the accuracy of the Petty Cash System nor has the petty cash tin been counted.

Part of the income derived by the organisation is of a nature, that full control of receipts cannot be maintained until amounts are physically recorded through the organisation's accounting system. As there are no practical audit procedures to quantify the effect of this we are unable to express an opinion on receipts prior to those transaction being recorded.

Qualified Audit Opinion

In our opinion, except for the effects on the financial report of the matters referred to in the qualification paragraphs, the financial report of Work Connection Limited presents fairly, in all material respects the financial position as of 30 June 2019 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements, and the requirements of the Australian Accounting Standards and ASIC.

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 to assist Work Connection Limited to meet the requirements of the Australian Accounting Standards and ASIC. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.



Clive Henley

Registered Company Auditor

Date: 28/10/19