

19 September 2018

Work Connections Limited
PO Box 160
CANNONVALE QLD 4802

Dear Committee,

Re: Engagement of our Services

Scope

You have requested that we audit the financial reports of the Work Connections Limited for the year ending 30 June 2018. Mr Clive Henley will be appointed as your Registered Company Auditor and we are pleased to confirm our acceptance and our understanding of this engagement by means of this letter. Our audit will be conducted pursuant to the Australian Accounting and Auditing Standards and other mandatory professional reporting requirements with the objective of expressing an opinion on the financial report.

We will conduct our audit in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. Our procedures will include 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 will be undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Australian accounting standards and other mandatory professional reporting requirements so as to present a view which is consistent with our understanding of the Work Connections Limited financial position, the results of its operations and its cash flows to the members of the Committee.

The work undertaken by us to form an opinion involves judgement, in particular regarding the nature, timing and extent of the audit procedures for gathering of audit evidence and the drawing of conclusions based on the audit evidence gathered. In addition, there are inherent limitations in any audit, and these include the use of testing, the inherent limitations of any internal control structure, the possibility of collusion and the fact that most audit evidence is persuasive rather than conclusive. As a result, our audit can only provide reasonable – not absolute – assurance that the financial report is free of material misstatement.

I will disclaim any assumption of responsibility for any reliance on the report or on the financial statements to which the report will relate, to any person other than the members, or for any purpose other than that for which it will be prepared. In addition to our report on the financial report, we expect to provide you with a separate letter concerning any material weaknesses in the internal control structure that come to our notice.

We remind you that the responsibility for the preparation of the financial report, including adequate disclosure, is that of the governing body Work Connections Limited. This includes the maintenance of adequate accounting records and internal control structure, the selection and application of accounting policies, and the safeguarding of the assets of Work Connections Limited. As part of our audit process, we will request from management written confirmation concerning representations made to us in connection with the audit.

The conduct of our audit in accordance with Australian Auditing Standards means that information acquired by us in the course of our audit is subject to strict confidentiality requirements. Information will not be disclosed by us to other parties except as required or allowed for by law or professional standards, or with your express consent. Our audit files may, however, be subject to review as part of the quality control review program of CPA Australia which monitors compliance with professional standards by its members. We advise you that by signing this letter you acknowledge that, if requested, our audit files relating to this audit will be made available under this program. Should this occur, we will advise you. The same strict confidentiality requirements apply under this program as apply to us as your auditor.

Any additional services or advice that you request are not included in the audit aspect of your fee. These services will be charged on the basis of the time and degree of skill and acumen required to complete the task undertaken by us, including any direct out of pocket expenses.

Our approach

As accountants and business advisers we like to work closely with our clients in order to add value to their business. Responsibility for this file will be with Christene Devery. Work may also be undertaken by other members of the accounting team subject to requirements.

Involvement of Others

Where, as part of our engagement, the services of an external consultant or expert are required, an estimated cost and timeframe and involvement will be provided to you for your approval.

Confidentiality

We will not disclose any information relating to your affairs to any third party without your consent, unless required by law. You may provide us with permission to disclose your confidential information in certain circumstances. If you do so, we will have permission to disclose the relevant information accordingly.

Ownership of Documents

The final Financial Statements, Audit Report and any other documents which we are specifically engaged to prepare, together with any original documents given to us by you, shall be the property of you. Any other documents brought into existence by us including general journals, working papers, the general ledger and draft financial statements will remain our property at all times.

Lien on Documents

In relation to any subsequent termination of our services, you are advised that we shall be entitled to retain all documents belonging to you and any related parties we act for until payment is received in full for all outstanding fees.

Period of Engagement

The first period for which we will be responsible is the audit start date of the period beginning 1 July 2017. We will not deal with earlier periods unless you specifically ask us to do so and we agree.

This engagement document will be effective for future years unless we issue an amended one to you.

Limitation of Liability

Our liability is limited by a scheme approved under Professional Standards Legislation. Further information on the scheme is available from the Professional Standards Councils' website:

<http://www.professionalstandardscouncil.gov.au>.

Fees

Our fees, which will be billed as work progresses, are based on the time required by the individuals assigned to the engagement plus direct out-of-pocket expenses. Any additional fee for an additional service not covered in the scope of this engagement will be the subject of a separate engagement letter under separate fee arrangements.

Accounts for services provided will be forwarded to you as work in progress. Payment of any account is required to be made within 14 days, unless special alternative arrangements are made with us prior to the due date.

Acceptance of these terms

We hereby acknowledge that the engagement letter dated 19 September 2018 is in accordance with our understanding of the arrangements for the audit of Work Connections Limited financial statements. Signed for and on behalf of the Committee by:

Executed by: _____
Signature

Name

We are delighted to have the opportunity to work with you and we look forward to a long and mutually beneficial association. In working with you we will endeavour to take a proactive role and raise with you from time to time any issues that we may consider relevant to your business.

We would also encourage you to contact us throughout the year if any issues arise where you need our general advice or comment. By maintaining regular contact, we should maximise the value we deliver to you and at the same time address any issues that may exist while they are current.

Should you require further information or assistance then please do not hesitate to contact our office.

Yours sincerely

Accountancy Plus Whitsunday Pty Ltd



Christene Devery, B. Bus (Acc), FCPA, DIP FP
Director

Independent Audit Report

To the members of Work Connections Limited,

We have audited the accompanying financial report of Work Connections Limited, which comprises the statement of financial position as at 30 June 2018, and the statement of comprehensive income for the year then ended, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Committee assertion statement.

The Committee's responsibility for the financial report

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

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report whether due to fraud or error. In making those assessment, the auditor considers internal control relevant to the Associations preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Committee, as well as evaluating the overall presentation of the financial report.

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 the independence requirements of the Australian professional accounting bodies.

Qualifications

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.

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 physical assets have been sighted nor has the petty cash tin been counted.

No minutes were provided, thus no opinion can be expressed as to the financial matters raised during the meetings and the accuracy of the execution by the CEO and the finance team.

Opinion

In our opinion, the financial report of Work Connections Limited presents fairly, in all material respects the Work Connections Limited financial position as at 30 June 2018, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and ASIC.



Clive Henley

Registered Company Auditor

Date: 24/10/2018

Profit & Loss Statement

July 2017 To June 2018

ABN: 51 051 778 440

Email: accounts@workconnection.com.au

Income		
Case Based Funding		\$667,904.93
Miscellaneous Income		\$37,385.98
Total Income		\$705,290.91
Gross Profit		\$705,290.91
Expenses		
Accounting		\$4,518.45
Advertising		\$5,729.27
Audit Fees		\$14,606.41
Bank Charges		\$440.63
Book Keeping Fees		\$3,559.09
Cleaning		\$641.69
Client Support Service		\$10,261.00
Clothing etc Support		\$354.81
Computer Hardware		\$2,438.16
Computer Software		\$51.99
Computer Repairs		\$17,173.65
Conference and Training		\$675.45
Consultants		\$5,300.00
Depreciation		\$31,042.69
Directors Costs		\$260.14
Discounts		
Electricity		\$5,300.67
General Office Expenses		\$5,105.89
GST & PAYG Rounding	-\$3.19	
Insurance		\$8,143.24
Interest	\$691.85	
Total Discounts		\$688.66
Jobstart Subsidy		\$24,155.95
Legal Fees		\$55,861.32
Motor Vehicles		
Motor Vehicle Rep & Mntnce		\$8,490.66
Motor Vehicle Registration		\$3,481.25
Motor Vehicle Insurance		\$3,145.76
Motor Vehicle Fuel		\$10,508.47
Vehicle Tracking	\$1,080.00	
New Equipment	\$1,725.91	
Office Supplies		\$134.55
Postage Charges		\$561.82
Rent		\$52,924.75
Stationery		\$3,821.07
Subscriptions		\$364.04
Telephone		\$17,827.69
Training Subsidy		\$4,174.73
Travel & Entertainment		\$1,312.20
Employment Expenses		
Staff Amenities	\$2,316.54	
Staff FBT	\$5,870.98	
Staff Incentives	\$1,900.00	
Staff Uniforms	\$1,122.50	
Superannuation	\$52,790.72	

This report includes Year-End Adjustments.

Profit & Loss Statement

July 2017 To June 2018

Wages & Salaries	\$574,341.21	
Workers' Compensation	\$4,103.83	
Other Employer Expenses	\$3,173.81	
Wages reimbursed from WLO	-\$115,286.16	
Total Expenses		\$836,195.49
Operating Profit		-\$130,904.58
Other Income		
Work Connection Interest Rec'd		\$999.04
Total Other Income		\$999.04
Total Other Expenses		\$0.00
Net Profit/(Loss)		-\$129,905.54

This report includes Year-End Adjustments.

ABN: 51 051 778 440

Profit & Loss Statement

Income		
Com & Social Particip Income		\$352,705.96
Financial Intermediary Income		\$22,118.13
Support Coordination Income		\$4,035.31
Interest		\$31.09
Total Income		\$378,890.49
Gross Profit		\$378,890.49
Expenses		
General Expenses		
Client Support	\$134,739.50	
General Repairs & Maintenance	\$45.00	
Total General Expenses		\$134,784.50
Payroll Expenses		
Wages & Salaries Expenses	\$115,286.16	
Director's Fees	\$19.30	
Total Payroll Expenses		\$115,305.46
Total Expenses		\$250,089.96
Operating Profit		\$128,800.53
Total Other Income		\$0.00
Total Other Expenses		\$0.00
Net Profit/(Loss)		\$128,800.53

Balance Sheet

As of June 2018

Assets**Current Assets****Bank Accounts**

lifestyle Options	\$11,316.77
Bendigo - NDIS Working a/c	\$52,834.40
Bendigo - NDIS Savings A/c	\$98,093.39

Total Bank Accounts	\$162,244.56
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Total Current Assets	\$162,244.56
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Total Assets	\$162,244.56
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Liabilities**Current Liabilities****GST Liabilities**

GST Collected	\$37.27
GST Paid	-\$39.16

Total GST Liabilities	-\$1.89
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Other Current Liabilities

Trade Creditors	-\$149.80
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Total Other Current Liabilities	-\$149.80
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Total Current Liabilities	-\$151.69
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Total Liabilities	-\$151.69
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Net Assets	\$162,396.25
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Equity

Retained Earnings	\$33,595.72
Current Year Earnings	\$128,800.53

Total Equity	\$162,396.25
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This report includes Year-End Adjustments.

Balance Sheet

As of June 2018

ABN: 51 051 778 440

Email: accounts@workconnection.com.au

Assets**Current Assets****Cash On Hand**

Bendigo Working A/c	\$17,404.51
Bendigo Savings a/c	\$10,000.00
Bendigo Holding a/c	\$15,008.63
CBA WCL Society Account	\$28,004.42
Suncorp Cheque Account	\$11,190.19
Suncorp Saver Account	\$8,323.90
Petty Cash	\$490.00

Total Cash On Hand	\$90,421.65
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Total Current Assets	\$90,421.65
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Other Assets

Deposits Paid	\$32,109.36
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Total Other Assets	\$32,109.36
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Fixed Assets**Office Equipment**

Office Equipment at Cost	\$13,014.92
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Total Office Equipment	\$13,014.92
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Motor Vehicles

Vehicles at Cost	\$11,635.93
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Total Motor Vehicles	\$11,635.93
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Vehicles at Cost 2012 and 2013	\$34,467.94
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Total Fixed Assets	\$59,118.79
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Total Assets	\$181,649.80
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Liabilities**Current Liabilities****Trade Creditors**

\$12,691.17

GST Liabilities

GST Collected	\$16,360.28
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GST Paid	-\$6,022.15
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Total GST Liabilities	\$10,338.13
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Payroll Liabilities

PAYG Withholding	\$5,861.33
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Superannuation	-\$0.01
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Child Support	\$35.26
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Garnishee Order	\$50.00
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Provision for Long Service Lea	\$32,354.74
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Total Payroll Liabilities	\$38,301.32
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Macquarie Pacific Funding	\$4,593.70
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Total Current Liabilities	\$65,924.32
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Total Liabilities	\$65,924.32
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Net Assets	\$115,725.48
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Equity

Retained Earnings	\$102,896.94
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Current Year Earnings	-\$129,905.54
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Historical Balancing	\$142,734.08
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Total Equity	\$115,725.48
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This report includes Year-End Adjustments.

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Work Connection Limited

PO Box 160
Cannonvale
Queensland 4802

Balance Sheet

As of June 2018

ABN: 51 051 778 440

Email: accounts@workconnection.com.au

This report includes Year-End Adjustments.

WORK CONNECTION LIMITED
NOTES TO AND FORMING PART OF THE ACCOUNTS
For the Year Ended 30 June 2018

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. The depreciation for 2017 was not posted in the accounts last year and has therefore been included in the accounts as at 30 June 2018.

(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 2018.

These notes must be read in conjunction with the Auditor's Report.

NOTE 3 – EMPLOYEE ENTITLEMENTS

There is a Provision for Long Service Leave reported at 30 June 2018 that relates to an employee who left during the year. The payout of this provision is to be reduced by the value of the motor vehicle that was taken by the former employee however the payout remains in dispute.

NOTE 4 – RELATED PARTY TRANSACTIONS

The Committee are aware that there are regular payments made to a related party for Computer Repairs during the year.

NOTE 5 – LEGAL COSTS

There are significant extra-ordinary legal costs during the year as a result of an industrial relations matter.

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 2018.

Activities and business overview

Work Connections Limited principal activities during 2018 were job placement, job search and on-the-job support, specifically for people with disabilities.

Significant changes and events affecting the Organisation during 2018 have been:

- The Department of Social Services (DSS), have limited the types of resources our organisation can reimburse or purchase for our clients. Overall this has resulted in less spending in 'Client Support Services' by our organisation.
- The Organisation during the year has incurred higher 'Staff Training and Development' costs. This was required due to new changes implemented in the DSS system.
- The 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 which was to be settled with any long service owed.

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 2018;

- a) Present a true and fair view of the company's financial position as at 30 June 2018 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

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Director