

**DIRECTIONS WORKFORCE SOLUTIONS
INCORPORATED**

ABN 18 046 791 543

**Special Purpose Financial Report
For the year ended 30 June 2021**

CONTENTS

Board Report	1
Statement of Profit or Loss and Other Comprehensive Income	2
Statement of Financial Position	3
Statement of Changes in Equity	4
Statement of Cash Flows	5
Notes to the Financial Statements	6
Statement by the Board	17
Auditors' independence report	18
Auditors' report	19

Directions Workforce Solutions Incorporated
Board Report
For the year ended 30 June 2021

Your Board submits the financial report of Directions Workforce Solutions Incorporated for the financial year ended 30 June 2021.

Board Members:

The names of board members throughout the year and at the date of this report are as follows:

Paul Tomlinson
Wendy Newman
Pamela l'Anson
Luke Buttersfield (resigned 13 Oct 2021)
Chris Antonio
Andrew Knapp
Rebecca McCall
Elise Wood

Secretary: Chris Antonio

Principal activities

The principal activities of the Association during the financial year were to provide training and employment services to people in the Wheatbelt and Perth Metropolitan areas.

Operating results

The amount of the surplus for the financial year amounted to \$1,471,534 (2020: \$715,909).

On behalf of the Board



Paul Tomlinson

17 November 2021

Directions Workforce Solutions Incorporated
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2021

	Note	2021 \$	2020 \$
Revenue	3	9,689,412	10,190,001
Expenses			
Salaries and wages	4	(7,106,034)	(7,976,210)
Depreciation expense	4	(138,468)	(124,256)
Impairment expense		-	(302,417)
Other expenses		(973,376)	(1,071,209)
Surplus for the year		<u>1,471,534</u>	<u>715,909</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u><u>1,471,534</u></u>	<u><u>715,909</u></u>

The accompanying notes form part of these financial statements.

Directions Workforce Solutions Incorporated
Statement of Financial Position
For the year ended 30 June 2021

	Note	2021 \$	2020 \$
CURRENT ASSETS			
Cash and cash equivalents	5	3,400,596	1,914,593
Trade and other receivables	6	1,051,554	899,797
TOTAL CURRENT ASSETS		<u>4,452,150</u>	<u>2,814,390</u>
NON-CURRENT ASSETS			
Property, plant and equipment	7	2,286,936	2,242,806
Right of use assets		88,095	112,451
TOTAL NON-CURRENT ASSETS		<u>2,375,031</u>	<u>2,355,257</u>
TOTAL ASSETS		<u>6,827,181</u>	<u>5,169,647</u>
CURRENT LIABILITIES			
Trade and other payables	8	715,682	536,696
Borrowings	9	64,441	71,098
Employee benefits	10	358,917	250,220
Lease liabilities		24,835	24,890
TOTAL CURRENT LIABILITIES		<u>1,163,875</u>	<u>882,904</u>
NON-CURRENT LIABILITIES			
Borrowings	9	49,984	128,377
Employee benefits	10	29,229	22,971
Lease liabilities		66,247	89,083
TOTAL NON-CURRENT LIABILITIES		<u>145,460</u>	<u>240,431</u>
TOTAL LIABILITIES		<u>1,309,335</u>	<u>1,123,335</u>
NET ASSETS		<u>5,517,846</u>	<u>4,046,312</u>
MEMBERS' FUND			
Accumulated surplus	11	4,813,766	3,622,232
Reserves	12	704,080	424,080
TOTAL EQUITY		<u>5,517,846</u>	<u>4,046,312</u>

The accompanying notes form part of these financial statements.

Directions Workforce Solutions Incorporated
Statement of Changes in Equity
For the year ended 30 June 2021

	Accumulated Surplus \$	Charity Reserve \$	Workers Comp Reserve \$	Revaluation Reserve \$	Total Equity \$
Balance at 1 July 2019	2,906,323	-	-	424,080	3,330,403
Surplus for the year	715,909	-	-	-	715,909
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	715,909	-	-	-	715,909
Balance at 30 June 2020	3,622,232	-	-	424,080	4,046,312
Balance at 1 July 2020	3,622,232	-	-	424,080	4,046,312
Surplus for the year	1,471,534	-	-	-	1,471,534
<i>Other comprehensive income</i>	-	-	-	-	-
Total comprehensive income for the year	1,471,534	-	-	-	1,471,534
Transfers	(280,000)	200,000	80,000	-	-
Balance at 30 June 2021	4,813,766	200,000	80,000	424,080	5,517,846

Directions Workforce Solutions Incorporated
Statement of Cash Flows
For the year ended 30 June 2021

	Note	2021	2020
		\$	\$
Cash flows from operating activities			
Receipts from customers		6,174,567	7,536,595
Payments to suppliers and employees		(8,153,390)	(9,644,517)
		(1,978,823)	(2,107,922)
Interest received		8,614	8,222
Other income		2,166,789	1,166,507
Grant income		1,561,136	1,536,022
Net cash from operating activities	13	1,757,716	602,829
Cash flows from investing activities			
Proceeds from disposal of plant and equipment		28,000	54,000
Payments for plant and equipment		(177,259)	(119,869)
Net cash used in investing activities		(149,259)	(65,869)
Cash flows from financing activities			
Repayment of borrowings		(85,050)	(117,309)
Interest paid		(8,257)	(12,680)
Repayment of lease liabilities		(29,147)	(19,300)
Net cash used in financing activities		(122,454)	(149,289)
Net increase in cash and cash equivalents		1,486,003	387,671
Cash and cash equivalents at the beginning of the year		1,914,593	1,526,922
Cash and cash equivalents at the end of the year	5	3,400,596	1,914,593

Directions Workforce Solutions Incorporated
Notes to the Financial Statements
For the year ended 30 June 2021

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Association has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

In the Board's opinion, the Association is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of complying with the Association's Constitution and the *Australian Charities and Not-for-profits Commission Act 2012* and the *Association Incorporation Act 2015*. The Board have determined that the accounting policies adopted are appropriate to meet the financial reporting requirements of the Association.

Historical cost convention

The financial statements have been prepared under the historical cost convention unless otherwise stated.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Association's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2.

Revenue recognition

The Association recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the incorporated association is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the incorporated association: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Grants

Grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and all attached conditions will be complied with.

Interest

Interest revenue is recognised as interest accrues using the effective interest method.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

As the Association is a charitable institution under Subdivision 50-B of the Income Tax Assessment Act 1997, it is exempt from paying income tax.

Directions Workforce Solutions Incorporated
Notes to the Financial Statements
For the year ended 30 June 2021

Note 1. Significant accounting policies (continued)

Current and non-current classification

Assets and liabilities are presented in the balance sheet are based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

Property, plant and equipment

Land and buildings are shown at fair value, based on periodic valuations by external independent valuers. The valuations are undertaken more frequently if there is a material change in the fair value relative to the carrying amount. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Freehold land and buildings are not depreciated.

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land and buildings) over their expected useful lives as follows:

Freehold improvements	5 years
Plant and equipment	4 years
Motor vehicles	3 to 4 years
Office equipment	5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Association. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Directions Workforce Solutions Incorporated
Notes to the Financial Statements
For the year ended 30 June 2021

Note 1. Significant accounting policies (continued)

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Association prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Association expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Association has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Directions Workforce Solutions Incorporated
Notes to the Financial Statements
For the year ended 30 June 2021

Note 1. Significant accounting policies (continued)

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Association's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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 tax authority is included in other receivables or other payables in the balance sheet.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Association for the annual reporting period ended 30 June 2021. The Association has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Directions Workforce Solutions Incorporated
Notes to the Financial Statements
For the year ended 30 June 2021

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Association based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Association operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Association unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Estimation of useful lives of assets

The Association determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Employee benefits provision

As discussed in Note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Directions Workforce Solutions Incorporated
Notes to the Financial Statements
For the year ended 30 June 2021

Note 3. Revenue

	2021	2020
	\$	\$
<i>Revenue</i>		
Host fees	6,758,783	7,131,355
Economic stimulus passed back to Host	(937,720)	-
Interest income	8,614	8,222
Funding income	1,685,872	1,854,242
Economic stimulus	1,997,450	971,500
Other income	176,413	224,682
	<u>9,689,412</u>	<u>10,190,001</u>

Note 4. Expenses

Surplus before income tax includes the following specific expenses:

<i>Depreciation</i>		
Furniture and fittings	7,860	5,771
Computer equipment	16,297	16,073
Motor vehicles	86,031	78,417
Land and buildings	-	5,528
Right of use asset	26,265	17,296
Leasehold improvements	2,015	1,171
Total depreciation	<u>138,468</u>	<u>124,256</u>
 <i>Superannuation expenses</i>		
Defined contribution superannuation expense	<u>499,308</u>	<u>582,275</u>

Directions Workforce Solutions Incorporated
Notes to the Financial Statements
For the year ended 30 June 2021

Note 5. Cash and cash equivalents

	2021	2020
	\$	\$
Cash at bank	2,384,950	1,406,923
Term deposits	<u>1,015,646</u>	<u>507,670</u>
	<u><u>3,400,596</u></u>	<u><u>1,914,593</u></u>

Note 6. Trade and other receivables

Trade receivables - Chip	500,739	286,985
Trade receivables - Xero	40,275	35,986
Accrued income	124,736	14,007
Bond – 95 Wellington St Northam	5,280	5,280
Prepaid expenses	380,524	262,039
Jobkeeper Subsidies Receivable	<u>-</u>	<u>295,500</u>
	<u><u>1,051,554</u></u>	<u><u>899,797</u></u>

Directions Workforce Solutions Incorporated
Notes to the Financial Statements
For the year ended 30 June 2021

Note 7. Property, plant and equipment

	2021	2020
	\$	\$
Land and buildings - at fair value	<u>2,008,660</u>	<u>1,975,000</u>
Furniture and fittings - at cost	50,716	42,855
Less: Accumulated depreciation	<u>(19,455)</u>	<u>(11,595)</u>
	<u>31,261</u>	<u>31,260</u>
Computer equipment - at cost	81,574	90,161
Less: Accumulated depreciation	<u>(51,847)</u>	<u>(55,802)</u>
	<u>29,727</u>	<u>34,359</u>
Motor vehicles - at cost	385,365	312,108
Less: Accumulated depreciation	<u>(174,968)</u>	<u>(118,827)</u>
	<u>210,397</u>	<u>193,281</u>
Leasehold Improvements - at cost	10,077	10,077
Less: Accumulated depreciation	<u>(3,186)</u>	<u>(1,171)</u>
	<u>6,891</u>	<u>8,906</u>
	<u><u>2,286,936</u></u>	<u><u>2,242,806</u></u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Land and buildings \$	Furniture and fittings \$	Computer equipment \$	Motor vehicles \$	Leasehold improvements \$	Total \$
Balance at 30 June 2019	2,200,000	27,202	29,954	204,744	-	2,461,900
Additions	-	92,774	21,290	109,935	10,077	234,076
Disposals	-	-	(812)	(42,981)	-	(43,793)
Reclassification	77,417	(77,417)	-	-	-	-
Impairment	(302,417)	-	-	-	-	(302,417)
Depreciation expense	<u>-</u>	<u>(11,299)</u>	<u>(16,073)</u>	<u>(78,417)</u>	<u>(1,171)</u>	<u>(106,960)</u>
Balance at 30 June 2020	<u>1,975,000</u>	<u>31,260</u>	<u>34,359</u>	<u>193,281</u>	<u>8,906</u>	<u>2,242,806</u>
Additions	33,660	7,862	12,660	123,077	-	177,259
Disposals	-	-	(995)	(19,931)	-	(20,926)
Reclassification	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
Depreciation expense	<u>-</u>	<u>(7,861)</u>	<u>(16,297)</u>	<u>(86,030)</u>	<u>(2,015)</u>	<u>(112,203)</u>
Balance at 30 June 2021	<u><u>2,008,660</u></u>	<u><u>31,261</u></u>	<u><u>29,727</u></u>	<u><u>210,397</u></u>	<u><u>6,891</u></u>	<u><u>2,286,936</u></u>

The basis of the valuation of property is fair value and is based on an independent assessment by a member of the Australian Property Institute having recent experience in the location and category of investment property being valued. Valuations are based on current prices in an active market for similar properties of the same location and condition. The land and buildings situated at 7 Sayer Street, Midland was last revalued in June 2020. The land and buildings situated at 133 Fitzgerald Street, Northam was last revalued in June 2017.

Directions Workforce Solutions Incorporated
Notes to the Financial Statements
For the year ended 30 June 2021

Note 8. Trade and other payables

	2021	2020
	\$	\$
Trade payables	226,833	260,358
GST payable	190,314	104,131
Other payables	298,535	172,207
	<u>715,682</u>	<u>536,696</u>

Note 9. Interest bearing liabilities

Current

Chattel mortgages *	64,441	71,098
---------------------	--------	--------

Non-Current

Chattel mortgages *	49,984	128,377
---------------------	--------	---------

	<u>114,425</u>	<u>199,475</u>
--	----------------	----------------

* The Association has entered into lease arrangements for its motor vehicles. The Association's lease liabilities are secured by the leased assets and in the event of default, the assets revert to the lender.

Note 10. Employee benefits

Current

Annual leave	299,620	205,801
--------------	---------	---------

Long service leave	59,297	44,419
--------------------	--------	--------

	<u>358,917</u>	<u>250,220</u>
--	----------------	----------------

Non-Current

Long Service Leave	29,229	22,971
--------------------	--------	--------

Total Employee benefits	<u>388,146</u>	<u>273,191</u>
-------------------------	----------------	----------------

Note 11. Accumulated surplus

Accumulated surplus at the beginning of the financial year	3,622,232	2,906,323
--	-----------	-----------

Surplus for the year	1,471,534	715,909
----------------------	-----------	---------

Transfer to reserves (note 12)	(280,000)	-
--------------------------------	-----------	---

Accumulated surplus at the end of the financial year	<u>4,813,766</u>	<u>3,622,232</u>
--	------------------	------------------

Directions Workforce Solutions Incorporated
Notes to the Financial Statements
For the year ended 30 June 2021

Note 12. Reserves

	2021 \$	2020 \$
Building's revaluation reserve ¹	424,080	424,080
Charity Reserve ²	200,000	-
Workers Compensation Reserve ³	80,000	-
	<u>704,080</u>	<u>424,080</u>
Closing Balance	<u>704,080</u>	<u>424,080</u>

¹Balance relates to revaluation increment relating to the land and buildings situated at 133 Fitzgerald Street, Northam.

²Balance relates to funds set aside for future charitable expenditure.

³Balance related to funds set aside for future workers compensation claims.

Note 13. Reconciliation of surplus to net cash operating activities

Surplus for the year	1,471,534	715,909
Adjustments for:		
Depreciation	138,468	124,256
Interest expense	12,605	16,205
Impairment expense	-	302,417
Gain on disposal of plant and equipment	(7,074)	(34,025)
Changes in operating assets and liabilities:		
Trade and other receivables	(151,757)	(170,669)
Trade and other payables	178,985	(319,139)
Provisions	114,955	(32,125)
	<u>1,757,716</u>	<u>602,829</u>
Net cashflow from operating activities	<u>1,757,716</u>	<u>602,829</u>

Note 14. Auditor's remuneration

Amounts received or due and receivable by RSM Australia Pty Ltd for:

Audit of the financial report	12,000	9,500
Other financial services	3,000	3,000
	<u>15,000</u>	<u>12,500</u>

Note 15. Contingent liabilities

The Association had no contingent liabilities as at 30 June 2021 and 30 June 2020.

Note 16. Commitments

The Association had no commitments for expenditure as at 30 June 2021 and 30 June 2020.

Directions Workforce Solutions Incorporated
Notes to the Financial Statements
For the year ended 30 June 2021

Note 17. Events after the reporting period

The impact of the Coronavirus (COVID-19) pandemic is ongoing. It is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the Association's operations, the results of those operations, or the Association's state of affairs in future financial years.

Directions Workforce Solutions Incorporated
Statement by the Board
For the year ended 30 June 2021

In the Board's opinion:

- the Association is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in Note 1 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the Association's Constitution and the *Australian Charities and Not-for-profits Commission Act 2012* and the *Association Incorporation Act 2015*;
- the attached financial statements and notes comply with the Accounting Standards to the extent described in Note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Association's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Association will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Paul Tomlinson
Board Member

1

Date: 17 November 2021



RSM Australia Pty Ltd
Level 32 Exchange Tower
2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61(0) 8 9261 9100
F +61(0) 8 9261 9111

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Directions Workforce Solutions Incorporated for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

RSM AUSTRALIA PTY LTD

AIK KONG TING
Director

Perth, WA
Dated: 17 November 2021

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM Australia Pty Ltd is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Pty Ltd ACN 009 321 377 atf Birdanco Practice Trust ABN 65 319 382 479 trading as RSM

Liability limited by a scheme approved under Professional Standards Legislation

RSM Australia Pty Ltd

Level 32, Exchange Tower
2 The Esplanade Perth WA 6000
GPO Box R1253 Perth WA 6844

T +61(0) 8 9261 9100

F +61(0) 8 9261 9111

www.rsm.com.au

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
DIRECTIONS WORKFORCE SOLUTIONS INCORPORATED**

Opinion

We have audited the financial report of Directions Workforce Solutions Incorporated (the Association), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by the Board.

In our opinion, the financial report of the Association has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* and the *Associations Incorporation Act 2015*, including:

- (a) giving a true and fair view of the Association's financial position as at 30 June 2021 and of its financial performance and cash flows for the year ended on that date; and
- (b) complying with Australian Accounting Standards as described in Note 1 to the financial statements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Association in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (**Code**) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM Australia Pty Ltd is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Pty Ltd ACN 009 321 377 atf Birdanco Practice Trust ABN 65 319 382 479 trading as RSM

Liability limited by a scheme approved under Professional Standards Legislation

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 to assist the Association to meet the financial reporting requirements of the *Australian Charities and Not-for-profits Commission Act 2012* and the *Associations Incorporation Act 2015*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the Board Report, but does not include the financial report and the 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 Management and Those Charged with Governance for the Financial Report

The Board is responsible for the preparation of the financial report that gives a true and fair view in accordance with the basis of preparation as described in Note 1, *Australian Charities and Not-for-profits Commission Act 2012* and the *Associations Incorporation Act 2015* and for such internal control as the Board determines 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, management 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 management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.



RSM AUSTRALIA PTY LTD



AIK KONG TING
Director

Perth, WA
Dated: 17 November 2021