

**DIRECTIONS WORKFORCE SOLUTIONS
INCORPORATED**

ABN 18 046 791 543

**Special Purpose Financial Report
For the year ended 30 June 2022**

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**Directions Workforce Solutions Incorporated
Board Report
For the year ended 30 June 2022**

Your Board submits the financial report of Directions Workforce Solutions Incorporated ("Association") for the financial year ended 30 June 2022.

Board Members:

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

Paul Tomlinson (deceased 18 August 2022)
Wendy Newman (resigned 1 December 2021 and re-appointed 5 October 2022)
Pamela l'Anson
Luke Buttersfield (resigned 10 Oct 2021)
Chris Antonio
Andrew Knapp (resigned 31 October 2021)
Rebecca McCall
Elise Woods

Secretary: Elise Woods

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 \$680,025 (2021: \$1,471,534).

On behalf of the Board



Chris Antonio

7 December 2022

Directions Workforce Solutions Incorporated
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Revenue	3	12,847,932	9,689,412
Expenses			
Salaries and wages	4	(10,560,920)	(7,106,034)
Depreciation expense	4	(148,460)	(138,468)
Other expenses		(1,458,527)	(973,376)
		<hr/>	<hr/>
Surplus for the year		680,025	1,471,534
		<hr/>	<hr/>
Other comprehensive loss		(200,000)	-
		<hr/>	<hr/>
Total comprehensive income for the year		<u>480,025</u>	<u>1,471,534</u>

The accompanying notes form part of these financial statements.

Directions Workforce Solutions Incorporated
Statement of Financial Position
For the year ended 30 June 2022

	Note	2022 \$	2021 \$
CURRENT ASSETS			
Cash and cash equivalents	5	4,039,984	3,400,596
Trade and other receivables	6	1,354,442	1,051,554
TOTAL CURRENT ASSETS		5,394,426	4,452,150
NON-CURRENT ASSETS			
Property, plant and equipment	7	1,970,210	2,286,936
Right-of-use assets		62,829	88,095
TOTAL NON-CURRENT ASSETS		2,033,039	2,375,031
TOTAL ASSETS		7,427,465	6,827,181
CURRENT LIABILITIES			
Trade and other payables	8	829,649	715,682
Borrowings	9	-	64,441
Employee benefits	10	510,498	358,917
Lease liabilities		26,907	24,835
TOTAL CURRENT LIABILITIES		1,367,054	1,163,875
NON-CURRENT LIABILITIES			
Borrowings	9	-	49,984
Employee benefits	10	23,199	29,229
Lease liabilities		39,341	66,247
TOTAL NON-CURRENT LIABILITIES		62,540	145,460
TOTAL LIABILITIES		1,429,594	1,309,335
NET ASSETS		5,997,871	5,517,846
MEMBERS' FUND			
Accumulated surplus	11	5,523,791	4,813,766
Reserves	12	474,080	704,080
TOTAL EQUITY		5,997,871	5,517,846

The accompanying notes form part of these financial statements.

Directions Workforce Solutions Incorporated
Statement of Changes in Equity
For the year ended 30 June 2022

	Accumulated Surplus \$	Charity Reserve \$	Workers Comp Reserve \$	Revaluation Reserve \$	Total Equity \$
Balance at 1 July 2020	3,622,232	-	-	424,080	4,046,312
Surplus for the year	1,471,534	-	-	-	1,471,534
Other comprehensive income/(loss)	-	-	-	-	-
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
Balance at 1 July 2021	4,813,766	200,000	80,000	424,080	5,517,846
Surplus for the year	680,025	-	-	-	680,025
Other comprehensive income/(loss)	-	-	-	(200,000)	(200,000)
Total comprehensive income for the year	680,025	-	-	(200,000)	480,025
Transfers	30,000	-	(30,000)	-	-
Balance at 30 June 2022	5,523,791	200,000	50,000	224,080	5,997,871

Directions Workforce Solutions Incorporated
Statement of Cash Flows
For the year ended 30 June 2022

	Note	2022 \$	2021 \$
Cash flows from operating activities			
Receipts from customers		8,596,591	6,174,567
Payments to suppliers and employees		<u>(12,196,449)</u>	<u>(8,153,390)</u>
		(3,599,858)	(1,978,823)
Interest received		1,956	8,614
Other income		208,068	2,166,789
Grant income		<u>4,151,643</u>	<u>1,561,136</u>
Net cash from operating activities	13	<u>761,809</u>	<u>1,757,716</u>
Cash flows from investing activities			
Proceeds from disposal of plant and equipment		121,909	28,000
Payments for plant and equipment		<u>(98,443)</u>	<u>(177,259)</u>
Net cash from/(used in) investing activities		<u>23,466</u>	<u>(149,259)</u>
Cash flows from financing activities			
Repayment of borrowings		(114,425)	(85,050)
Interest paid		(1,794)	(8,257)
Repayment of lease liabilities		<u>(29,668)</u>	<u>(29,147)</u>
Net cash used in financing activities		<u>(145,887)</u>	<u>(122,454)</u>
Net increase in cash and cash equivalents		639,388	1,486,003
Cash and cash equivalents at the beginning of the year		<u>3,400,596</u>	<u>1,914,593</u>
Cash and cash equivalents at the end of the year	5	<u>4,039,984</u>	<u>3,400,596</u>

Directions Workforce Solutions Incorporated
Notes to the Financial Statements
For the year ended 30 June 2022

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 Association is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the 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 2022

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 2022

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.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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.

Directions Workforce Solutions Incorporated
Notes to the Financial Statements
For the year ended 30 June 2022

Note 1. Significant accounting policies (continued)

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.

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 2022. 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 2022

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.

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.

Fair value measurement hierarchy

The Association is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Directions Workforce Solutions Incorporated
Notes to the Financial Statements
For the year ended 30 June 2022

Note 3. Revenue

	2022	2021
	\$	\$
<i>Revenue</i>		
Host fees	10,592,868	6,758,783
Economic stimulus	-	1,997,450
Interest income	1,956	8,614
Funding income	4,378,163	1,685,872
Other income	236,516	176,413
Economic stimulus passed back to Host	-	(937,720)
Government incentives passed back to Host	<u>(2,361,571)</u>	<u>-</u>
	<u>12,847,932</u>	<u>9,689,412</u>

Note 4. Expenses

Surplus/(deficit) includes the following specific expenses:

<i>Depreciation</i>		
Furniture and fittings	11,179	7,860
Computer equipment	19,195	16,297
Motor vehicles	82,587	86,031
Right of use asset	26,752	26,265
Leasehold improvements	<u>8,747</u>	<u>2,015</u>
Total depreciation	<u>148,460</u>	<u>138,468</u>
 <i>Superannuation expenses</i>		
Defined contribution superannuation expense	<u>827,668</u>	<u>499,308</u>

Directions Workforce Solutions Incorporated
Notes to the Financial Statements
For the year ended 30 June 2022

Note 5. Cash and cash equivalents

	2022	2021
	\$	\$
Cash at bank	3,027,692	2,384,950
Term deposits	<u>1,012,292</u>	<u>1,015,646</u>
	<u><u>4,039,984</u></u>	<u><u>3,400,596</u></u>

Note 6. Trade and other receivables

Trade receivables - CHIP	640,528	500,739
Trade receivables - Xero	40,452	40,275
Accrued income	226,520	124,736
Bond – 95 Wellington St, Northam	5,280	5,280
Prepaid expenses	<u>441,662</u>	<u>380,524</u>
	<u><u>1,354,442</u></u>	<u><u>1,051,554</u></u>

Directions Workforce Solutions Incorporated
Notes to the Financial Statements
For the year ended 30 June 2022

Note 7. Property, plant and equipment

	2022	2021
	\$	\$
Land and buildings - at fair value	<u>1,775,000</u>	<u>2,008,660</u>
Furniture and fittings - at cost	77,202	50,716
Less: Accumulated depreciation	<u>(30,635)</u>	<u>(19,455)</u>
	46,567	31,261
Computer equipment - at cost	116,684	81,574
Less: Accumulated depreciation	<u>(57,200)</u>	<u>(51,847)</u>
	59,484	29,727
Motor vehicles - at cost	244,552	385,365
Less: Accumulated depreciation	<u>(187,196)</u>	<u>(174,968)</u>
	57,356	210,397
Leasehold Improvements - at cost	43,737	10,077
Less: Accumulated depreciation	<u>(11,934)</u>	<u>(3,186)</u>
	31,803	6,891
	<u><u>1,970,210</u></u>	<u><u>2,286,936</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 2020	1,975,000	31,260	34,359	193,281	8,906	2,242,806
Additions	33,660	7,862	12,660	123,077	-	177,259
Disposals	-	-	(995)	(19,931)	-	(20,926)
Reclassification	-	-	-	-	-	-
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>
Additions	-	26,486	49,394	22,563	-	98,443
Disposals	-	-	(443)	(93,018)	-	(93,461)
Reclassification	(33,660)	-	-	-	33,660	-
Depreciation expense	-	(11,179)	(19,195)	(82,587)	(8,747)	(121,708)
Revaluation loss	<u>(200,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(200,000)</u>
Balance at 30 June 2022	<u><u>1,775,000</u></u>	<u><u>46,568</u></u>	<u><u>59,483</u></u>	<u><u>57,355</u></u>	<u><u>31,804</u></u>	<u><u>1,970,210</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 2022.

Directions Workforce Solutions Incorporated
Notes to the Financial Statements
For the year ended 30 June 2022

Note 8. Trade and other payables

	2022	2021
	\$	\$
Trade payables	14,660	226,833
GST payable	168,495	190,314
Other payables	646,494	298,535
	<u>829,649</u>	<u>715,682</u>

Note 9. Borrowings

Current

Chattel mortgages * - 64,441

Non-Current

Chattel mortgages * - 49,984

- 114,425

* 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 429,330 299,620

Long service leave 81,168 59,297

510,498 358,917

Non-Current

Long service leave 23,199 29,229

Total employee benefits 533,697 388,146

Note 11. Accumulated surplus

Accumulated surplus at the beginning of the financial year 4,813,766 3,622,232

Surplus for the year 680,025 1,471,534

Transfer from/(to) reserves 30,000 (280,000)

Accumulated surplus at the end of the financial year 5,523,791 4,813,766

Directions Workforce Solutions Incorporated
Notes to the Financial Statements
For the year ended 30 June 2022

Note 12. Reserves

	2022	2021
	\$	\$
Building's revaluation reserve ¹	224,080	424,080
Charity Reserve ²	200,000	200,000
Workers Compensation Reserve ³	50,000	80,000
	<u>474,080</u>	<u>704,080</u>
Closing Balance	<u>474,080</u>	<u>704,080</u>

¹ Balance relates to revaluation relating to the land and buildings situated at 133 Fitzgerald Street, Northam and 7 Sayer Street, Midland.

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

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

Note 13. Reconciliation of surplus to net cash operating activities

Surplus for the year	680,025	1,471,534
Adjustments for:		
Depreciation	148,460	138,468
Interest expense	5,142	12,605
Gain on disposal of plant and equipment	(28,448)	(7,074)
Changes in operating assets and liabilities:		
Trade and other receivables	(302,889)	(151,757)
Trade and other payables	113,968	178,985
Provisions	145,551	114,955
	<u>761,809</u>	<u>1,757,716</u>
Net cashflow from operating activities	<u>761,809</u>	<u>1,757,716</u>

Note 14. Key management personnel disclosures

Compensation

The aggregate compensation made to officers and other members of key management personnel of the Association is set out below:

Aggregate compensation*	<u>338,283</u>
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* Comparatives are not required as this is the first year of adoption.

Note 15. Auditor's remuneration

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

Audit of the financial report	<u>22,000</u>	<u>15,000</u>
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Directions Workforce Solutions Incorporated
Notes to the Financial Statements
For the year ended 30 June 2022

Note 16. Contingent liabilities

The Association had no contingent liabilities as at 30 June 2022 and 30 June 2021.

Note 17. Commitments

The Association had no commitments for expenditure as at 30 June 2022 and 30 June 2021.

Note 18. Events after the reporting period

No matter or circumstance has arisen since 30 June 2022 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 2022

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 2022 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



Chris Antonio
Deputy Chairperson

Date: 7 December 2022

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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 2022, 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: 7 December 2022

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Liability limited by a scheme approved under Professional Standards Legislation

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

Opinion

We have audited the financial report of Directions Workforce Solutions Incorporated, which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the statement by the Board.

In our opinion, the financial report of Directions Workforce Solutions Incorporated 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 Directions Workforce Solutions Incorporated's financial position as at 30 June 2022 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 Directions Workforce Solutions Incorporated 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.

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 Directions Workforce Solutions Incorporated 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.

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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 Directions Workforce Solutions Incorporated'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 Directions Workforce Solutions Incorporated 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: 14 December 2022