

Openskills Limited

ABN 25 114 972 093

Financial Statements
For the year ended 30 June 2006

Chats Accountants & Advisers
Certified Practising Accountants
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Openskills Limited
ABN 25 114 972 093

Contents

Compilation Report

Directors' Report

Directors' Declaration

Detailed Profit and Loss Statement

Statement of Financial Performance - by Nature

Statement of Cash Flows

Balance Sheet

Notes to the Financial Statements

Openskills Limited
ABN 25 114 972 093
Compilation Report

On the basis of the information provided by the directors of Openskills Limited, we have compiled, in accordance with APS 9 'Statement of Compilation of Financial Reports', the special purpose financial report of Openskills Limited for the period ended 30 June 2006, comprising the attached Statement of Financial Performance and Statement of Financial Position.

The specific purpose for which the special purpose financial report has been prepared is for the confidential use of the directors and members. Australian Accounting Standards and mandatory professional reporting requirements have not been adopted in the preparation of the special purpose financial report except outlined in Note 1 to the accounts.

The Directors are solely responsible for the information contained in the special purpose financial report and have determined that the accounting policies used are consistent with the financial reporting requirements of Openskills Limited and are appropriate to meet the needs of the directors and members of the company.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the directors provided into a financial report. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

To the extent permitted by law, we do not accept liability for any loss or damage which any person, other than the company, may suffer arising from any negligence on our part. No person should rely on the special purpose financial report without having an audit or review conducted.

Chats Accountants & Advisers
Certified Practising Accountants
Suite 1, 1/F, 414 Victoria Avenue
Chatswood NSW 2067

18 September, 2006

Pegg & Associates

Chartered Accountants

John G. Pegg F.C.A.

INDEPENDENT AUDIT REPORT

Scope

We have audited the financial report of Openskills Limited for the year ended 30 June 2006. The directors are responsible for the preparation and presentation of the financial report. We have conducted an independent audit of the financial report in order to express an opinion on them to the members of the company

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

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the financial report presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia the financial position of Openskills Limited as at 30 June 2006 and the results of its operations and its cash flows for the year then ended.

25th September 2006

PEGG & ASSOCIATES

JOHN G. PEGG

Principal & Registered Company Auditor

ABN 48 629 907 157

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Openskills Limited

ABN 25 114 972 093

Directors' Report

Your directors present this report on the company for the financial year ended 30 June 2006.

Directors

The names of the directors in office at any time during or since the end of the year are:

Bruce William Badger
Douglas Camp
Robert Collins
David Andrew Falvey
Ashley Michael Maher
Anand Kumria

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

Operating Result

The profit of the company for the financial year after providing for income tax amounted to:

Year ended
30 June 2006
\$
58.57

Principal Activities

The principal activities of the company during the course of the year were promote principles and use of open source software.

No significant change in the nature of these activities occurred during the year.

Significant Changes in the State of Affairs

No significant changes in the company's state of affairs occurred during the financial year.

After Balance Date Events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in subsequent financial years.

Future Developments

The company expects to maintain the present status and level of operations and hence there are no likely developments in the operations in future financial years.

Environmental Issues

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

THIS IS ANNEXURE A OF 16 PAGES REFERRED TO IN FORM 388.

Openskills Limited
ABN 25 114 972 093
Directors' Report

Dividends

No dividends were declared or paid since the start of the financial year. No recommendation for payment of dividends has been made.

Share Options

No options over issued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Directors Benefits

No director has received or has become entitled to receive, during or since the financial year, a benefit because of a contract made by the company or related body corporate with a director, a firm which a director is a member or an entity in which a director has a substantial financial interest.

Indemnifying Officer or Auditor

No indemnities have been given or agreed to be given or insurance premiums paid or agreed to be paid, during or since the end of the financial year, to any person who is or has been an officer or auditor of the company.

Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the year.

THIS IS ANNEXURE A OF 16 PAGES REFERRED TO IN FORM 388.

Openskills Limited

ABN 25 114 972 093

Directors' Report

Signed in accordance with a resolution of the Board of Directors:

Bruce William Badger
Director

Douglas Camp
Director

Robert Collins
Director

David Andrew Falvey
Director

Ashley Michael Maher
Director

Dated:

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Openskills Limited
ABN 25 114 972 093
Directors' Declaration

The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies prescribed in Note 1 to the financial statements.

The directors of the company declare that:

1. the financial statements and notes, present fairly the company's financial position as at 30 June 2006 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements;
2. in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Bruce William Badger
Director

Douglas Camp
Director

Robert Collins
Director

David Andrew Falvey
Director

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Openskills Limited
ABN 25 114 972 093
Directors' Declaration

Ashley Michael Maher
Director

Dated:

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Openskills Limited
ABN 25 114 972 093
Detailed Profit and Loss Statement
For the year ended 30 June 2006

	2006
	\$
<hr/>	
Income	
Interest received	8.91
Subscription Membership	525.80
Donation	53.68
Total income	<u>588.39</u>
 Expenses	
Accountancy	176.00
ESA Operations eGive	35.33
eGive Operations eGive	20.00
Filing Fees	270.00
Service fees	3.59
Total expenses	<u>504.92</u>
Profit from Ordinary Activities before income tax	<u><u>83.47</u></u>

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

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Openskills Limited
ABN 25 114 972 093
Statement of Financial Performance - by Nature
For the year ended 30 June 2006

	2006 \$
Profit from ordinary activities before income tax	83.47
Income tax expense relating to ordinary activities	(24.90)
Net profit attributable to members of the company	58.57
Total changes in equity other than those resulting from transactions with owners as owners	58.57
Opening retained profits	-
Net profit attributable to members of the company	58.57
Closing retained profits	58.57

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Openskills Limited
ABN 25 114 972 093
Statement of Cash Flows
For the year ended 30 June 2006

	2006 \$
<hr/>	
Cash Flow From Operating Activities	
Receipts from customers	579.48
Payments to Suppliers and employees	949.13
Interest received	8.91
Net cash provided by (used in) operating activities (note 2)	1,537.52
Net increase (decrease) in cash held	1,537.52
Cash at the beginning of the year	-
Cash at the end of the year (note 1)	1,537.52

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Openskills Limited
ABN 25 114 972 093
Statement of Cash Flows
For the year ended 30 June 2006

2006

Note 1. Reconciliation Of Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts.

Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:

Cash At Bank	1,518.52
Donation - eGive	19.00
	1,537.52
	1,537.52

Note 2. Reconciliation Of Net Cash Provided By/Used In Operating Activities To Net Profit

Operating profit (loss) after tax	58.57
Increase/(decrease) in provision for income tax	24.90
Changes in assets and liabilities net of effects of purchases and disposals of controlled entities:	
Increase (decrease) in other creditors	1,454.05
Net cash provided by operating activities	1,537.52

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Openskills Limited
ABN 25 114 972 093
Balance Sheet As At 30 June 2006

	Note	2006 \$
<hr/>		
Current Assets		
Cash assets	2	<u>1,537.52</u>
Total Current Assets		<u>1,537.52</u>
Total Assets		<u>1,537.52</u>
Current Liabilities		
Payables	3	1,454.05
Current tax liabilities	4	<u>24.90</u>
Total Current Liabilities		<u>1,478.95</u>
Total Liabilities		<u>1,478.95</u>
Net Assets		<u><u>58.57</u></u>
Equity		
Retained profits		<u>58.57</u>
Total Equity		<u><u>58.57</u></u>

The accompanying notes form part of these financial statements. These statements should be read in conjunction with the attached compilation report.

Openskills Limited
ABN 25 114 972 093
Notes to the Financial Statements
For the year ended 30 June 2006

Note 1: Statement of Significant Accounting Policies

This financial report is a special purpose financial report prepared for use by directors and members of the company. The directors have determined that the company is not a reporting entity.

The financial report has been prepared in accordance with the requirements of the following Australian Accounting Standards.

AASB 1001:	Accounting Policies
AASB 1002:	Events Occurring After Reporting Date
AASB 1018:	Statement of Financial Performance (Profit and Loss Account)
AASB 1019:	Inventories
AASB 1021:	Depreciation

No other Australian Accounting Standards, Urgent Issues Group Consensus Views or other authoritative pronouncements of the Australian Accounting Standards Board have been applied.

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

This financial report is a special purpose financial report prepared for use by directors and members of the company. The directors have determined that the company is not a reporting entity. accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report:

(a) Property, Plant and Equipment

Property, plant and equipment are carried at cost, independent or directors' valuation. All assets, excluding freehold land and buildings, are depreciated over their useful lives to the company.

(b) Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned on a first-in first-out basis and include direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenses.

(c) Investments

Investments are stated at cost unless, in the opinion of the directors, there is a permanent diminution in value, in which case an appropriate provision will be made. Dividends and interests when received are brought to account in the profit and loss account.

(d) Goodwill

Goodwill recorded at the date of acquisition of a business and is amortised on a straight line basis over a period of twenty years. The future balance is reviewed annually and where realisation is no longer probable, the remainder is written off.

(e) Unearned Revenue

The unearned revenue recorded in the accounts will be taken up over the life of the contract based on the interest rate implicit in the contract.

THIS IS ANNEXURE A OF 16 PAGES REFERRED TO IN FORM 388.

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ABN 25 114 972 093
Notes to the Financial Statements
For the year ended 30 June 2006

2006

Note 2: Cash assets

Bank accounts:

- Cash At Bank	1,518.52
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Other cash items:

- Donation - eGive	19.00
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	1,537.52
	1,537.52

Note 3: Payables

- Other creditors	1,454.05
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	1,454.05
	1,454.05

Note 4: Tax Liabilities

Current

Provision for income tax	24.90
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	24.90
	24.90

These notes should be read in conjunction with the attached compilation report.