

Financial Statements

For the Year Ended 30 June 2021

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The Skill Engineer Ltd
ACN 636 273 017
ABN 96 636 273 017
10-16 Osboldstone
Wangaratta VIC 3677

STATEMENT OF PROFIT OR LOSS

	Note	30 Jun 2021	30 Jun 2020
INCOME			
Revenue	2	1,657,972.87	10,280.53
LESS EXPENSES INCURRED			
Rental Expense		39,900.95	0.00
Audit, legal and consultancy fees		5,551.78	0.00
Advertising		1,900.84	--
Amortisation Expense		7,811.69	--
Cleaning and Laundry		452.95	--
Conferences and Seminar Costs		291.23	--
Consultants Fees		11,000.00	--
Contracting Work		8,181.82	--
Depreciation		1,609.58	--
Employee Entitlement		22,990.64	--
Filing Fees		383.00	--
Insurances - General		914.43	--
Insurance - Emp Liab.		4,773.49	--
Licences and Permits		816.71	--
Light and Power		1,786.14	--
Office Expenses		3,175.21	--
Motor Vehicle Expenses		1,906.54	--
Materials		314.97	--
Building and Improvements		200.00	--
Fencing and Yards		980.00	--
Staff Amenities		636.25	--
Superannuation		30,070.96	--
Subscriptions and Memberships		13,772.41	--
Telephone		13,541.87	--
Training		4,900.00	--
Travel and Accommodation		765.61	--
Uniforms - Staff		113.64	--
Wages		334,041.25	--
Total expenses		512,783.96	0.00
Current year surplus before income tax		1,145,188.91	10,280.53
Net current year surplus		1,145,188.91	10,280.53
Profit attributable to members of the entity		1,145,188.91	10,280.53

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Compilation Report and Notes which form part of these financial statements.
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The Skill Engineer Ltd
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STATEMENT OF COMPREHENSIVE INCOME
For the Year ended 30 June 2021

	30 Jun 2021	30 Jun 2020
Profit for the year	1,145,188.91	10,280.53
Other comprehensive income		
Total comprehensive income for the year	<u>1,145,188.91</u>	<u>10,280.53</u>
Total comprehensive income attributable to members	<u>1,145,188.91</u>	<u>10,280.53</u>

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The Skill Engineer Ltd
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STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

	Note	30 Jun 2021	30 Jun 2020
ASSETS			
CURRENT ASSETS			
Cash on hand	3	1,306,271.92	535.56
Accounts receivable & other debtors	4	6,020.81	953.00
Other Current Assets	5	10,066.00	0.00
TOTAL CURRENT ASSETS		1,322,358.73	1,488.56
NON-CURRENT ASSETS			
Property, plant and equipment	6	24,278.74	0.00
Intangibles	7	31,246.77	39,058.46
TOTAL NON-CURRENT ASSETS		55,525.51	39,058.46
TOTAL ASSETS		1,377,884.24	40,547.02
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and other payables	8	199,424.16	30,266.49
Employee provisions	9	22,990.64	0.00
TOTAL CURRENT LIABILITIES		222,414.80	30,266.49
TOTAL LIABILITIES		222,414.80	30,266.49
NET ASSETS		1,155,469.44	10,280.53
EQUITY			
Retained surplus		10,280.53	0.00
Profit attributable to members of the entity		1,145,188.91	10,280.53
TOTAL EQUITY		1,155,469.44	10,280.53

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STATEMENT OF CASH FLOWS
For the Year ended 30 June 2021

	This Year Inflows/ (Outflows)	Last Year Inflows/ (Outflows)
CASH FLOWS FROM OPERATING ACTIVITIES		
Commonwealth, state and local government grants	1,530,930.84	10,280.52
Payments to suppliers and employees	(458,984.85)	(953.00)
Interest received	21.43	0.01
Others	122,620.60	--
NET OPERATING CASH FLOWS	1,194,588.02	9,327.53
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of plant, property and equipment	(25,888.32)	--
Payment for intangibles	--	(39,058.46)
NET INVESTING CASH FLOWS	(25,888.32)	(39,058.46)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	(7,343.34)	30,266.49
Other cash flows	144,380.00	--
NET FINANCING CASH FLOWS	137,036.66	30,266.49
NET INCREASE IN CASH HELD		
Cash at 01 July 2020	1,305,736.36 535.56	535.56 --
CASH AT 30 JUNE 2021	1,306,271.92	535.56

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STATEMENT OF CHANGES IN EQUITY
For the Year ended 30 June 2021

	Note	Retained Profits	Total
Balance at 01 July 2019		--	--
Profit attributable to the members		10,280.53	10,280.53
Sub-total		10,280.53	10,280.53
Balance at 30 June 2020		10,280.53	10,280.53
Profit attributable to the members		1,145,188.91	1,145,188.91
Sub-total		1,155,469.44	1,155,469.44
Balance at 30 June 2021		1,155,469.44	1,155,469.44

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NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 30 June 2021

	30 Jun 2021	30 Jun 2020
NOTE 2. REVENUE		
Interest Received	21.43	0.01
Grants	1,511,400.00	--
Subsidies	23,930.84	10,280.52
Professional Fees	122,113.82	--
Other Income	506.78	--
	<u>1,657,972.87</u>	<u>10,280.53</u>
The above Operating Profit/Loss before Income Tax is arrived at after charging and crediting the following specific items:		
Charging As Expense:		
Depreciation	1,609.58	--
	<u>1,609.58</u>	<u>--</u>
Crediting As Income:		
Interest Received	21.43	0.01
	<u>21.43</u>	<u>0.01</u>
NOTE 3. CASH ON HAND		
Cash at Bank Account	1,305,011.62	535.56
Cash at Bank S18.1	342.64	--
Cash at Bank S66	917.66	--
	<u>1,306,271.92</u>	<u>535.56</u>
NOTE 4. ACCOUNTS RECEIVABLE & OTHER DEBTORS		
Trade Debtors	4,400.00	--
Debtors Other	953.00	953.00
GST on Purchases	667.81	--
	<u>6,020.81</u>	<u>953.00</u>
NOTE 5. OTHER CURRENT ASSETS		
Prepayments	2,632.66	--
Deposits	7,433.34	--
	<u>10,066.00</u>	<u>0.00</u>
NOTE 6. PROPERTY, PLANT AND EQUIPMENT		
NON-CURRENT ASSETS		
Plant and Equipment	5,019.06	--
Deduct Prov'n for Depreciation	(31.51)	--

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NOTES TO THE FINANCIAL STATEMENTS
For the Year ended 30 June 2021

	30 Jun 2021	30 Jun 2020
Fixtures and Fittings	4,296.01	--
Deduct Prov'n for Depreciation	(385.67)	--
Office Equipment	8,573.25	--
Deduct Prov'n for Depreciation	(707.47)	--
Motor Vehicles	8,000.00	--
Deduct Prov'n for Depreciation	(484.93)	--
	<u>24,278.74</u>	<u>0.00</u>
 NOTE 7. INTANGIBLES		
Preliminary Expenses	31,246.77	39,058.46
	<u>31,246.77</u>	<u>39,058.46</u>
 NOTE 8. ACCOUNTS PAYABLE AND OTHER PAYABLES		
Creditors - Trade Payables	7,284.26	--
Creditors - Other	17,003.41	--
BAS Payable	144,380.00	--
GST on Sales	400.00	--
Loans - Unsecured	30,356.49	30,266.49
	<u>199,424.16</u>	<u>30,266.49</u>
 NOTE 9. EMPLOYEE PROVISIONS		
CURRENT LIABILITIES		
Provision for Employee Entitlements	22,990.64	--
	<u>22,990.64</u>	<u>0.00</u>

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NOTE 1: SUMMARY OF 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.

Basis of Preparation

The Skill Engineer Ltd applies Australian Accounting Standards - Reduced Disclosure Requirements as set out in AASB 1053: Application of Tiers of Australian Accounting Standards.

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements of the Australian Accounting Standards Board (AASB) and the *Australian Charities and Not-for-profits Commission Act 2012*. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar.

The financial statements were authorised for issue on 25 October 2020 by the directors of the company.

Accounting Policies

a. Revenue

Non-reciprocal grant revenue is recognised in profit or loss when the entity obtains control of the grant and it is probable that the economic benefits gained from the grant will flow to the entity and the amount of the grant can be measured reliably.

If conditions are attached to the grant which must be satisfied before the entity is eligible to receive the contribution, the recognition of the grant as revenue will be deferred until those conditions are satisfied.

When grant revenue is received whereby the entity incurs an obligation to deliver economic value directly back to the contributor, this is considered a reciprocal transaction and the grant revenue is recognised in the state of financial position as a liability until the service has been delivered to the contributor; otherwise the grant is recognised as income on receipt.

The Skill Engineer Ltd receives non-reciprocal contributions of assets from the government and other parties for zero or a nominal value. These assets are recognised at fair value on the date of acquisition in the statement of financial position, with a corresponding amount of income recognised in profit or loss.

Donations and bequests are recognised as revenue when received.

Interest revenue is recognised using the effective interest method, which for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established. Revenue from the rendering of a service is recognised upon the delivery of the service to the customer.

Rental income from operating lease is recognised on a straight line basis over the term of the relevant leases.
All revenue is stated net of the amount of goods and services tax.

b. Inventories

Inventories held for sale are measured at the lower of cost and net realisable value. Inventories held for distribution are measured at cost adjusted, when applicable, for any loss of service potential.

Inventories acquired at no cost, or for nominal consideration, are valued at the current replacement cost as at the date of acquisition.

c. Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated, less, where applicable, accumulated depreciation and any impairment losses.

Freehold property

Freehold land and buildings are shown at their fair value based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

In periods when the freehold land and buildings are not subject to an independent valuation, the directors conduct directors' valuations to ensure the carrying amount for the land and buildings is not materially different to the fair value.

Increases in the carrying amount arising on revaluation of land and buildings are recognised in other comprehensive income and accumulated in the revaluation surplus in equity. Revaluation decreases that offset previous increases of the same class of assets shall be recognised in other comprehensive income under the heading of revaluation surplus. All other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of the 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 that have been contributed at no cost, or for nominal cost, are initially recognised and measured at the fair value of the asset at the date it is acquired.

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(f) for details of impairment).

Plant and equipment that have been contributed at no cost, or for nominal cost, are valued and recognised at the fair value of the asset at the date it is acquired.

Depreciation

The depreciable amount of all fixed assets, including buildings and capitalised lease assets, but excluding freehold land, is

depreciated on a straight line basis over the asset's useful life to the entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%
Plant & Equipment	12.5% - 20%
Leased plant and equipment	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

d. **Leases**

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the entity, are classified as finance leases.

Finance leases are capitalised, recognising an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values.

Leased assets are depreciated on a straight-line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

e. **Financial Instruments**

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (ie trade date accounting is adopted). Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified "at fair value through profit or loss" in which case transaction costs are recognised immediately as expenses in profit or loss.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value (refer to Note 1(q)), amortised cost using the effective

interest method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

(i) *Financial assets at fair value through profit or loss*

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount included in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned from the financial asset and is included in other gains or losses in the statement of profit and loss and other comprehensive income.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the company's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) *Available-for-sale investments*

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are not expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are

classified as current assets.

(v) *Financial liabilities*

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Derecognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability, which is extinguished or transferred to another party, and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

f. **Impairment of Non-Financial Assets**

At the end of each reporting period, the entity assesses whether there is any indication that an asset may be impaired. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is

carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116: *Property, Plant and Equipment*). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where the future economic benefits of the assets are not primarily dependent upon the asset's ability to generate net cash inflows and when the entity would if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of an asset.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where an impairment loss on a revalued individual asset is identified, this is recognised against the revaluation surplus in respect of the same class of asset to the extent that impairment loss does not exceed the amount in the revaluation surplus for that class of asset.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

g. Employee Benefits

Short-term employee benefits

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries, annual leave and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

The company classifies employees' long service leave and annual leave entitlements as other long-term employee benefits as they are not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Provision is made for the company's obligation for other long-term employee benefits, which are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss classified under employee benefits expense.

The company's obligations for long-term employee benefits are presented as non-current liabilities in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current liabilities.

Retirement benefit obligations

Defined contribution superannuation benefits

All employees of the company receive defined contribution superannuation entitlements, for which the company pays the

fixed superannuation guarantee contribution (currently 9.5% of the employee's average ordinary salary) to the employee's superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The company's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the company's statement of financial position.

h. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

i. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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 ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from or payable to the ATO, are presented as operating cash flows included in receipts from customers or payments to suppliers.

j. Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

k. Intangible Assets

At the beginning of this financial year The Skill Engineer Ltd was in Start Up phase of its business cycle. Expenses incurred prior to generating income were classified as Preliminary Expenses. Preliminary Expenses are amortised over 5 years commencing the year income is first generated.

Software

Software is initially recognised at cost. It has a finite life and is carried at cost less any accumulated amortisation and impairment losses. Software has an estimated useful life of between one and three years. It is assessed annually for impairment.

l. Provisions

Provisions are recognised when the entity has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

m. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

n. **Trade and Other Payables**

Trade and other payables represent the liabilities for goods and services received by the company during the reporting period that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability. Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

o. **Critical Accounting Estimates and Judgements**

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

Key estimates

(i) *Valuation of freehold land and buildings*

The company does not hold any freehold land and buildings therefore valuations have not been necessary.

Key judgements

(i) *Available-for-sale investments*

The company does not maintain a portfolio of securities therefore valuations have not been necessary.

(ii) *Employee benefits*

For the purpose of measurement, AASB 119: *Employee Benefits* defines obligations for short-term employee benefits as obligations expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. As the company expects that most employees will not use all of their annual leave entitlements in the same year in which they are earned or during the 12-month period that follows (despite an informal company policy that requires annual leave to be used within 18 months), the directors believe that obligations for annual leave entitlements satisfy the definition of other long-term employee benefits and, therefore, are required to be measured at the present value of the expected future payments to be made to employees.

p. **Economic Dependence**

This year the company has generated 92.6% of its income from Government Grants and Subsidies.

The majority of the company's expenses are directly related to those Grants and Subsidies.

As the funding from the Grants and Subsidies are expensed the associated costs are reduced accordingly. As a result the directors have good reason to believe in the going concern viability of the company.

q. **Fair Value of Assets and Liabilities**

The company measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis,

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depending on the requirements of the applicable Accounting Standard.

"Fair value" is the price the company would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability). In the absence of such a market, market information is extracted from the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (if any) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

New and amended Accounting Standards

The Group has assessed all new and amended accounting standards issued and effective for financial reporting periods beginning on or after 1 January 2017, and determined there to be no effect on the current or prior period parent and consolidated financial statements.

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COMPILATION REPORT

TO: The Skill Engineer Ltd

We have compiled the accompanying special purpose financial statements of The Skill Engineer Ltd, which comprise the statement of financial position as at 30 June 2021, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes. The specific purpose for which the special purpose financial statements have been prepared is set out in Note 1 to the financial statements.

The Responsibility of the Directors

The Directors of The Skill Engineer Ltd are solely responsible for the information contained in the special purpose financial statements, the reliability, accuracy and completeness of the information and for the determination that the financial reporting framework used is appropriate to meet their needs and for the purpose that the financial statements were prepared.

Our Responsibility

On the basis of information provided by the Directors, we have compiled the accompanying special purpose financial statements in accordance with financial reporting framework as described in Note 1 to the financial statements and APES 315: Compilation of Financial Information.

We have applied our expertise in accounting and financial reporting to compile these financial statements in accordance with the financial reporting framework described in Note 1 to the financial statements. We have complied with the relevant ethical requirements of APES 110: Code of Ethics for Professional Accountants.

Assurance Disclaimer

Since the compilation engagement is not an assurance engagement, we are not required to verify the reliability, accuracy or completeness of the information provided to us by management to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on these financial statements.

The special purpose financial statements were compiled exclusively for the benefit of the Directors who are responsible for the reliability, accuracy and completeness of the information used to compile them. We do not accept responsibility for the contents of the special purpose financial statements.

Kevin Byrne
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Tel + 61 2 4328 2611
Fax 6 61 2 4329 6580
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Web www.byrneaccounting.com.au

Dated: ..23...../..09...../..2021...

Liability limited by a scheme approved under Professional Standards Legislation

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of The Skill Engineer Ltd, the directors declare that:

1. The financial statements and notes, are in accordance with Corporations Act 2001 and:

a. comply with Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and

b. give a true and fair view of the financial position as at 30 June 2021 and of the performance for the year ended on that date of the company.

2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debt as and when they become due and payable.

Director: 
Veronica Margaret MacFie

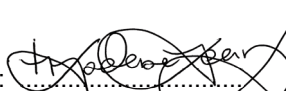
Dated: 23 / 09 / 2021

Director: 
Brendan John Ritchens


Dated: 23 / 09 / 2021

Director: 
Charlotte Ruth Dickie

Dated: 23 / 09 / 2021

Director: 
Madelaine Jean Dickie

Dated: 23 / 09 / 2021

Director: 
Erin Ashley Johnson

Dated: 23 / 09 / 2021

Director: 
Evelyn Ruby Ritchens

Dated: 23 / 09 / 2021

DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 30 June 2021

Directors

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

Veronica Margaret MacFie - Appointed 18/09/2019
Brendan John Ritchens - Appointed 02/11/2019
Charlotte Ruth Dickie - Appointed 18/09/2019
Madelaine Jean Dickie - Appointed 18/09/2019
Erin Ashley Johnson - Appointed 02/11/2019
Evelyn Ruby Ritchens - Appointed 02/11/2019

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

Review of Operations

The profit of the Company for the financial year after providing for income tax amounted to Profit of 1,145,188.91 .
A review of operations of the company during the financial year and the results of those operations found that changes were not effected by any extraordinary transactions during the year.

The company had Current Assets of 1,322,358.73 to cover Current Liabilities of (222,414.80).
The company was in possession of Assets worth 1,377,884.24 ; financed by Liabilities of (222,414.80) and Equity of (1,155,469.44).

Significant Changes in the State of Affairs

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

Principal Activities

The principal activities of the company during the financial year were the: EMPLOYMENT PLACEMENT AND RECRUITMENT SERVICES

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

Events Subsequent to the End of the Reporting Period

In the opinion of the directors, in the interval between the end of the financial year and date of this report, that there has not arisen any item, transaction or event of a material and unusual nature likely to effect significantly the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Likely Developments and Expected Results of Operations

Likely developments in the operations of the company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

Environmental Regulation

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

Dividends

Dividends paid or declared since the start of the financial year are as follows:

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Interim Dividend Paid: 0.00
Final Dividend Proposed: 0.00

Options

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

No shares were issued during or since the end of the year as a result of the exercise of an option over unissued shares or interests.

Indemnification of Officers

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for 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 directors' report is signed in accordance with a resolution of the Board of Directors:

Director: 
Veronica Margaret MacFie

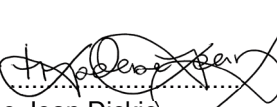
Dated: 23 / 09 / 2021

Director: 
Brendan John Ritchens


Dated: 23 / 09 / 2021

Director: 
Charlotte Ruth Dickie


Dated: 23 / 09 / 2021

Director: 
Madelaine Jean Dickie

Dated: 23 / 09 / 2021

Director: 
Erin Ashley Johnson

Dated: 23 / 09 / 2021

Director: 
Evelyn Ruby Ritchens

Dated: 23 / 09 / 2021

These financial statements are to be read in conjunction with the attached Accountant's
Compilation Report and Notes which form part of these financial statements.

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