

RED DUST ROLE MODELS LIMITED

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ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED

30 JUNE 2010

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RED DUST ROLE MODELS LIMITED

DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 30 June 2010 and auditor's report thereon.

Directors

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

Ms Linley Margaret Frame
Mr Paul Francis Guerra
Mr Martin Phillip Hirons (Chairmen)
Mr Raymond Clyde Minniecon
Mr John Leslie Van Groningen
Mr Simon Vincent McKeon
Ms Ngaire Brown (Appointed 24/08/09)
Mr Andrew Nathan Purcell (resigned 24/08/2009)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated. All have relevant experience and appropriate business, academic or social qualifications for their role as directors.

The Board held four meetings throughout the year. Each director attended all four meetings with the following exceptions; Andrew Purcell (attended 1 meeting); Ngaire Brown (3); and Raymond Minniecon (2).

Result

The profit of the company for the financial year after providing for income tax amounted to \$314,348 (2009: Profit 3,923)

Principal Activities

The principal activities of the company during the financial year were the promotion of health and well being of indigenous youth. Red Dust Role Models is a not for profit organisation.

Objectives and strategies

The short and long term objectives of the company are to promote the health and well being of indigenous youth through the running of organised programs in remote communities.

To achieve these objectives the company focuses on identifying sources of income and running the operations of the company in a manner that maximises the amount that can be returned to the community through the provision of programs.

The company measures its performance through the setting of an annual budget and plan of programs which is agreed to by the Board. Financial performance and other non-financial measures are monitored on a quarterly basis.

Significant Change in Affairs

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

Subsequent 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 future financial years.

Likely Developments

The Company will continue to promote the well being of Indigenous Youth in remote communities. There are no other significant developments in operations expected during the coming year.

RED DUST ROLE MODELS LIMITED

DIRECTORS' REPORT

Environmental Legislation

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

No dividends were paid during the year.

The directors do not recommend the payment of a dividend.

Indemnities and Insurance

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.

Non Audit Services

During the year KPMG, the Company's auditor, has performed no other services in addition to their statutory duties.

Members Guarantee

The company is limited by guarantee. In the event of winding up each member is required to contribute a maximum of \$50 towards meeting any outstanding obligations of the company. As at 30 June 2010 there were 37 members and therefore total liability is \$1,850.

Lead Auditor's Independence Declaration

A copy of the lead auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 3.

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

Director: _____

Mr Martin Phillip Hirons

Director: _____

Mr John Leslie Van Groningen

Dated this day of

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Red Dust Role Models Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2010 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Mitch Craig
Partner

Melbourne

October 2010

RED DUST ROLE MODELS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2010**

	Note	2010 \$	2009 \$
Revenue	4	2,271,938	1,627,897
		<u>2,271,938</u>	<u>1,627,897</u>
Audit Fees		(3,000)	(3,000)
Advertising and promotion		(141,093)	(100,699)
Computer		(85,809)	(26,047)
Consultant/ professional fees		(68,173)	(89,512)
Depreciation and amortisation		(42,973)	(45,098)
Employee benefits expenses		(464,775)	(398,091)
Interest expense		(6,462)	(11,431)
Office expenses		(85,345)	(83,070)
Program expenses		(750,360)	(683,212)
Travel and accommodation		(108,491)	(62,247)
Event expenses		(48,207)	(5,416)
Other expenses		(152,902)	(116,151)
Total Expenses		<u>(1,957,590)</u>	<u>(1,623,974)</u>
Profit from operating activities		314,348	3,923
Income tax expense		-	-
Profit from continuing operations		<u>314,348</u>	<u>3,923</u>
Total comprehensive income for the year		<u>314,348</u>	<u>3,923</u>
Total comprehensive income for the year attributable to:			
Owners of the company		314,348	3,923
		<u>314,348</u>	<u>3,923</u>

The accompanying notes form part of these financial statements.

RED DUST ROLE MODELS LIMITED

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2010**

	Note	2010 \$	2009 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	963,509	58,042
Trade and other receivables	6	25,883	21,343
Other current assets	7	1,866	8,328
TOTAL CURRENT ASSETS		<u>991,258</u>	<u>87,713</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	151,288	139,173
Intangible assets	9	24,000	32,000
TOTAL NON-CURRENT ASSETS		<u>175,288</u>	<u>171,173</u>
TOTAL ASSETS		<u>1,166,546</u>	<u>258,886</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	670,934	27,673
Financial liabilities	11	51,574	61,239
TOTAL CURRENT LIABILITIES		<u>722,508</u>	<u>88,912</u>
NON CURRENT LIABILITIES			
Financial liabilities	11	15,630	53,669
Employee Benefits	12	10,605	12,850
TOTAL NON CURRENT LIABILITIES		<u>26,235</u>	<u>66,519</u>
TOTAL LIABILITIES		<u>748,743</u>	<u>155,431</u>
NET ASSETS		<u>417,803</u>	<u>103,455</u>
EQUITY			
Retained earnings	13	417,803	103,455
TOTAL EQUITY		<u>417,803</u>	<u>103,455</u>

The accompanying notes form part of these financial statements.

RED DUST ROLE MODELS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2010**

	Note	Retained earnings \$	Total \$
Balance at 1 July 2008		99,532	99,532
Changes in equity 2009			
Total comprehensive income for the year		3,923	3,923
Balance at 30 June 2009		<u>103,455</u>	<u>103,455</u>
Balance at 1 July 2009		103,455	103,455
Changes in equity 2010			
Total comprehensive income for the year		314,348	314,348
Balance at 30 June 2010		<u>417,803</u>	<u>417,803</u>

The accompanying notes form part of these financial statements.

RED DUST ROLE MODELS LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2010**

	2010	2009
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	2,912,755	1,045,800
Payments to suppliers and employees	(1,924,771)	(1,539,624)
Interest Received	12,275	12,097
Net cash provided by (used in) operating activities	17 <u>1,000,259</u>	<u>(481,727)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(47,088)	(2,868)
Net cash provided by (used in) investing activities	<u>(47,088)</u>	<u>(2,868)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	1,605	4,395
Repayment of borrowings	(48,760)	(65,551)
Net cash used in financing activities	<u>(47,155)</u>	<u>(61,156)</u>
Net increase (decrease) in cash held	906,016	(545,751)
Cash at beginning of financial year	57,493	603,244
Cash at end of financial year	5 <u>963,509</u>	<u>57,493</u>

The accompanying notes form part of these financial statements.

RED DUST ROLE MODELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

1 Statement of Significant Accounting Policies

This financial report covers Red Dust Role Models Limited as an individual entity. Red Dust Role Models Limited is a company limited by guarantee, incorporated and domiciled in Australia.

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial report is presented in Australian dollars, which is the functional currency of the entity. The financial statements were approved by the board of directors on October 2010.

Accounting Policies

Plant & Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

RED DUST ROLE MODELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over the assets useful lives.

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

Class of Fixed Asset	Depreciation Rate
Motor Vehicles	18.75
Plant and equipment	6.67 - 25

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Depreciation rates and useful lives have been applied consistently across the current and comparative period.

Leases

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

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

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

RED DUST ROLE MODELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

Financial Instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately.

Impairment of Assets

At each reporting date, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

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

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

Intangibles

Patents and trademarks

Patents and trademarks are recognised at cost of acquisition. Patents and trademarks have a finite life and are carried at cost less any impairment losses.

Amortisation

Amortisation is recognised in profit or loss on a straight line basis over the estimated useful lives of intangible assets, from the date they are available for use. The estimated useful life of patents and trademarks are 5 years.

RED DUST ROLE MODELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

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 short-term borrowings in current liabilities in the statement of financial position.

Revenue and Other Income

Donations are measured at the fair value of the consideration received or receivable.

Unconditional Government grants are recognised in the statement of comprehensive income as income when the grant becomes receivable.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument.

Taxation

Red Dust Role Models Limited has designated gift recipient status. As a consequence the Company is not subject to income tax.

Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position. Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

RED DUST ROLE MODELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

Employee benefits

Long-term service benefits

The company's net obligation in respect of long-term service benefits, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates, and is discounted using the rates attached to the Commonwealth Government bonds at the balance sheet date that have maturity dates approximating to the terms of the company's obligations.

Wages, salaries, annual leave, sick leave and non-monetary benefits

Liabilities for employee benefits for wages, salaries, annual leave and sick leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to reporting date, calculated at undiscounted amounts based on remuneration wage and salary rates that the Company expects to pay as at reporting date including related on-costs, such as workers compensation insurance and payroll tax.

Trade and other payables

Trade and other payables are recognised at amortised cost.

Comparative Figures

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

RED DUST ROLE MODELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

New standards and interpretations not yet adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the entity in the period of initial application. They are available for early adoption at 30 June 2010, but have not been applied in preparing this financial report.

- AASB 124 *Related Party Disclosures* (revised December 2009) simplifies and clarifies the intended meaning of the definition of a related party and provides a partial exemption from the disclosure requirements for government-related entities. The amendments, which will become mandatory for Group's 30 June 2012 financial statements, are not expected to have any impact on the financial statements.
- AASB 9 *Financial Instruments* includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the project to replace AASB 139 *Financial Instruments: Recognition and Measurement*.

AASB 9 will become mandatory for the Company's 30 June 2014 financial statements. Retrospective application is generally required, although there are exceptions, particularly if the entity adopts the standard for the year ended 30 June 2012 or earlier. The Company has not yet determined the potential effect of the standard.

- AASB 2009-5 *Further amendments to Australian Accounting Standards arising from the Annual Improvements Process* affect various AASBs resulting in minor changes for presentation, disclosure, recognition and measurement purposes. The amendments, which become mandatory for the Group's 30 June 2011 financial statements, are not expected to have a significant impact on the financial statements.

Use of estimates and judgements

The preparation of financial statements in conformity with AASBs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

For the Company critical accounting estimates are in relation to the impairment of intangible assets.

RED DUST ROLE MODELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

2 Determination of Fair Values

Property plant and equipment

Property, plant and equipment is carried at cost and amortised over its effective life. All property plant and equipment is subject to an annual impairment review.

Intangible assets

The fair value of intangible assets is based on cost of acquisition and is subject to an annual impairment review and is amortised over its effective life.

3 Financial Risk Management

The Company has exposure to the following risks:

- Credit risk
- Liquidity risk
- Interest rate risk

This note presents information about the Company's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout this financial report.

The Board of Directors has overall responsibility for the oversight of risks. The Company maintains a control environment in which all employees understand their roles and obligations. In addition, Programs are planned on the level of funding that has been provided.

Credit Risk

All receivables relate to entities which have been transacting with the company for a number of years. Where necessary an allowance for impairment is made that represents the Company's estimate of incurred losses in respect of trade and other receivables.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The operations of the entity are dependant on future funding and, therefore, ongoing programs are based on the level of funding received.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will affect the company's income. The exposure of the company to interest rate risk is limited to its cash and cash equivalents and financial liabilities.

RED DUST ROLE MODELS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

Capital Management

The Company manages its capital based on forecasted levels of donations and grants. An annual plan of programs is approved by the Board based on the level of funding provided.

RED DUST ROLE MODELS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

	2010	2009
	\$	\$
4 Revenue and Other Income		
Donations		
Vodaphone Foundation	1,517,696	1,313,763
Macquarie Bank	24,000	28,995
Fosters Foundation	110,000	-
Nike	40,000	80,000
Myer Foundation	41,712	-
QANTAS	22,017	65,104
Abi Group	100,000	-
Dyson Foundation	68,000	-
Other	208,838	48,738
	2,132,263	1,536,600
Government Grants	127,400	79,200
Total Donations and Grants	2,259,663	1,615,800
Interest received	12,275	12,097
Total revenue	2,271,938	1,627,897
 5 Cash and Cash Equivalents		
Current		
NAB Trading Account	20,227	-
Cash at Bank-Gift Fund	13,800	41,833
Term Deposit	151,978	-
NAB Cash Maximiser	777,504	16,209
	963,509	58,042
Reconciliation of cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:		
Cash and cash equivalents	963,509	58,042
NAB Trading Account (Overdraft)		(549)
	963,509	57,493

RED DUST ROLE MODELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

	2010	2009
	\$	\$
6 Trade and Other Receivables		
Current		
Other Debtors	-	2,366
GST Clearing	25,883	18,977
	<u>25,883</u>	<u>21,343</u>

The company does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.

No receivables are considered impaired as at 30th June 2010 (2009: Nil.)

7 Other Current Assets

Current		
Prepaid Charges	<u>1,866</u>	<u>8,328</u>

RED DUST ROLE MODELS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

	2010	2009
	\$	\$
8 Property, Plant and Equipment		
PLANT AND EQUIPMENT		
Motor Vehicles		
At cost	174,070	128,670
Accumulated depreciation	(60,819)	(37,725)
Total Plant and Equipment	113,251	90,945
Plant and Equipment:		
At cost	79,417	77,729
Accumulated depreciation	(41,380)	(29,501)
Total Plant and Equipment	38,037	48,228
Total Property, Plant and Equipment	151,288	139,173

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

	Plant & Equipment	Motor Vehicles	Total
Balance at 1 July 2008	61,115	112,288	173,403
Additions	2,868	-	2,868
Disposals	-	-	-
Depreciation expense	(15,755)	(21,343)	(37,098)
Balance at 30 June 2009	48,228	90,945	139,173
Balance at 1 July 2009	48,228	90,945	139,173
Additions	1,688	45,400	47,088
Disposals	-	-	-
Depreciation expense	(11,879)	(23,094)	(34,973)
Balance at 30 June 2010	38,037	113,251	151,288

RED DUST ROLE MODELS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

	2010	2009
	\$	\$
9 Intangible Assets		
Intellectual Property	40,000	40,000
Less Accumulated Amortisation	<u>(16,000)</u>	<u>(8,000)</u>
Net carrying value	<u>24,000</u>	<u>32,000</u>
Total	<u>24,000</u>	<u>32,000</u>
10 Trade and Other Payables		
Current		
Prepaid Income	650,726	-
Sundry Creditors	10,893	8,838
PAYG Accrual	<u>9,315</u>	<u>18,835</u>
	<u>670,934</u>	<u>27,673</u>
11 Financial Liabilities		
Current		
NAB Trading Account	-	549
NAB Visa Account	13,533	11,928
Toyota Finance Ltd	10,326	20,750
Toyota Finance Ltd	14,495	13,314
Chrysler Finance	<u>13,220</u>	<u>14,698</u>
	<u>51,574</u>	<u>61,239</u>
Non Current		
Toyota Finance Ltd	-	7,344
Toyota Finance Ltd	-	18,953
Chrysler Finance	<u>15,630</u>	<u>27,372</u>
Total non current borrowings	<u>15,630</u>	<u>53,669</u>
Total borrowings	<u>67,204</u>	<u>114,908</u>

RED DUST ROLE MODELS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

	2010 \$	2009 \$
12 Employee Benefits		
Non Current		
Long Service Leave	<u>10,605</u>	<u>12,850</u>
13 Retained Earnings		
Retained earnings at the beginning of the financial year	103,455	99,532
Net profit attributable to members of the company	<u>314,348</u>	<u>3,923</u>
Retained earnings at the end of the financial year	<u>417,803</u>	<u>103,455</u>
14 Auditors Remuneration		
Auditors Services		
KPMG – review of annual financial report	3,000	3,000
No other fees were paid to the auditor for audits or other services during the financial year.		

RED DUST ROLE MODELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

2010	2009
\$	\$

15. Related Parties

The following persons were directors of Red Dust Role Models during the financial year:-

-Mr Martin Phillip Hirons (Chairmen)	-Mr Raymond Clyde Minniecon
-Ms Linley Margaret Frame	-Mr Paul Francis Guerra
-Mr John Leslie Van Groningen	-Mr Simon Vincent McKeon
-Ms Ngaire Brown (Appointed 24/08/09)	-Mr Andrew Nathan Purcell (resigned 24/08/2009)

No remuneration was paid to the directors during the year, except that disclosed below.

Transactions with Related Parties

The Company entered into transactions with Directors, or their related parties, during the course of the year.

The terms and conditions of these transactions were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-director related entities on an arm's length basis.

The aggregate amounts recognised during the year relating to related parties were as follows:

Related party transactions	Transaction value	Transaction value
Linley Frame - Consultant	38,400	33,989
Raymond Minniecon – Bunji Consultancies – Cultural Adviser	37,000	20,000
Total compensation	75,400	53,989

16 Key Management Personnel

Key Management Personnel include persons with responsibility for planning, directing and controlling activities of the company, directly or indirectly during the financial year as follows:-

John Van Groningen

Other key management personnel

There were no other persons with responsibility for planning, directing and controlling activities of the company, directly or indirectly during the financial year.

RED DUST ROLE MODELS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

	2010	2009
	\$	\$
Key management personnel compensation		
The key management personnel compensation included in employee benefits expenses is as follows:-		
Short-term employee benefits		
John Van Groningen	142,260	140,000
Other long-term benefits		
John Van Groningen - Superannuation	12,623	12,600
Total compensation	154,883	152,600
17 Cash Flow Information		
Reconciliation of Cash Flow from Operations with Profit after Income Tax		
Profit after income tax	314,348	3,923
Non-cash flows in profit:		
Depreciation/ Amortisation	42,973	45,098
Financing flows in operating profits	-	12,395
Changes in assets and liabilities, net of the effects of purchase and disposals of subsidiaries		
(Increase) Decrease in current receivables	(4,540)	11,268
(Increase) Decrease in prepaid charges	6,462	11,427
Increase (Decrease) in sundry creditors	2,055	5,376
Increase (Decrease) in other creditors	(9,520)	(14,064)
Increase (Decrease) in non-current provisions	(2,245)	12,850
Increase (Decrease) in income in advance	650,726	(570,000)
	1,000,259	(481,727)

RED DUST ROLE MODELS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

2010

\$

2009

\$

18 Financial Risk Management

Financial Risk Management Policies

The company's financial instruments consists primarily of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, bills and leases.

The directors' overall risk management strategy seeks to assist the company in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

Risk management policies are approved and reviewed by the Board of Directors on a regular basis. These included the credit risk policies and future cash flow requirements.

The main purpose of non-derivative financial instruments is to raise finance for company operations.

The company does not have any derivative instruments at 30 June 2010 (2009: Nil.)

Interest rate risk

Interest rate risk is linked to cash and cash equivalents and financial liabilities. Cash and cash equivalents are held at banks with interest rates ranging from 0.05% to 5.1%.

Credit Risk

The Company is not exposed to any significant credit risk. Credit risk is limited to the value of receivables held in the balance sheet.

RED DUST ROLE MODELS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

2010
\$

2009
\$

Liquidity Risk

The Company is not exposed to significant liquidity risk. The Program schedule is based on funding received.

The contractual maturities of the Company's financial liabilities are as follows:-

30 June 2010

	Carrying amount	Contractual cash flows	6 mths or less	6-12 mths	1-2 years	2-5 years	More than 5 years
	\$	\$	\$	\$	\$	\$	\$
Non-derivative financial liabilities							
Finance lease liabilities	53,671	(53,671)	19,020	19,021	13,220	2,410	-
Other financial liabilities	13,533	(13,533)	13,533	-	-	-	-

30 June 2009

	Carrying amount	Contractual cash flows	6 mths or less	6-12 mths	1-2 years	2-5 years	More than 5 years
	\$	\$	\$	\$	\$	\$	\$
Non-derivative financial liabilities							
Finance lease liabilities	102,431	(102,431)	24,381	24,381	48,763	4,906	-
Other financial liabilities	12,477	(12,477)	12,477	-	-	-	-

19 Members guarantee

The company is limited by guarantee. If the company is wound up the Constitution states that each member is required to contribute a maximum of \$50 towards meeting any outstanding obligations of the entity. As at 30 June 2010 there were 37 members (2009: 37 members).

20 Commitments or Contingencies

There are no commitments or contingencies as at 30 June 2010.

21 Subsequent Events

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

RED DUST ROLE MODELS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

2010
\$

2009
\$

22 Company Details

The registered office of the company is:

Red Dust Role Models Limited

Suite 2, 70 Lincoln Road
Essendon VIC 3040

The principal place of business is:

1/ 52 Brunswick Street
Fitzroy VIC 3065

RED DUST ROLE MODELS LIMITED

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 1 to 25, are in accordance with the Corporations Act 2001 including:
 - (a) complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Regulations 2001;
 - (b) giving a true and fair view of the Company's financial position as at 30 June 2010 and of the performance for the year ended on that date of the company; and
 - (c) the financial statements also comply with International Financial Reporting Standards as disclosed in Note 1.
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.

Director: _____
Mr Martin Phillip Hirons

Director: _____
Mr John Leslie Van Groningen

Dated this day of

Independent auditors' report to the members of Red Dust Role Models Limited

Report on the financial report

We have audited the financial report of Red Dust Role Models Limited for the financial year ended 30 June 2010, consisting of the statement of financial position as at 30 June 2010 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, summary of significant accounting policies and other explanatory notes 1 to 22 and the directors' declaration.

Directors' responsibility for the financial report

The company's directors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In note 1, the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards (including the Australian Accounting Interpretations), a view which is consistent with our understanding of the Company's financial position, and of its performance.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Basis for qualified auditor's opinion

Red Dust Role Models Limited receive public donation revenue. Red Dust Role Models Limited has determined that it is impracticable to establish controls over the collection of public donations prior to entry into its financial records.

Accordingly, as the evidence available to us regarding revenue from this source was limited, our audit procedures with respect to public donation had to be restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion whether the public donation revenue Red Dust Role Models Limited obtained is complete.

Qualified auditor's opinion

In our opinion, except for the effects on the financial report of such adjustments, if any, as might have been required had the limitation on our audit procedures referred to in the qualification paragraph not existed, the financial report of Red Dust Role Models Limited is in accordance with:

- a) the Corporations Act 2001, including:
 - i) giving a true and fair view of the Company's financial position as at 30 June 2010 and of its performance for the ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
- b) the financial report also complies with International Financial Reporting Standards as disclosed in note 1.

KPMG

Mitch Craig
Partner

Melbourne

October 2010