

RED DUST ROLE MODELS LIMITED

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ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED

30 JUNE 2013

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RED DUST ROLE MODELS

DIRECTORS' REPORT

Your directors of Red Dust Role Models ("the Company") present their report on the Company for the financial year ended 30 June 2013 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:

Mr Martin Phillip Hirons (Chairman)

Mr Paul Francis Guerra

Mr Raymond Clyde Minniecon

Mr John Leslie Van Groningen (resigned 23/12/2012)

Mr Simon Vincent McKeon

Ms Ngiare Brown (resigned 04/09/2012)

Mrs Melanie Jones (resigned 08/07/2013)

Mr Ben Lawrence

Mr Austin Van Groningen (Appointed 17/06/2013)

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 seven meetings throughout the year. Each director attended all seven meetings with the following exceptions; Paul Guerra (2); Simon McKeown (3); Melanie Jones (4); Ben Lawrence (4); Raymond Minniecon (5); Austin Van Groningen (1); Ngiare Brown (1) and John Van Groningen (2).

Each director was available for all seven meetings with the following exceptions; John van Groningen (4); Ngiare Brown (1); Austin Van Groningen (1).

Principal Activities

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

Objectives and strategies

The 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 these programs.

The Company measures its performance through the setting of an annual budget and plan of programs which is agreed 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.

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 declared or paid during the year. The directors do not recommend the payment of a dividend as at 30 June 2013.

Indemnities and Insurance

The Company held public liability insurance and professional indemnity insurance during the year ended 30 June 2013. No claims have been made during or since the end of the financial year for any person who is or has been an officer or auditor of the Company.

Further disclosure required under section 300(9) of the Corporations law is prohibited under the terms of the contract.

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 auditor of the Group.

Non Audit Services

During the year to 30 June 2013, KPMG, the Company's auditor, has not performed any 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 2013 there were 37 members and therefore total contribution of \$1,850 (2012: \$1,850).

Lead Auditor's Independence Declaration

A copy of the lead auditor's independence declaration which forms part of the Director's Report 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 (Chairman)
21 October 2013

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

TO BE PROVIDED BY KPMG

RED DUST ROLE MODELS

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$	2012 \$
Revenue	4(a)	1,063,133	1,356,485
Interest Received	4(a)	2,285	10,156
Profit/(Loss) on Sale of non-current Assets	4(b)	<u>(13,848)</u>	<u>5,038</u>
		<u>1,051,570</u>	<u>1,371,679</u>
Employee benefits expenses		(263,226)	(575,135)
Audit Fees	14	(3,000)	(3,000)
Advertising and promotion		(3,040)	(37,963)
Computer		(3,123)	(11,205)
Consultancy and professional fees		(96,171)	(75,780)
Depreciation and amortisation		(23,249)	(44,619)
Impairment Charge		-	(8,000)
Interest expense		(2,514)	(4,963)
Office expenses		(17,757)	(53,474)
Program expenses		(421,108)	(503,237)
Travel and accommodation		(12,129)	(67,316)
Event expenses		(25,465)	(14,988)
Other expenses		<u>(80,391)</u>	<u>(169,437)</u>
Total Expenses		(951,173)	(1,569,117)
Profit/(Loss) from operating activities		100,397	(197,438)
Income tax expense		-	-
Profit/(Loss) from continuing operations		<u>100,397</u>	<u>(197,438)</u>
Total comprehensive income/(loss) for the year		<u>100,397</u>	<u>(197,438)</u>
Total comprehensive income/(loss) for the year attributable to owners of the Company		<u>100,397</u>	<u>(197,438)</u>

The accompanying notes on page 8 to 20 form part of these financial statements.

RED DUST ROLE MODELS

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2013

	Note	2013 \$	2012 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	63,954	38,303
Trade and other receivables	6	10,738	5,031
Other current assets	7	236	2,717
TOTAL CURRENT ASSETS		74,928	46,051
NON-CURRENT ASSETS			
Property, plant and equipment	8	77,774	139,416
TOTAL NON-CURRENT ASSETS		77,774	139,416
TOTAL ASSETS		152,702	185,467
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	26,625	85,914
Employee Benefits	12	13,102	44,549
Financial liabilities	11	21,898	34,012
TOTAL CURRENT LIABILITIES		61,625	164,475
NON CURRENT LIABILITIES			
Financial liabilities	11	890	19,112
Employee Benefits	12	4,029	16,119
TOTAL NON CURRENT LIABILITIES		4,919	35,231
TOTAL LIABILITIES		66,544	199,706
NET ASSETS		86,158	(14,239)
EQUITY			
Retained earnings	13	86,158	(14,239)
TOTAL EQUITY		86,158	(14,239)

The accompanying notes on page 8 to 20 form part of these financial statements.

RED DUST ROLE MODELS

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2013

	Retained earnings \$	Total \$
Balance at 1 July 2011	183,199	183,199
Changes in equity 2012		
Total comprehensive loss for the year	<u>(197,438)</u>	<u>(197,438)</u>
Balance at 30 June 2012	<u>(14,239)</u>	<u>(14,239)</u>
Balance at 1 July 2012	(14,239)	(14,239)
Changes in equity 2013		
Total comprehensive profit for the year	<u>100,397</u>	<u>100,397</u>
Balance at 30 June 2013	<u>86,158</u>	<u>86,158</u>

The accompanying notes on page 8 to 20 form part of these financial statements.

RED DUST ROLE MODELS

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$	2012 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from donations		1,059,732	1,359,481
Payments to suppliers and employees		(1,030,575)	(1,428,055)
Interest Received		2,285	10,156
Net cash used in operating activities	17	<u>31,442</u>	<u>(58,418)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from Sale of Motor Vehicle		24,545	31,818
Payments for Motor Vehicle		-	(48,462)
Payments for Property, Plant & Equipment		-	(2,930)
Net cash used in investing activities		<u>24,545</u>	<u>(19,574)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		-	-
Repayment of borrowings		(18,222)	(18,222)
Net cash provided by / (used in) financing activities		<u>(18,222)</u>	<u>(18,222)</u>
Net decrease in cash held		37,765	(96,214)
Cash at beginning of financial year		22,513	118,727
Cash at end of financial year	5	<u>60,278</u>	<u>22,513</u>

The accompanying notes on page 8 to 20 form part of these financial statements.

RED DUST ROLE MODELS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

1 Statement of Significant Accounting Policies

The financial statements cover Red Dust Role Models Limited (“the Company”) as an individual entity. Red Dust Role Models Limited is a company limited by guarantee, incorporated and domiciled in Australia. The Company’s registered office and place of business is Level 1, 433 Chapel Street, South Yarra VIC 3141. The financial statements were approved by the board of directors on 21 October 2013.

Statement of Compliance

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial statements containing relevant and reliable information about transactions, events and conditions. The financial report complies with International Financial Reporting Standards (IFRS) and interpretations adopted by the International Accounting Standards Board (IASB). Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on a historical cost basis, 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.

Comparative Figures

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

Accounting Policies

Plant and equipment

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

The carrying amount of plant and equipment is reviewed annually 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 costs are charged to the statement of comprehensive income during the financial period in which they are incurred.

RED DUST ROLE MODELS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

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 plant and equipment, but excluding freehold land, is depreciated on a straight line basis.

The depreciation rates used for each class of depreciable assets in the current and comparative period are:

Class of Fixed Asset	Depreciation Rate
Motor Vehicles	18.75
Plant and equipment	6.67 – 66

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date, so as to write-off the net cost of each asset over its estimated useful life to its estimated residual value.

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 Company, are classified as finance leases. All other leases are classified as operating 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 amortised 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 recognised as expense in the period 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.

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 an asset.

Financial Instruments

Initial Recognition and Measurement

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately.

RED DUST ROLE MODELS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

Intangible Assets

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 accumulated amortisation and any impairment losses. Patents and trademarks are amortised over their useful life of 5 years. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted as appropriate.

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 on the statement of financial position.

Revenue and Other Income

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

- 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.

Expenses

Expenses are recognised on an accruals basis, to the extent that it is probable that economic cost will result in an outflow from the Company and that these can be reliably measured.

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 an item of expense.

Receivables and payables are stated inclusive of GST. 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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

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 when the Company becomes obliged to make future payments resulting from the purchase of service or goods.

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 2013, but have not been applied in preparing this financial report.

- 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, the Company has not yet determined the potential effect of the standard.

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 carrying amount of long service leave liability. Refer to note 1 for further information.

RED DUST ROLE MODELS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

2 Determination of Fair Values

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 in note 18 of this financial report.

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

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

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 dependent 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.

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. The Company's capital structure consists of cash and cash equivalents, and retained earnings from operations.

RED DUST ROLE MODELS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

4(a) Revenue and Other Income

Donations

	Year ended 30 June 2013	Year ended 30 June 2012
Knorre Bermse	-	60,000
Fosters Foundation	132,000	120,000
Coles Express	-	20,000
Drink Wise	50,000	30,000
Ansvar	50,000	50,000
Other Donations	121,354	49,729
Pratt Foundation	-	100,000
Abi Group	100,000	100,000
Telco Together	24,091	-
Serco	40,748	-
Christ Church School	28,684	-
Medibank Private	178,900	-
Vodafone Foundation	-	100,004
Myer	-	40,000
St Gregory	-	41,135
Tangentyere Council	35,000	-
CAAPA	5,727	-
	766,504	710,868
Tiwi Islands	160,955	-
Sundry Income	16,680	-
	177,635	
Government Grants	118,994	645,617
Total Donations and Grants	1,063,133	1,356,485
Interest received	2,285	10,156
Total revenue	1,065,418	1,366,641

(b) Other income

Profit/(Loss) on sale of Non-current Assets	(13,848)	5,038
Total other income	(13,848)	5,038

5 Cash and Cash Equivalents

	30 June 2013	30 June 2012
NAB Trading Account	12,645	13,520
Cash at Bank-Gift Fund	3,103	10
Tiwi Islands Bank Account	-	24,528
NAB Cash Maximiser	48,206	245
	63,954	38,303
NAB Visa Account – note 11	(3,676)	(15,790)
Cash and cash equivalents in statement of cash flows	60,278	22,513

RED DUST ROLE MODELS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

6 Trade and Other Receivables

Current

	30 June 2013	30 June 2012
Other Debtors	3,401	-
GST Clearing	7,337	5,031
	10,738	5,031

The Company does not hold any financial assets whose terms have been renegotiated, or are considered to be past due or impaired. Normal terms and conditions of debtors are 30 days.

7 Other Current Assets

Current

Prepayments	236	2,717
	236	2,717

8 Property, Plant and Equipment

PLANT AND EQUIPMENT

Plant and Equipment:

At cost	88,245	88,245
Accumulated depreciation	(67,376)	(60,999)
Total Plant and Equipment	20,869	27,246

Motor Vehicles

At cost	136,339	184,801
Accumulated depreciation	(79,434)	(72,631)
Total Motor Vehicles	56,905	112,170

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 2011	32,915	118,508	151,423
Additions	2,930	48,462	51,392
Profit on sale	-	5,038	5,038
Disposals	-	(31,818)	(31,818)
Depreciation expense	(8,599)	(28,020)	(36,619)
Balance at 30 June 2012	27,246	112,170	139,416

RED DUST ROLE MODELS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

Balance at 1 July 2012	27,246	112,170	139,416
Additions	-	-	-
Loss on sale	-	(13,848)	(13,848)
Disposals	-	(24,545)	(24,545)
Depreciation expense	(6,377)	(16,872)	(23,249)
Balance at 30 June 2013	20,869	56,905	77,774

9 Intangible Assets

	30 June 2013	30 June 2012
Intellectual Property	-	40,000
Less Accumulated Amortisation	-	(32,000)
Less Impairment Charge	-	(8,000)
Net carrying value	-	-
Total	-	-

10 Trade and Other Payables

Current

Sundry Creditors	4,931	17,161
Trade Creditors	17,896	41,016
PAYG Accrual	3,798	27,737
	26,625	85,914

Normal terms and conditions of creditors are 30 days

11 Financial Liabilities

Current

NAB Visa Account	3,676	15,790
Esanda Finance	18,222	18,222
Total current borrowings	21,898	34,012

Non Current

Esanda Finance	890	19,112
Total Non Current borrowings	890	19,112
Total Borrowings	22,788	53,124

RED DUST ROLE MODELS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

12 Employee Benefits

Current

	30 June 2013	30 June 2012
Annual Leave	13,102	44,549

Non Current

Long Service Leave	4,029	16,119
	<u>17,131</u>	<u>60,668</u>

13 Retained Earnings

Retained earnings at the beginning of the financial year		
Net Profit attributable to members of the Company	(14,239)	183,199
Retained earnings at the end of the financial year	<u>100,397</u>	<u>(197,438)</u>
	<u>86,158</u>	<u>(14,239)</u>

14 Auditors Remuneration

KPMG – audit of annual financial report

3,000 3,000

No other fees were paid to the auditor for audit or other services during the current or prior year.

15 Related Parties

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

- Mr Martin Phillip Hiron (Chairman)
- Mr Raymond Clyde Minniecon
- Mr Simon Vincent McKeon
- Mr Austin Van Groningen (Appointed 17/06/2013)
- Mr Paul Francis Guerra
- Mr Ben Lawrence
- Ms Melanie Jones (Resigned 08/07/2013)
- Ms Nigiare Brown (Resigned 04/09/2012)
- Mr John Leslie Van Groningen (Resigned 23/12/12)

No remuneration was paid to the directors in their role as directors during the year, except amounts disclosed as related party transactions or that paid to directors determined as key management personnel in Note 16 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.

RED DUST ROLE MODELS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

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

	Transaction value	Transaction value
Related party transactions		
Raymond Minniecon – Bunji Consultancies – Cultural Adviser	4,400	10,364
Total compensation	<u>4,400</u>	<u>10,364</u>

16 Key Management Personnel

Key Management Personnel ('KMP') include persons with responsibility for planning, directing and controlling activities of the Company, directly or indirectly during the financial year. In June 2011, Darren Smith was appointed to the role of Chief Executive Officer ('CEO'). The persons determined to be Key Management Personnel at 30 June 2013 are as follows:

Darren Smith

The persons determined to be Key Management Personnel at 30 June 2012 were Darren Smith and 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.

Key management personnel compensation

The key management personnel compensation included in employee benefits expense is as follows:

Short-term employee benefits		
Wages and Salaries	104,040	233,781
Long-term employee benefits		
Superannuation contributions	9,363	21,040
Annual Leave	14,395	28,781
Long Service Leave	3,848	5,040
Total compensation	<u>131,646</u>	<u>288,642</u>

RED DUST ROLE MODELS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

17 Cash Flow Information

Reconciliation of Cash Flow from Operations with Profit/(loss) after Income Tax

	Year ended 30 June 2013	Year ended 30 June 2012
Profit/(loss) after income tax	100,397	(197,438)
Non-cash flows in profit:		
Depreciation/ Amortisation	23,249	44,619
Impairment charge	-	8,000
Loss on Sale of Non Current Asset	13,848	-
Profit on Sale of Non Current Asset	-	(5,038)
Changes in assets and liabilities, net of the effects of purchase and disposals of subsidiaries		
(Increase) Decrease in current receivables	(5,707)	20,110
(Increase) Decrease in prepaid charges	2,481	4,963
Increase (Decrease) in sundry creditors	(35,350)	58,177
Increase (Decrease) in other creditors	(23,939)	21,476
Increase (Decrease) in employee benefit provisions	(43,537)	(14)
Increase (Decrease) in income in advance	-	(13,273)
	<u>31,442</u>	<u>(58,418)</u>

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 include future cash flow requirements.

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

The Company does not have any derivative instruments at 30 June 2013.

RED DUST ROLE MODELS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

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%. A 1% increase/(decrease) in interest rates would increase/(decrease) profit and equity by \$640/(\$640).

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.

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 2013

	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	19,112	(19,112)	9,111	9,111	890	-	-
Other financial liabilities	3,676	(3,676)	3,676	-	-	-	-

30 June 2012

	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	37,334	(37,334)	9,111	9,111	18,222	890	-
Other financial liabilities	15,790	(15,790)	15,790	-	-	-	-

RED DUST ROLE MODELS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

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 2013 there were 37 members (2012: 37 members).

20 Commitments or Contingencies

There are no material commitments or contingencies as at 30 June 2013 (2013: Nil).

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

DIRECTOR'S DECLARATION

- 1 In the opinion of the directors of Red Dust Role Models Limited ('the Company'):
 - (a) the financial statements and notes that are set out on pages 4 to 20 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Group's financial position as at 30 June 2013 and of its performance, for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
 - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. The directors draw attention to note 1 to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors:

Dated in Melbourne on 21 October 2013

Martin Phillip Hirons
Chairman

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

TO BE PROVIDED BY KPMG