

RED DUST ROLE MODELS LIMITED

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ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED

30 JUNE 2014

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RED DUST ROLE MODELS

DIRECTOR'S REPORT

Your directors of Red Dust Role Models ("the Company") present their report on the Company for the financial year ended 30 June 2014 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 Simon Vincent McKeon

Mr Ben Lawrence

Mr Austin Van Groningen

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 five meetings with the following exceptions; Paul Guerra (3); Simon McKeown (5); and Raymond Minniecon (3).

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 2014.

Indemnities and Insurance

The Company held public liability insurance and professional indemnity insurance during the year ended 30 June 2014. 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.

Non Audit Services

During the year to 30 June 2014, 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 2014 there were 37 members and therefore total liability is \$1,850 (2013: \$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)

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 2014 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

Chris Wooden

Partner

Melbourne

RED DUST ROLE MODELS

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 \$	2013 \$
Revenue	4(a)	957,347	1,063,133
Interest Received		2,468	2,285
Profit/(Loss) on Sale of non-current Assets	4(b)	<u>(25,713)</u>	<u>(13,848)</u>
		<u>934,102</u>	<u>1,051,570</u>
Employee benefits expenses		(384,313)	(263,226)
Audit Fees	13	(3,000)	(3,000)
Advertising and promotion		(4,823)	(3,040)
Computer		(2,654)	(3,123)
Consultancy and professional fees		(54,278)	(96,171)
Depreciation and amortisation	8	(12,394)	(23,249)
Interest expense		(393)	(2,514)
Office expenses		(27,683)	(17,757)
Program expenses		(234,596)	(421,108)
Travel and accommodation		(28,502)	(12,129)
Event expenses		(21,608)	(25,465)
Other expenses		<u>(60,789)</u>	<u>(80,391)</u>
Total Expenses		(835,033)	(951,173)
Profit/(Loss) from operating activities		99,069	100,397
Income tax expense		-	-
Profit from continuing operations		<u>99,069</u>	<u>100,397</u>
Total comprehensive income for the year		<u>99,069</u>	<u>100,397</u>
Total comprehensive income for the year attributable to owners of the Company		99,069	100,397
		<u>99,069</u>	<u>100,397</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 2014

	Note	2014 \$	2013 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	149,116	63,954
Trade and other receivables	6	62,489	10,738
Other current assets	7	-	236
TOTAL CURRENT ASSETS		211,605	74,928
NON-CURRENT ASSETS			
Property, plant and equipment	8	41,399	77,774
TOTAL NON-CURRENT ASSETS		41,399	77,774
TOTAL ASSETS		253,004	152,702
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	28,980	26,625
Employee Benefits	11	16,262	13,102
Financial liabilities	10	16,722	22,788
TOTAL CURRENT LIABILITIES		61,964	62,515
NON CURRENT LIABILITIES			
Employee Benefits	11	5,813	4,029
TOTAL NON CURRENT LIABILITIES		5,813	4,029
TOTAL LIABILITIES		67,777	66,544
NET ASSETS		185,227	86,158
EQUITY			
Retained earnings	12	185,227	86,158
TOTAL EQUITY		185,227	86,158

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 2014

	Retained earnings \$	Total \$
Balance at 1 July 2012	(14,239)	(14,239)
Changes in equity 2013		
Total comprehensive income for the year	<u>100,397</u>	<u>100,397</u>
Balance at 30 June 2013	<u>86,158</u>	<u>86,158</u>
Balance at 1 July 2013	86,158	86,158
Changes in equity 2014		
Total comprehensive income for the year	<u>99,069</u>	<u>99,069</u>
Balance at 30 June 2014	<u>185,227</u>	<u>185,227</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 2014

	Note	2014 \$	2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from donations		898,259	1,059,732
Payments to suppliers and employees		(807,766)	(1,030,575)
Interest Received		2,468	2,285
Net cash provided by operating activities	16	<u>92,961</u>	<u>31,442</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from Sale of Motor Vehicle		-	24,545
Payments for Property, Plant & Equipment		(1,732)	-
Net cash provided by / (used in) investing activities		<u>(1,732)</u>	<u>24,545</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(6,066)	(18,222)
Net cash provided by / (used in) financing activities		<u>(6,066)</u>	<u>(30,336)</u>
Net increase in cash held		85,163	37,765
Cash at beginning of financial year		63,954	22,513
Cash at end of financial year	5	<u>149,117</u>	<u>60,278</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 2014

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 20 October 2014.

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 2014

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 2014

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 2014

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.

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 the critical accounting estimate is in relation to the long service leave liability. Refer to note 11 for further information.

RED DUST ROLE MODELS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

2 Determination of Fair Values

The fair value of financial assets is equivalent to the value held on the balance sheet.

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 17 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 2014

4(a) Revenue and Other Income	30 June 2014	30 June 2013
Donations		
Fosters Foundation	-	132,000
Coles Express	10,000	-
Drink Wise	90,909	50,000
Ansva	-	50,000
Other Donations	88,809	121,354
Abi Group	20,000	100,000
Telco Together	70,000	24,091
Serco	-	40,748
Christ Church School	12,500	28,684
Medibank Private	87,455	178,900
St Gregory	18,182	-
Tangentyere Council	11,000	35,000
CAAPA	37,364	5,727
Pacific Brands	180,000	-
UN Ltd	27,273	-
ACMF	5,280	-
Gandel	30,000	-
	688,772	766,504
Tiwi Islands	-	160,955
Fundraising Events	81,387	-
Sundry Income	22,673	16,680
	104,060	177,635
Government Grants	164,515	118,994
Total Donations and Grants	957,347	1,063,133
Other income		
(b) Profit/(Loss) on sale of Non-current Assets	(25,713)	(13,848)
Total other income	(25,713)	(13,848)
5 Cash and Cash Equivalents	30 June 2014	30 June 2013
NAB Trading Account	17,849	12,645
Cash at Bank-Gift Fund	73,798	3,103
NAB Cash Maximiser	57,470	48,206
	149,117	63,954
NAB VISA Account – note 11	(16,722)	(3,676)
Cash and cash equivalents in the statements of cash flows	132,395	60,278

RED DUST ROLE MODELS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

6 Trade and Other Receivables	30 June 2014	30 June 2013
Current		
Other Debtors	-	3,401
Trade Debtors	57,160	
Rental Bond	5,329	
GST Clearing	-	7,337
	<u>62,489</u>	<u>10,738</u>

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 trade and other debtors are 30 days.

7 Other Current Assets	30 June 2014	30 June 2013
Current		
Prepayments	-	236
	<u>-</u>	<u>236</u>

8 Property, Plant and Equipment	30 June 2014	30 June 2013
PLANT AND EQUIPMENT		
Plant and Equipment:		
At cost	89,977	88,245
Accumulated depreciation	(71,832)	(67,376)
Total Plant and Equipment	<u>18,145</u>	<u>20,869</u>
 Motor Vehicles		
At cost	88,666	136,339
Accumulated depreciation	(65,412)	(79,434)
Total Motor Vehicles	<u>23,254</u>	<u>56,905</u>

RED DUST ROLE MODELS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

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 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
	\$	\$	\$
Balance at 1 July 2013	20,869	56,905	77,774
Additions	1,732	-	1,732
Loss on sale	-	-	-
Disposals	-	(25,713)	(25,713)
Depreciation expense	(4,456)	(7,938)	(12,394)
Balance at 30 June 2014	18,145	23,254	41,399

9 Trade and Other Payables

30 June 2014

30 June 2013

Current

GST Clearing	4,804	-
Sundry Creditors	8,425	4,930
Trade Creditors	10,923	17,896
PAYG Accrual	4,828	3,798
	28,980	26,625

Normal terms and conditions of creditors are 30 days.

10 Financial Liabilities

30 June 2014

30 June 2013

Current

NAB Visa Account	16,722	3,676
Esanda Finance	-	19,112
	16,722	22,788
Total borrowings	16,722	22,788

RED DUST ROLE MODELS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

11	Employee Benefits	30 June 2014	30 June 2013
	Current		
	Annual Leave	16,262	13,102
	Non Current		
	Long Service Leave	<u>5,813</u>	<u>4,029</u>
		<u>22,075</u>	<u>17,131</u>

12	Retained Earnings	30 June 2014	30 June 2013
	Retained earnings at the beginning of the financial year	86,158	(14,239)
	Net Profit attributable to members of the Company	<u>99,069</u>	<u>100,397</u>
	Retained earnings at the end of the financial year	<u>185,227</u>	<u>86,158</u>

No dividends were declared or paid during the year.

13	Auditors Remuneration	30 June 2014	30 June 2013
	KPMG – audit of annual financial report	<u>3,000</u>	<u>3,000</u>

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

14 Related Parties

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

- Mr Martin Phillip Hirons (Chairman)
- Mr Raymond Clyde Minniecon
- Mr Simon Vincent McKeon
- Mr Austin Van Groningen
- Mr Paul Francis Guerra
- Mr Ben Lawrence

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 15 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 2014

15 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. The persons determined to be Key Management Personnel at 30 June 2014 are as follows:

Darren Smith (CEO)

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:

	30 June 2014	30 June 2013
Short-term employee benefits		
Wages and Salaries	107,097	104,040
Entertainment Card	8,000	
Long-term employee benefits		
Superannuation contributions	10,647	9,363
Annual Leave	12,974	14,395
Long Service Leave	5,249	3,848
Total compensation	<u>143,967</u>	<u>131,646</u>

RED DUST ROLE MODELS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

16	Cash Flow Information	30 June 2014	30 June 2013
	Reconciliation of Cash Flow from Operations with Profit after Income Tax		
	Profit (loss) after income tax	99,069	100,397
	Non-cash flows in profit:		
	Depreciation/ Amortisation	12,394	23,249
	Loss on Sale of Non Current Asset	25,713	13,848
	Changes in assets and liabilities, net of the effects of purchase and disposals of subsidiaries		
	(Increase) Decrease in current receivables	(51,751)	(5,707)
	(Increase) Decrease in prepaid charges	236	2,481
	Increase (Decrease) in sundry creditors	(3,478)	(35,350)
	Increase (Decrease) in other creditors	5,834	(23,939)
	Increase (Decrease) in employee benefit provisions	4,944	(43,537)
		<u>92,961</u>	<u>31,442</u>

17 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 Company operations.

The Company does not have any derivative instruments at 30 June 2014 (2013: nil).

RED DUST ROLE MODELS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

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.

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 2014

	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	-	-	-	-	-	-	-
Other financial liabilities	16,722	(16,722)	16,722	-	-	-	-

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	-	-	-	-

RED DUST ROLE MODELS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

18 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 2014 there were 37 members (2013: 37 members).

19 Commitments or Contingencies

There are no commitments of contingencies as at 30 June 2014 (2013: Nil).

20 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 8 to 20 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's financial position as at 30 June 2014 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 financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors:

Dated in Alice Springs on 20 October 2014

Martin Phillip Hirons
Chairman

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

Report on the financial report

We have audited the accompanying financial report of Red Dust Role Models Limited (the Company), which comprises the statement of financial position as at 30 June 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, notes 1 to 20 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In note 1, the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply 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 of the financial report that gives a true and fair view 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, a true and fair 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 Auditors Opinion

Red Dust Role Models Limited receives public donation revenue. The Company has determined that it is impractical 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 on whether the public donation revenue the Company has 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 limitations 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 2014 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in note 1.

Emphasis of Matter – Going Concern

Without further modification of our opinion, in Note 1 of the financial statements the Directors note that the ongoing viability of the Company is dependent on grants and donations from partners in order to continue to meet commitments to current programs and to meet liabilities as they fall due. Because of this there is material uncertainty regarding the ability of the Company to continue as a going concern. Should the Company be unable to continue as a going concern, the Company may not realise their assets and extinguish their liabilities in the normal course of business and at the amounts stated in the financial report.

KPMG

Chris Wooden
Partner

Melbourne