

Red Dust Role Models Ltd

Red Dust Role Models Ltd
ABN 12 118 641 777
For the year ended 30 June 2017

Prepared by Jones Louros & Associates

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Lead Auditor's Independence Declaration under Section 60-40 of Australian Charities and Not-for-profits Commission Act 2012

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 of Red Dust Role Models Limited for the financial year ended 30 June 2017 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink that reads 'kpmg' in a lowercase, cursive style.

KPMG

A handwritten signature in black ink that reads 'Rachel Milum' in a cursive style.

Rachel Milum
Partner
Melbourne
23 October 2017

Directors' Report

Red Dust Role Models Ltd For the year ended 30 June 2017

Your directors of Red Dust Role Models Ltd ("the Company") present their report on the Company for the financial year ended 30 June 2017 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 Ben Lawrence

Mr Austin Van Groningen

Mr William Gerald Minson

Mrs Deanne Minniecon (Resigned 08/06/2017)

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 five meetings throughout the year. Each director attended all five meetings with the following exceptions; Austin Van Groningen (4); Raymond Minniecon (3); Ben Lawrence (4); Deanne Minniecon (4).

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 Ltd 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 2017.

Indemnities and Insurance

The Company held public liability insurance and professional indemnity insurance during the year ended 30 June 2017. 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 2017, 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 2017, there were 37 members and therefore total liability is \$1,850 (2016: \$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 set out on page 5.

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

Director: _____



Martin Phillip Hirons (Chairman)

Statement of Comprehensive Income

Red Dust Role Models Ltd For the year ended 30 June 2017

| | NOTES | 2017 | 2016 |
|---|-------|------------------|------------------|
| Revenue | | | |
| Revenue | 3 | 1,221,555 | 1,432,870 |
| Interest Received | 3 | 569 | 1,843 |
| Profit/(Loss) on Sale of non-current Assets | 3 | 8,777 | - |
| Total Revenue | | 1,230,902 | 1,434,714 |
| Total Income | | | |
| | | 1,230,902 | 1,434,714 |
| Expenses | | | |
| Employee Benefits | | 536,201 | 564,726 |
| Audit Fees | 11 | 3,000 | 3,000 |
| Consultancy & Professional Fees | | 79,453 | 35,500 |
| Depreciation & Amortisation | | 7,018 | 9,091 |
| Office Expenses | | 66,407 | 48,622 |
| Program Expenses | | 463,881 | 471,520 |
| Event Expenses | | 10,974 | 12,572 |
| Other Expenses | | 93,221 | 85,031 |
| Marketing | | 8,814 | 20,567 |
| Rates | | 4,145 | 2,551 |
| Total Expenses | | 1,273,114 | 1,253,180 |
| Total comprehensive income / (loss) for the year | | | |
| | | (42,212) | 181,534 |

The statement of comprehensive income is to be read in conjunction with the notes to the financial statements as set out on pages 10 to 21.

Statement of Financial Position

Red Dust Role Models Ltd As at 30 June 2017

| | NOTES | 30 JUN 2017 | 30 JUN 2016 |
|--------------------------------------|-------|----------------|----------------|
| Assets | | | |
| Current Assets | | | |
| Cash and cash equivalents | 4 | 264,433 | 244,341 |
| Trade and other receivables | 5 | 24,750 | 118,830 |
| Other current assets | 6 | 9,240 | 14,448 |
| Total Current Assets | | 298,422 | 377,619 |
| Non-Current Assets | | | |
| Property, plant and equipment | 7 | 45,530 | 33,407 |
| Total Non-Current Assets | | 45,530 | 33,407 |
| Total Assets | | 343,952 | 411,026 |
| Liabilities | | | |
| Current Liabilities | | | |
| Trade and other payables | 8 | 28,581 | 42,900 |
| Rounding | | - | - |
| Employee Benefits | 10 | 16,388 | 26,966 |
| Financial Liabilities | 9 | 14,022 | 24,193 |
| Total Current Liabilities | | 58,991 | 94,060 |
| Non-Current Liabilities | | | |
| Employee Benefits | 10 | 19,326 | 9,119 |
| Total Non-Current Liabilities | | 19,326 | 9,119 |
| Total Liabilities | | 78,317 | 103,179 |
| Net Assets | | 265,635 | 307,848 |
| Equity | | | |
| Retained Earnings | | 265,635 | 307,848 |
| Total Equity | | 265,635 | 307,848 |

The statement of financial position is to be read in conjunction with the notes to the financial statements as set out on pages 10 to 21.

Statement of Changes in Equity

Red Dust Role Models Ltd For the year ended 30 June 2017

| | 2017 | 2016 |
|--|-----------------|----------------|
| Equity Movements | | |
| Opening Balance | 307,848 | 126,314 |
| Change in equity 2017 | | |
| Total comprehensive income (loss) for the year | (42,212) | 181,534 |
| Total Change in equity 2017 | (42,212) | 181,534 |
| Total Equity Movements | 265,635 | 307,848 |
| Balance at 30 June 2017 | 265,635 | 307,848 |

The statement of changes in equity is to be read in conjunction with the notes to the financial statements as set out on pages 10 to 21

Statement of Cash Flows

Red Dust Role Models Ltd For the year ended 30 June 2017

| | 2017 | 2016 |
|--|-----------------|----------------|
| Cash flows from Operating Activities | | |
| Cash receipts from other operating activities | 1,382,683 | 1,446,060 |
| Interest received | 569 | 1,843 |
| Payments to suppliers and employees | (1,342,625) | (1,344,107) |
| Total Cash flows from Operating Activities | 40,627 | 103,797 |
| Cash flows from Investing Activities | | |
| Proceeds from sales of property, plant and equipment | 15,045 | - |
| Payment for property, plant and equipment | (25,409) | (5,310) |
| Total Cash flows from Investing Activities | (10,364) | (5,310) |
| Cash flows from Financing Activities | | |
| Repayment of borrowings | (10,172) | (9,010) |
| Employee Loans | - | 6,804 |
| Total Cash flows from Financing Activities | (10,172) | (2,206) |
| Cash flows from Other Activities | | |
| Other | - | - |
| Total Cash flows from Other Activities | - | - |
| Net increase/(decrease) in cash held | 20,092 | 96,281 |
| Cash Balances | | |
| Opening cash balance | 244,341 | 148,059 |
| Closing cash balance | 264,433 | 244,341 |
| Movement in cash | 20,092 | 96,281 |

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

Notes to the Financial Statements

Red Dust Role Models Ltd For the year ended 30 June 2017

1. Statement of Significant Accounting Policies

The financial statements cover Red Dust Role Models Ltd (“the Company”) as an individual entity. Red Dust Role Models Ltd is a company limited by guarantee, incorporated and domiciled in Australia. The Company’s registered office and place of business is 168 Burwood Road, Hawthorn VIC 3122. The financial statements were approved by the board of directors on

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 Australian Charities and Not-for-profits Commission Act 2012

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.

The Company is dependent on grants and donations from partners in order to continue to meet commitments to current programmers and to meet liabilities as they fall due. On the basis of cash flow forecasts over the next twelve months, management believe that the risk of the Company not being able to meet liabilities as they fall due is low, and the Company will continue as a going concern for the foreseeable future.

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.

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.

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 - 25 |
| Plant and equipment | 6.67 - 66 |

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.

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.

Loan and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

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 Ltd 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.

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 critical accounting estimates are in relation to the valuation and carrying amount of long service leave liability. Refer note 10 for further information.

2. 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 15 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 counter party 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. This is reported on regularly and overseen by the Board of Directors.

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 that are used for operating cashflow purposes.

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.

2017 2016

3. Revenue and Other Income

Revenue

Donations

| | | |
|----------------------|---------|---------|
| Coles Express | 90,750 | 166,723 |
| CAAPA | - | (8,000) |
| Drink Wise | 113,636 | 127,273 |
| IOOF | 120,000 | - |
| Grant Thornton | - | 27,000 |
| Danone Nutricia | 50,000 | 50,000 |
| Donation Other | 96,501 | 79,766 |
| Telco Together | 119,545 | 125,000 |
| Christ Church School | 20,200 | 51,600 |

| | | |
|------------------------|----------------|----------------|
| Medibank Private | 126,000 | - |
| St Gregory | 4,000 | 8,000 |
| Pac Brands | - | 60,000 |
| ACMF | 8,400 | 11,900 |
| Johnson & Johnson | 100,000 | 100,000 |
| Nike | 90,527 | 40,507 |
| Total Donations | 939,560 | 839,768 |

Other

| | | |
|--------------------|---------------|----------------|
| Fundraising Events | 63,600 | 185,108 |
| Other Revenue | 18,396 | 8,689 |
| Total Other | 81,996 | 193,797 |

| | | |
|----------------------|------------------|------------------|
| Government Grants | 200,000 | 399,305 |
| Interest Received | 569 | 1,843 |
| Total Revenue | 1,222,125 | 1,434,714 |

| | | |
|---------------------------------------|------------------|------------------|
| Other income | 8,777 | - |
| Total Revenue and Other Income | 1,230,902 | 1,434,714 |

| | |
|------|------|
| 2017 | 2016 |
|------|------|

4. Cash & Cash Equivalents**Bank Accounts**

| | | |
|----------------------------|----------------|----------------|
| CMT | 130,266 | 213,167 |
| Gift Fund | 95,719 | 532 |
| Operating Account | 38,448 | 30,642 |
| Total Bank Accounts | 264,433 | 244,341 |

| | | |
|--|----------------|----------------|
| Total Cash & Cash Equivalents | 264,433 | 244,341 |
|--|----------------|----------------|

| | |
|------|------|
| 2017 | 2016 |
|------|------|

5. Trade and Other Receivables**Current**

| | | |
|----------------------|---------------|----------------|
| Accounts Receivable | 24,750 | 118,830 |
| Total Current | 24,750 | 118,830 |

| | | |
|--|---------------|----------------|
| Total Trade and Other Receivables | 24,750 | 118,830 |
|--|---------------|----------------|

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 accounts receivable are 30 days.

2017 2016

6. Other Current Assets

| Current | | |
|-----------------------------------|--------------|---------------|
| Rental Bond | 9,240 | 14,448 |
| Total Current | 9,240 | 14,448 |
| Total Other Current Assets | 9,240 | 14,448 |
| | 2017 | 2016 |

7. Property Plant and Equipment

| Plant and Equipment | | |
|---|---------------|---------------|
| Plant and equipment at cost | 99,100 | 99,100 |
| Accumulated depreciation of plant and equipment | (85,182) | (81,029) |
| Total Plant and Equipment | 13,919 | 18,072 |
| Vehicles | | |
| Vehicles at cost | 71,235 | 88,666 |
| Accumulated depreciation of vehicles | (39,624) | (73,331) |
| Total Vehicles | 31,611 | 15,335 |
| Total Property Plant and Equipment | 45,530 | 33,407 |

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 2015 | 18,304 | 18,884 | 37,188 |
| Additions | 5,309 | - | 5,309 |
| Disposals | - | - | - |
| Depreciation expense | (5,541) | (3,549) | (9,090) |
| Balance at 30 June 2016 | 18,072 | 15,335 | 33,407 |
| Balance at 1 July 2016 | 18,072 | 15,335 | 33,407 |
| Additions | - | 25,409 | 25,409 |
| Gain on Sale | - | 8,777 | 8,777 |
| Disposals | - | (15,045) | (15,045) |
| Depreciation expense | (4,153) | (2,865) | (7,018) |
| Balance at 30 June 2017 | 13,919 | 31,611 | 45,530 |

| | 2017 | 2016 |
|---------------------------------------|---------------|---------------|
| 8. Trade and Other Payables | | |
| Current | | |
| Accounts Payable | 29,477 | 30,206 |
| PAYG Withholdings Payable | 7,042 | 15,422 |
| Superannuation Payable | - | 12,941 |
| GST | (7,939) | (15,668) |
| Total Current | 28,581 | 42,900 |
| Total Trade and Other Payables | 28,581 | 42,900 |

Normal terms and conditions of accounts payable are 30 days

| | 2017 | 2016 |
|------------------------------------|---------------|---------------|
| 9. Financial Liabilities | | |
| Current | | |
| NAB Business Visa | 14,022 | 24,193 |
| Total Current | 14,022 | 24,193 |
| Total Financial Liabilities | 14,022 | 24,193 |

| | 2017 | 2016 |
|----------------------------------|---------------|---------------|
| 10. Employee Benefits | | |
| Current | | |
| Provisoin for Annual Leave | 16,388 | 26,966 |
| Total Current | 16,388 | 26,966 |
| Non Current | | |
| Provision for Long Service Leave | 19,326 | 9,119 |
| Total Non Current | 19,326 | 9,119 |
| Total Employee Benefits | 35,714 | 36,085 |

| | 2017 | 2016 |
|---|--------------|--------------|
| 11. Auditors Remuneration | | |
| KPMG – audit of annual financial report | - | - |
| Audit Fees | 3,000 | 3,000 |
| Total Auditors Remuneration | 3,000 | 3,000 |

No other fees were paid to the auditor for audit or other services

12. Related Parties

The following persons were directors of Red Dust Role Models Ltd at the end of the financial year:-

| | | |
|-------------------------------------|----------------------------|------------------------|
| Mr Martin Phillip Hirons (Chairman) | Mr Raymond Clyde Minniecon | Mr Paul Francis Guerra |
| Mr William G Minson | Mr Austin Van Groningen | 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 **13** 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 | Transactions Value |
|--|--------------------|
| Raymond Minniecon (Cultural Adviser) - Bunji Consultants | \$6,000 |

13. 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'), and is determined to be Key Management Personnel at 30 June 2017.

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:

| | 2017 | 2016 |
|--|----------------|----------------|
| Key management personnel compensation | | |
| Short-term employee benefits | | |
| Wages and Salaries | 117,673 | 114,902 |
| Entertainment Card | 4,100 | 10,000 |
| Superannuation contributions | 11,426 | 11,865 |
| Total Short-term employee benefits | 133,199 | 136,767 |

Long-term employee benefits

| | | |
|--|----------------|----------------|
| Annual Leave | 11,230 | 14,532 |
| Long Service Leave | 18,988 | 7,346 |
| Total Long-term employee benefits | 30,218 | 21,878 |
| Total Key management personnel compensation | 163,417 | 158,645 |
| | 2017 | 2016 |

14. Cash Flow Information**Reconciliation of Cash Flow from Operations with Profit after Income Tax**

| | | |
|---|-----------------|----------------|
| Profit (loss) after income tax | (42,212) | 181,534 |
| Total Reconciliation of Cash Flow from Operations with Profit after Income Tax | (42,212) | 181,534 |

Non-cash flows in profit:

| | | |
|--|----------------|--------------|
| Depreciation/ Amortisation | 7,018 | 9,090 |
| Sale of Non Current Asset | (8,777) | - |
| Total Non-cash flows in profit: | (1,759) | 9,090 |

Changes in assets and liabilities, net of the effects of purchase and disposals

| | | |
|--|---------------|-----------------|
| (Increase) Decrease in current receivables | 99,288 | (59,843) |
| Increase (Decrease) in sundry creditors | (13,668) | (23,366) |
| Increase (Decrease) in other creditors | (650) | (10,079) |
| Increase (Decrease) in employee benefit provisions | (371) | 6,460 |
| Total Changes in assets and liabilities, net of the effects of purchase and disposals | 84,599 | (86,828) |
| Total Cash Flow Information | 40,628 | 103,796 |

15. Financial Risk Management

Financial Risk Management Policies

The Company's financial instruments consists primarily of deposits with banks, 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 2017.

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%. The impact on the profit and loss of a change of interest rate by 1% is +/- \$1,480.

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-Jun-17 | 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 | | | | | | | |
| Other financial liabilities | 14,021 | (14,021) | 14,021 | - | - | - | - |

| 30-Jun-16 | 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 | | | | | | | |
| Other financial liabilities | 24,193 | (24,193) | 24,193 | - | - | - | - |

16. 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 2017 there were 37 members (2016: 37 members).

17. Commitments or Contingencies

There are no commitments of contingencies as at 30 June 2017(2016: Nil).

18. 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.

Directors' Declaration

Red Dust Role Models Ltd For the year ended 30 June 2017

1. In the opinion of the directors of Red Dust Role Models Ltd ('the Company'):

(a) the financial statements and notes that are set out on pages **10 to 21** are in accordance with the Australian Charities and Not-for-profit Commission Act 2012, including:

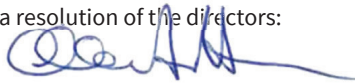
(i) giving a true and fair view of the Group's financial position as at 30 June 2017 and of its performance, for the financial year ended on that date; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and

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



Martin Phillip Hirons
Chairman



Independent Auditor's Report

To the members of Red Dust Role Models Limited

Report on the audit of the Financial Report

Opinion

We have audited the **Financial Report** of *Red Dust Role Models Limited* (the Company.)

In our opinion except for the possible effects of the matter described in the Basis for Qualified opinion section of our report, the accompanying **Financial Report** of the Company is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012* including:

- i. giving a true and fair view of the Company's financial position as at 30 June 2017, and of its financial performance and its cash flows for the year ended on that date; and
- ii. complying with *Australian Accounting Standards* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

The **Financial Report** comprises:

- Statement of financial position as at 30 June 2017
- Statement of comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration.

Basis for Qualified 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 donations 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 of the Company obtain was complete.

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Company in accordance with the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the *Financial Report* in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.



Other Information

Other Information is financial and non-financial information in Red Dust Role Models Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information. Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of Directors for the Financial Report

The Directors' are responsible for:

- Preparing the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards and the ACNC.
- implementing necessary internal control to enable the preparation of Financial Report that is free from material misstatement, whether due to fraud or error
- assessing the Company's ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- i. to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- ii. to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Report.

As part of an audit in accordance with *Australian Auditing Standards*, we exercise professional judgement and maintain professional scepticism throughout the audit.

Our responsibilities include:

- i. Identifying and assessing the risks of material misstatement of the Financial Report, whether due to fraud or error.
- ii. Designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error. This is because fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



Independent Auditor's Report

To the members of Red Dust Role Models Limited

Report on the audit of the Financial Report

Opinion

We have audited the **Financial Report** of *Red Dust Role Models Limited* (the Company.)

In our opinion except for the possible effects of the matter described in the Basis for Qualified opinion section of our report, the accompanying **Financial Report** of the Company is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission (ACNC) Act 2012* including:

- i. giving a true and fair view of the Company's financial position as at 30 June 2017, and of its financial performance and its cash flows for the year ended on that date; and
- ii. complying with *Australian Accounting Standards* and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

The **Financial Report** comprises:

- Statement of financial position as at 30 June 2017
- Statement of comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration.

Basis for Qualified 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 donations 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 of the Company obtain was complete.

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Company in accordance with the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the *Financial Report* in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.



Other Information

Other Information is financial and non-financial information in Red Dust Role Models Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information. Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of Directors for the Financial Report

The Directors' are responsible for:

- Preparing the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards and the ACNC.
- implementing necessary internal control to enable the preparation of Financial Report that is free from material misstatement, whether due to fraud or error
- assessing the Company's ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- i. to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- ii. to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Report.

As part of an audit in accordance with *Australian Auditing Standards*, we exercise professional judgement and maintain professional scepticism throughout the audit.

Our responsibilities include:

- i. Identifying and assessing the risks of material misstatement of the Financial Report, whether due to fraud or error.
- ii. Designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error. This is because fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- iii. Obtaining an understanding of internal control relevant to the Audit in order to design audit procedures that are appropriate in the circumstances. This is not for the purpose of expressing an opinion on its effectiveness.
- iv. Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- v. Concluding on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Financial Report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- vi. Evaluating the overall presentation, structure and content of the Financial Report, including the disclosures, and whether the Financial Report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG

Rachel Milum
Partner

Melbourne

23 October 2017