

Annual Financial Report

Red Dust Role Models Ltd
ABN 12 118 641 777
For the year ended 30 June 2020

Prepared by Jones Louros & Associates

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Auditor's Independence Declaration under subdivision 60-C 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 for the financial year ended 30 June 2020 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.

KPMG

KPMG

A handwritten signature in blue ink, appearing to read 'Chris Wooden', written over a faint KPMG logo.

Chris Wooden
Partner
Melbourne
27 October 2020

Directors' Report

Red Dust Role Models Ltd For the year ended 30 June 2020

The directors of Red Dust Role Models Ltd ("the Company") present their report on the Company for the financial year ended 30 June 2020 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 Austin Van Groningen

Mr Christopher Francis Naish

Mr Gavin John Reid (Appointed 28/05/2020)

Mr Martin Phillip Hirons (Chairman)

Mr Paul Francis Guerra

Mr Raymond Clyde Minniecon

Mrs Roslyn Johnson

Mrs Tania Michelle Carlos

Mr William Gerald Minson

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; Raymond Minniecon (3); Paul Guerra (2); Tania Carlos (6); Roslyn Johnson (5); Christopher Naish (4); Gavin Reid (1).

Principal Activities

The principal activity of the Company during the financial year was the promotion of health and well being of Indigenous youth and families. 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 and families 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 bi-monthly 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 and families 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 2020.

Indemnities and Insurance

The Company held public liability insurance and professional indemnity insurance during the year ended 30 June 2020. 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 2020, KPMG, the Company's auditor, has performed no other services in addition to their statutory duties.

Impact of COVID-19

The global COVID-19 pandemic had a significant impact on the Company's ability to deliver programming in remote Indigenous communities due to several factors including restrictions on movement and the potential harmful impact the virus would have in remote populations. The Company took decisive steps to mitigate the risk to both our remote community partners and our financial outlook. Programming was suspended in mid-March, the budget forecast was revised and an Extraordinary Board meeting was convened. As restrictions began to ease, local programming resumed. Cost savings from suspending programs along with new grant income enabled finances to remain stable.

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 2020, there were 37 members and therefore total liability of the company is \$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 3.

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 2020

	NOTES	2020	2019
Revenue			
Revenue	2	1,595,151	1,329,146
Interest Received	2	182	405
Profit/(Loss) on Sale of non-current Assets	2	(331)	-
Total Revenue and other income		1,595,002	1,329,551
Cost of Goods Sold			
Program Expenses		402,505	486,380
Total Cost of Goods Sold		402,505	486,380
Total Income		1,192,498	843,171
Expenses			
Bad debts		3,395	-
Consultancy & Professional Fees		31,056	136,881
Depreciation		10,555	7,799
Employee Benefits		846,132	647,415
KPMG Audit Fees	11	-	3,000
Marketing		2,741	10,386
Office Expenses		53,159	54,762
Other Expenses	9	53,946	54,779
Travel and accommodation		40,172	10,932
Total Expenses		1,041,157	925,955
Total comprehensive income / (loss) for the year		151,341	(82,784)

The statement of comprehensive income is to be read in conjunction with the notes to the financial statements as set out on pages 11 to 22.

Statement of Financial Position

Red Dust Role Models Ltd As at 30 June 2020

	NOTES	30 JUN 2020	30 JUN 2019
Assets			
Current Assets			
Cash and cash equivalents	3	343,509	244,983
Trade and other receivables	4	58,913	56,930
Other current assets	5	10,376	13,770
Total Current Assets		412,797	315,683
Non-Current Assets			
Property, plant and equipment	6	38,182	26,620
Total Non-Current Assets		38,182	26,620
Total Assets		450,978	342,303
Liabilities			
Current Liabilities			
Trade and other payables	7	22,616	58,815
Employee Benefits	10	38,868	34,982
Financial Liabilities	8	3,447	15,797
Total Current Liabilities		64,931	109,594
Non-Current Liabilities			
Employee Benefits	10	3,244	1,246
Total Non-Current Liabilities		3,244	1,246
Total Liabilities		68,175	110,840
Net Assets		382,804	231,463
Equity			
Retained Earnings		382,804	231,463
Total Equity		382,804	231,463

The statement of financial position is to be read in conjunction with the notes to the financial statements as set out on pages 11 to 22.

Statement of Changes in Equity

Red Dust Role Models Ltd For the year ended 30 June 2020

	2020	2019
Equity Movements		
Opening Balance	231,463	314,246
Change in equity		
Total comprehensive income (loss) for the year	151,341	(82,784)
Total Change in equity	151,341	(82,784)
Total Equity Movements	382,804	231,463
Closing Balance	382,804	231,463

The statement of changes in equity is to be read in conjunction with the notes to the financial statements as set out on pages 11 to 22

Statement of Cash Flows

Red Dust Role Models Ltd For the year ended 30 June 2020

	NOTES	2020	2019
Cash flows from Operating Activities			
Cash receipts from operating activities		1,652,286	1,449,772
Finance costs		(25)	(4)
Interest received		181	405
Payments to suppliers and employees		(1,519,119)	(1,390,679)
Total Cash flows from Operating Activities		133,324	59,494
Cash flows from Investing Activities			
Payment for property, plant and equipment		(22,448)	-
Other cash items from investing activities		-	-
Total Cash flows from Investing Activities		(22,448)	-
Cash flows from Financing Activities			
Proceeds from/ (Repayment) of borrowings		(12,350)	(1,376)
Employee Loans		-	100
Total Cash flows from Financing Activities		(12,350)	(1,276)
Net increase/(decrease) in cash held		98,526	58,218
Cash Balances			
Opening cash balance		244,983	186,765
Closing cash balance	3	343,509	244,983
Movement in cash		98,526	58,218

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 2020

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 programs 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.

Application of new and revised Accounting Standards

AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities.

The new standards were effective from 1 July 2019. AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, in conjunction with AASB 15. These Standards supersede the NFP income recognition requirements previously in AASB 1004 Contributions (with the exception of certain matters relating to public sector NFP entities) as well as current revenue recognition guidance including AASB 118 Revenue, AASB 111 Construction Contracts and the related Interpretations.

The Company has determined to adopt a modified retrospective approach. As such, the new Standards will not be applied to contracts that are completed by the date of initial application of 1 July 2019.

There was no impact from transition on the statement of comprehensive income, nor the statement of changes in equity or the statement of financial position.

AASB 16 Leases

The Company initially applied AASB 16 Leases from 1 July 2019, using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 July 2019. Accordingly, the comparative information for the year ended 30 June 2019 is not restated – i.e. it is presented, as previously reported, under AASB 117 and related interpretations. The details of the changes in accounting policies are disclosed below. Additionally, the disclosure requirements have not been applied to comparative information.

Definition of a lease

Previously, the Company determined at contract inception whether an arrangement was or contained a lease under AASB Interpretation 4, *Determining whether an Arrangement contains a Lease*. The Company now assesses whether a new contract is or contains a lease based on the definition of a lease.

On transition to AASB 16, the Company elected to apply the practical expedient to grandfather the assessment of which transactions are leases. Therefore, the definition of a lease under AASB 16 was applied only to contract entered into or changed on or after 1 July 2019.

Impact on initial application

As a result of applying practical expedients (discussed above), there was no impact on the financial statements of the company on adoption.

New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 1 July 2020, with earlier application permitted. The Company has not adopted the new or amended standards and interpretations in preparing these financial statements. The following amended standards and interpretations are not expected to have a significant impact on the Company's financial statements.

- Amendments to References to Conceptual Framework in IFRS Standards.
- Definition of a Business (Amendments to AASB 3)
- AASB 17 *Insurance Contracts*.

Accounting Policies

Plant and equipment

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

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

Accounting policy before 1 July 2019:

At inception of an arrangement, the Company determines whether such an arrangement contains a lease. Payments made under operating leases are recognised in comprehensive income on a straight-line basis over the term of the lease.

Accounting policy from 1 July 2019:

For any new contracts entered into on or after 1 July 2019, the Company considers whether a contract is, or contains a lease. The Company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset;
- the Company has the right to obtain substantially all of the economic benefits from the use of the identified asset throughout the period of use; and
- the Company has the right to direct the use of the identified asset throughout the period of use.

The Company has elected not to recognise right-of-use assets and lease liabilities for low-value assessments and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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

Accounting policy before 1 July 2019:

The Company recognises revenue under AASB 9 *Financial Instruments*, AASB 1004 *Contributions*, AASB 118 *Revenue*, AASB 111 *Construction Contracts* and the related Interpretations as appropriate.

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.

Accounting policy from 1 July 2019

The Company recognises revenue under AASB 9 *Financial Instruments*, AASB 1058 *Income for Not-for-Profit Entities* or AASB 15 *Revenue from Contracts with Customers* when appropriate. Under AASB 15 income is recognised when (or as) the performance obligations are satisfied (i.e. when it transfers control of a product or service to a customer). Revenue is measured based on the consideration to which the Company expects to be entitled and excludes amounts collected on behalf of third parties.

If the company enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives, AASB 1058 applies. The excess of the asset recognised (at fair value) over any 'related amounts' is recognised as revenue immediately.

The Company recognises revenue from the following major sources:

Interest revenue

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

Government grants

If performance obligations are attached to a grant which must be satisfied before the Company is eligible to receive the contribution, recognition of the grant as revenue is deferred until those conditions are satisfied. Grant income for contracts with specific performance obligations is recognised over time based on input method. The Company has made a decision that expense is a generally a good indicator of performance obligations being performed over time.

Revenue from a grant that is not subject to specific performance obligations is recognised when the Company obtains control of the funds, economic benefits are probable and the amount can be measured reliably.

The expenditure to which the grant relates is expensed as incurred if it does not meet the capitalisation criteria for costs incurred to fulfill a contract. The expenditure may not correlate to the timing of grant receipts.

Donations

Donation income with specific performance obligations is recognised over time based on input method. The Company has made a decision that expense is generally a good indicator of performance obligations being performed over time.

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 deductible 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 judgments, 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.

The Company has no critical accounting estimates.

2020 2019

2. Revenue and Other Income

Revenue

Donations

3M	71,003	-
AA Property Group	-	28,000
AFL Players Association	33,293	-
Asurion	20,000	-
BHP	29,170	-
Christ Church School	35,800	54,171
Edwards Life Sciences	57,471	-
General Donations	209,939	209,244
McGrathNicol	15,000	-
Salvation Army	133,500	-
Qantas Airways	50,000	-

	2020	2019
TLO	10,000	-
Drink Wise	-	114,773
IOOF	15,000	-
Johnson & Johnson	114,019	196,276
Medibank Private	-	178,000
MPC Group	-	254,980
Nike	-	166,809
Telco Together	35,500	50,000
Wood Group	21,202	29,752
Total Donations	850,897	1,282,005
Other		
Fundraising Events	101,466	5,000
Other Revenue	85,840	37,141
Total Other	187,306	42,141
Government Grants	556,948	5,000
Total Revenue	1,595,151	1,329,146
Interest Received	182	405
Other income		
Profit/(Loss) Disposal of Non Current Asset	(331)	-
Total Other income	(331)	-
Total Revenue and Other Income	1,595,002	1,329,551
	2020	2019

3. Cash & Cash Equivalents

	2020	2019
Bank Accounts		
CMT	159,159	36,131
Gift Fund	123,946	201,226
Operating Account	15,751	7,626
Savings	44,653	-
Total Bank Accounts	343,509	244,983
Total Cash & Cash Equivalents	343,509	244,983
	2020	2019

4. Trade and Other Receivables

	2020	2019
Current		
Accounts Receivable	58,913	56,861
Sundry Debtors	-	70
Total Current	58,913	56,930
Total Trade and Other Receivables	58,913	56,930

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.

2020 2019

5. Other Current Assets

Current		
Loan - Karyn	-	3,395
Rental Bond	10,376	10,375
Total Current	10,376	13,770
Total Other Current Assets	10,376	13,770
	2020	2019

6. Property Plant and Equipment

Plant and Equipment		
Plant and equipment at cost	84,195	97,337
Accumulated depreciation of plant and equipment	(77,900)	(89,111)
Total Plant and Equipment	6,295	8,226
Vehicles		
Vehicles at cost	93,683	71,235
Accumulated depreciation of vehicles	(61,796)	(52,841)
Total Vehicles	31,887	18,394
Total Property Plant and Equipment	38,182	26,620

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 2018	10,319	24,101	34,419
Additions	-	-	-
Gain on Sale	-	-	-
Disposals	-	-	-
Depreciation expense	(2,093)	(5,707)	(7,800)
Balance at 30 June 2019	8,226	18,394	26,620
Balance at 1 July 2019	8,226	18,394	26,620
Additions	-	22,448	22,448
Gain on Sale	-	-	-
Disposals	(331)	-	-
Depreciation expense	(1,600)	(8,955)	(10,555)
Balance at 30 June 2020	6,295	31,887	38,182

	2020	2019
7. Trade and Other Payables		
Current		
Accounts Payable	4,386	43,332
Superannuation Payable	18,230	15,483
Total Current	22,616	58,815
Total Trade and Other Payables	22,616	58,815

Normal terms and conditions of accounts payable are 30 days

	2020	2019
8. Financial Liabilities		
Current		
Unsecured		
NAB CC	3,447	15,797
Total Unsecured	3,447	15,797
Total Current	3,447	15,797
Total Financial Liabilities	3,447	15,797

	2020	2019
9. Other Expenses		
Bank Fees	998	1,181
Freight & Courier	297	35
General Expenses	648	577
General IT	3,696	1,468
Insurance	20,969	27,872
Interest Expense	25	4
Motor Vehicle Expenses	430	4,334
Permits, Fees Licences	65	2,882
Repairs and Maintenance	827	1,201
Staff Amenities	5,213	4,801
Subscriptions	4,871	4,045
Sundry	3,639	91
Training	-	400
Workcover	12,267	5,886
Total Other Expenses	53,946	54,779

	2020	2019
10. Employee Benefits		
Current		
Provision for Annual Leave	38,868	34,982
Total Current	38,868	34,982

	2020	2019
Non Current		
Provision for Long Service Leave	3,244	1,246
Total Non Current	3,244	1,246
Total Employee Benefits	42,112	36,228
	2020	2019
11. Auditors Remuneration		
KPMG Audit Fees	-	3,000
Total Auditors Remuneration	-	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 Gerald Minson	Mr Austin Van Groningen	Mrs Roslyn Johnson
Mrs Tania Michelle Carlos	Mr Christopher Francis Naish	Mr Gavin John Reid

No remuneration was paid to the Directors in their role as directors during the year.

Transactions with Related Parties

The Company entered into no transactions with Directors, or their related parties, during the course of the year.

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 July 2017, Scott Stirling was appointed to the role of Chief Executive Officer ('CEO'), and is determined to be the only Key Management Personnel at 30 June 2020.

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:

	2020	2019
Key management personnel compensation		
Short-term employee benefits		
Wages and Salaries	140,000	140,000
Superannuation contributions	13,300	13,300
Total Short-term employee benefits	153,300	153,300
Long-term employee benefits		
Annual Leave	9,236	8,160
Long Service Leave	660	354
Total Long-term employee benefits	9,896	8,514
Total Key management personnel compensation	163,196	161,814

14. 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 2020.

COVID-19

The Company took immediate action to mitigate potential health and financial risks when COVID-19 impacted the nation. Management implemented the following steps:

- Programming in remote communities was suspended on the 23rd of March to eliminate any exposure of COVID-19 in remote populations by the Company.
- An Extraordinary Board meeting was convened on the 26th March 2020 to discuss the impact of COVID-19 on program activity and finances.
- Management conducted a budget review that considered the impact on potential future income and strategies for prudent financial and program management. The budget review was presented to the Board at the Extraordinary meeting.
- Budget re forecasting changed from bi-monthly to monthly to closely monitor cash flow, with regular updates provided to the Board.
- Frequent engagement occurred between the CEO and Chairman addressing the ongoing impact.

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-19	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	15,797	(15,797)	15,797	-	-	-	-

30-Jun-20	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	3,447	(3,447)	3,447	-	-	-	-

2020 2019

15. Cash Flow Information

Reconciliation of Cash Flow from Operations with Profit after Income Tax

Profit (loss) after income tax	151,341	(82,784)
Total Reconciliation of Cash Flow from Operations with Profit after Income Tax	151,341	(82,784)

Non-cash flows in profit:

Depreciation	10,555	7,799
Loss/(Profit) on Disposal of Non Current Asset	331	-
Total Non-cash flows in profit:	10,886	7,799

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

(Increase) Decrease in current receivables	1,412	56,514
Increase (Decrease) in sundry creditors	(36,199)	53,936
Increase (Decrease) in other creditors	-	3,194
Increase (Decrease) in employee benefit provisions	5,884	20,834
Total Changes in assets and liabilities, net of the effects of purchase and disposals	(28,903)	134,478

Total Cash Flow from Operations	133,324	59,493
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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 2020 there were 37 members.

17. Commitments or Contingencies

There are no commitments of contingencies as at 30 June 2020 (2019: 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 2020

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 7 to 22 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 2020 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 27/10 2020



Director: Martin Phillip Hiron



Independent Auditor's Report

To the members of Red Dust Role Models Limited

Qualified Opinion

We have audited the **Financial Report**, of the 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 2020, 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:

- i. Statement of financial position as at 30 June 2020.
- ii. Statement of comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended.
- iii. Notes including a summary of significant accounting policies.
- iv. 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 obtained 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 qualified 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 auditor independence requirements of the *ACNC Act 2012* and 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 Director are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express 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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for Qualified opinion section above, we were unable to obtain sufficient appropriate evidence about the completeness of donation revenue. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- i. Preparing the Financial Report that gives a true and fair view in accordance with Australian Accounting Standards and the ACNC.
- ii. Implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
- iii. 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.

We also:

- i. Identify and assess the risks of material misstatement of the Financial Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ii. Obtain an understanding of internal control relevant to the Audit 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 Company's internal control.
- iii. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- iv. Conclude 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.
- v. Evaluate 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

Chris Wooden

Partner

Melbourne

27 October 2020