

RED DUST ROLE MODELS LIMITED

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ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED

30 JUNE 2011

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RED DUST ROLE MODELS

DIRECTOR'S REPORT

Your directors present their report on the company for the financial year ended 30 June 2011 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)
Ms Linley Margaret Frame (Resigned 26/10/10)
Mr Paul Francis Guerra
Mr Raymond Clyde Minniecon
Mr John Leslie Van Groningen
Mr Simon Vincent McKeon
Dr Ngaire Brown
Mrs Melanie Jones (Appointed 03/03/2011)
Mr Ben Lawrence (Appointed 03/03/2011)
Mr Darren Smith (Appointed 17/06/2011)

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 six meetings throughout the year. Each director attended all six meetings with the following exceptions; Paul Guerra (attended 4 meetings); Raymond Minniecon (4); Linley Frame (4); Ngaire Brown (2); Melanie Jones (2); Ben Lawrence (2); Simon McKeon (1); and Darren Smith (0).

Principal Activities

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

Objectives and strategies

The 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 to by the Board. Financial performance and other non-financial measures are monitored on a quarterly basis.

Significant Change in Affairs

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

Subsequent Events

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

Likely Developments

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

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 2011.

Indemnities and Insurance

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

Non Audit Services

During the year to 30 June 2011, 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 2011 there were 37 members and therefore total liability is \$1,850.

Lead Auditor's Independence Declaration

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

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

Director:


Mr Martin Phillip Hirons

Director:


Mr John Leslie Van Groningen

Melbourne
24 October 2011

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 2011 there has 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

24 October 2011

RED DUST ROLE MODELS

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 \$	2010 \$
Revenue	4	1,550,884	2,271,938
Loss on sale of non-current Assets		(4,127)	-
Audit Fees	14	(3,000)	(3,000)
Advertising and promotion		(62,540)	(141,093)
Computer		(46,430)	(85,809)
Consultant/ professional fees		(65,740)	(68,173)
Depreciation and amortisation		(41,854)	(42,973)
Employee benefits expenses		(582,193)	(464,775)
Interest expense		(6,072)	(6,462)
Office expenses		(86,145)	(85,345)
Program expenses		(614,621)	(750,360)
Travel and accommodation		(108,912)	(108,491)
Event expenses		(18,478)	(48,207)
Other expenses		(145,376)	(152,902)
Total Expenses		(1,785,488)	(1,957,590)
Profit/(Loss) from operating activities		(234,604)	314,348
Income tax expense		-	-
Profit/(Loss) from continuing operations		<u>(234,604)</u>	<u>314,348</u>
Total comprehensive income / (loss) for the year		<u>(234,604)</u>	<u>314,348</u>
Total comprehensive income/(loss) for the year attributable to:			
Owners of the company		(234,604)	314,348
		<u>(234,604)</u>	<u>314,348</u>

The accompanying notes on page 8 to 21 form part of these financial statements.

RED DUST ROLE MODELS

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2011

	Note	2011 \$	2010 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	157,636	963,509
Trade and other receivables	6	25,141	25,883
Other current assets	7	7,680	1,866
TOTAL CURRENT ASSETS		<u>190,457</u>	<u>991,258</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	151,423	151,288
Intangible assets	9	16,000	24,000
TOTAL NON-CURRENT ASSETS		<u>167,423</u>	<u>175,288</u>
TOTAL ASSETS		<u>357,880</u>	<u>1,166,546</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	19,534	670,934
Employee Benefits	12	47,094	-
Financial liabilities	11	57,131	51,574
TOTAL CURRENT LIABILITIES		<u>123,759</u>	<u>722,508</u>
NON CURRENT LIABILITIES			
Financial liabilities	11	37,334	15,630
Employee Benefits	12	13,588	10,605
TOTAL NON CURRENT LIABILITIES		<u>50,922</u>	<u>26,235</u>
TOTAL LIABILITIES		<u>174,681</u>	<u>748,743</u>
NET ASSETS		<u>183,199</u>	<u>417,803</u>
EQUITY			
Retained earnings	13	183,199	417,803
TOTAL EQUITY		<u>183,199</u>	<u>417,803</u>

The accompanying notes on page 8 to 21 form part of these financial statements.

RED DUST ROLE MODELS

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2011

	Retained earnings \$	Total \$
Balance at 1 July 2009	103,455	103,455
Changes in equity 2010		
Total comprehensive income for the year	<u>314,348</u>	<u>314,348</u>
Balance at 30 June 2010	<u>417,803</u>	<u>417,803</u>
Balance at 1 July 2010	417,803	417,803
Changes in equity 2011		
Total comprehensive (loss) for the year	<u>(234,604)</u>	<u>(234,604)</u>
Balance at 30 June 2011	<u>183,199</u>	<u>183,199</u>

The accompanying notes on page 8 to 21 form part of these financial statements.

RED DUST ROLE MODELS

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 \$	2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		890,571	2,912,755
Payments to suppliers and employees		(1,709,191)	(1,924,771)
Interest Received		23,602	12,275
Net cash provided by / (used in) investing activities	17	<u>(795,018)</u>	<u>1,000,259</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from Sale of Motor Vehicle		15,455	-
Payments for Motor Vehicle		(47,673)	(1,688)
Payments for Property, Plant & Equipment		(5,898)	(45,400)
Net cash (used in) financing activities		<u>(38,116)</u>	<u>(47,088)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		90,043	1,605
Repayment of borrowings		(62,782)	(48,760)
Net cash provided by / (used in) financing activities		<u>27,261</u>	<u>(47,155)</u>
Net decrease in cash held		(805,873)	906,016
Cash at beginning of financial year		963,509	57,493
Cash at end of financial year	5	<u>157,636</u>	<u>963,509</u>

The accompanying notes on page 8 to 21 form part of these financial statements.

RED DUST ROLE MODELS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

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 1/52 Brunswick St, Fitzroy VIC 3065. The financial statements were approved by the board of directors on 24 October 2011.

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 financial statements containing relevant and reliable information about transactions, events and conditions. The financial report complies with International Financial Reporting Standards (IFRS) and interpretation 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 2011

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 – 25

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 Instruments

Initial Recognition and Measurement

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 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 expenses to profit or loss immediately.

Impairment of Assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

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

Intangibles

Patents and trademarks

Patents and trademarks are recognised at cost of acquisition. Patents and trademarks have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Patents and trademarks are amortised over their useful life of 5 years.

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 costs will result in an outflow from the company.

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.

Employee benefits

Long-term service benefits

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

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

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

Trade and other payables

Trade and other payables are recognised at amortised cost when the company becomes obliged to make future payments resulting from the purchase of service or goods.

New standards and interpretations not yet adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the entity in the period of initial application. They are available for early adoption at 30 June 2011, but have not been applied in preparing this financial report.

- AASB 124 *Related Party Disclosures* (revised December 2009) simplifies and clarifies the intended meaning of the definition of a related party and provides a partial exemption from the disclosure requirements for government-related entities. The amendments, which will become mandatory for Group's 30 June 2012 financial statements, are not expected to have any impact on the financial statements.
- AASB 9 *Financial Instruments* includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the project to replace AASB 139 *Financial Instruments: Recognition and Measurement*. AASB 9 will become mandatory for the Company's 30 June 2014 financial statements. Retrospective application is generally required, although there are exceptions, particularly if the entity adopts the standard for the year ended 30 June 2012 or earlier. The Company has not yet determined the potential effect of the standard.
- AASB 2009-5 *Further amendments to Australian Accounting Standards arising from the Annual Improvements Process* affect various AASBs resulting in minor changes for presentation, disclosure, recognition and measurement purposes. The amendments, which become mandatory for the Group's 30 June 2011 financial statements, are not expected to have a significant impact on the financial statements.

Use of estimates and judgements

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

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

For the Company critical accounting estimates are in relation to the impairment of intangible assets and long service leave liability. Refer notes 9 and 12 for further information.

RED DUST ROLE MODELS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

2 Determination of Fair Values

Intangible assets

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

3 Financial Risk Management

The Company has exposure to the following risks:

- Credit risk
- Liquidity risk
- Interest rate risk

This note presents information about the Company's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included in note 18 of this financial report.

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

Credit Risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instruments and 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 based on the level of funding provided.

RED DUST ROLE MODELS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	2011 \$	2010 \$
4 Revenue and Other Income		
Donations		
Vodafone Foundation	741,943	1,517,696
Macquarie Bank	-	24,000
Fosters Foundation	220,000	110,000
Nike	-	40,000
Myer Foundation	-	41,712
QANTAS	41,521	22,017
Abi Group	110,000	100,000
Dyson Foundation	-	68,000
Other	123,628	208,838
	<u>1,237,092</u>	<u>2,132,263</u>
Government Grants	290,190	127,400
Total Donations and Grants	<u>1,527,282</u>	<u>2,259,663</u>
Interest received	23,602	12,275
Total revenue	<u>1,550,884</u>	<u>2,271,938</u>
5 Cash and Cash Equivalents		
NAB Trading Account	33,266	20,227
Cash at Bank-Gift Fund	5,904	13,800
Term Deposit	100,000	151,978
NAB Cash Maximiser	18,466	777,504
	<u>157,636</u>	<u>963,509</u>

6 Trade and Other Receivables

Current

Other Debtors	2,996	-
GST Clearing	22,145	25,883
	<u>25,141</u>	<u>25,883</u>

The company does not hold any financial assets whose terms have been renegotiated, or are considered to be past due or impaired.

7 Other Current Assets

Current

Prepaid Expense	<u>7,680</u>	<u>1,866</u>
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8 Property, Plant and Equipment

PLANT AND EQUIPMENT

Plant and Equipment:

At cost	85,315	79,417
Accumulated depreciation	<u>(52,400)</u>	<u>(41,380)</u>
Total Plant and Equipment	<u>32,915</u>	<u>38,037</u>

Motor Vehicles

At cost	181,739	174,070
Accumulated depreciation	<u>(63,231)</u>	<u>(60,819)</u>
Total Motor Vehicles	<u>118,508</u>	<u>113,251</u>

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 2009	48,228	90,945	139,173
Additions	1,688	45,400	47,088
Disposals	-	-	-
Depreciation expense	<u>(11,879)</u>	<u>(23,094)</u>	<u>(34,973)</u>
Balance at 30 June 2010	<u>38,037</u>	<u>113,251</u>	<u>151,288</u>

Balance at 1 July 2010	38,037	113,251	151,288
Additions	5,898	47,673	53,571
Loss on Sale of Vehicle	-	(4,127)	(4,127)
Disposals	-	(15,455)	(15,455)
Depreciation expense	(11,020)	(22,834)	(33,854)
Balance at 30 June 2011	32,915	118,508	151,423

9 Intangible Assets

Intellectual Property	40,000	40,000
Less Accumulated Amortisation	(24,000)	(16,000)
Net carrying value	16,000	24,000
Total	16,000	24,000

10 Trade and Other Payables

Current

Prepaid Income	13,273	650,726
Sundry Creditors	-	10,893
PAYG Accrual	6,261	9,315
	19,534	670,934

11 Financial Liabilities

Current

NAB Visa Account	38,909	13,533
Toyota Finance Ltd	-	10,326
Toyota Finance Ltd	-	14,495
Esanda Finance	18,222	-
Chrysler Finance	-	13,220
	57,131	51,574

Non Current

Esanda Finance	37,334	-
Chrysler Finance	-	15,630
Total non-current borrowings	37,334	15,630
Total borrowings	94,465	67,204

RED DUST ROLE MODELS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

	2011 \$	2010 \$
12 Employee Benefits		
Current		
Annual Leave	47,094	-
Non Current		
Long Service Leave	13,588	10,605
	<u>60,682</u>	<u>10,605</u>
13 Retained Earnings		
Retained earnings at the beginning of the financial year	417,803	103,455
Net (Loss)/ Profit attributable to members of the company	(234,604)	314,348
Retained earnings at the end of the financial year	<u>183,199</u>	<u>417,803</u>

14 Auditors Remuneration

KPMG – audit of annual financial report	3,000	3,000
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No other fees were paid to the auditor for audit or other services during the financial year.

15 Related Parties

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

-Mr Martin Phillip Hiron (Chairman)	-Mr Raymond Clyde Minniecon
-Ms Linley Margaret Frame	-Mr Paul Francis Guerra
-Mr John Leslie Van Groningen	-Mr Simon Vincent McKeon
-Dr Ngaire Brown	-Mr Darren Smith
-Ms Melanie Jones	-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 16 below.

Transactions with Related Parties

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

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

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

Related party transactions	Transaction value	Transaction value
Linley Frame - Consultant	38,240	38,400
Raymond Minniecon – Bunji Consultancies – Cultural Adviser	62,546	37,000
Total compensation	100,786	75,400

16 Key Management Personnel

Key Management Personnel ('KMP') include persons with responsibility for planning, directing and controlling activities of the company, directly or indirectly during the financial year. The persons determined to be Key Management Personnel at 30 June 2011 are as follows:

John Van Groningen

Other key management personnel

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

Key management personnel compensation

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

Short-term employee benefits		
Wages and Salaries	134,560	142,260
Long-term employee benefits		
Superannuation contributions	12,110	12,623
Long Service Leave	8,633	7,912
Total compensation	155,303	162,795

17 Cash Flow Information

Reconciliation of Cash Flow from Operations with Profit after Income Tax

Profit (loss) after income tax	(234,604)	314,348
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Non-cash flows in profit:

Depreciation/ Amortisation	41,854	42,973
Loss on Sale of Non Current Asset	4,127	-

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

(Increase) Decrease in current receivables	742	(4,540)
(Increase) Decrease in prepaid charges	(5,814)	6,462
Increase (Decrease) in sundry creditors	(10,893)	2,055
Increase (Decrease) in other creditors	(3,054)	(9,520)
Increase (Decrease) in employee benefit provisions	50,077	(2,245)
Increase (Decrease) in income in advance	(637,453)	650,726
	<u>(795,018)</u>	<u>1,000,259</u>

RED DUST ROLE MODELS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

18 Financial Risk Management

Financial Risk Management Policies

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

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

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

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

The company does not have any derivative instruments at 30 June 2011.

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 2011

	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	55,556	(55,556)	9,111	9,111	18,222	19,112	-
Other financial liabilities	38,909	(38,909)	38,909	-	-	-	-

30 June 2010

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

19 Members guarantee

The company is limited by guarantee. If the company is wound up the Constitution states that each member is required to contribute a maximum of \$50 towards meeting any outstanding obligations of the entity. As at 30 June 2011 there were 37 members (2010: 37 members).

20 Commitments or Contingencies

There are no commitments or contingencies as at 30 June 2011 (2010: Nil).

21 Subsequent Events

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

RED DUST ROLE MODELS

DIRECTOR'S DECLARATION

1. In the opinion of the directors of Red Dust Role Models Limited (the "Company"), the financial statements and notes that are set out on pages 8 to 21 are in accordance with the Corporations Act 2001, including:
 - a) Giving a true and fair view of the Company's financial position as at 30 June 2011 and of its performance for the year-ended on that date; and
 - b) complying with Australian Accounting Standards and the Corporations Regulations 2001
2. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
3. The directors draw attention to note 1 of the financial statements, which includes a statement of compliance with International Financial Reporting Standards.

This declaration is made in accordance with a resolution of the board of directors.

Martin Phillip Hiron

Chairman

24 October 2011

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 2011, 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 21 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 auditor's 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 limitation on our audit procedures referred to in the qualification paragraph not existed, the financial report of Red Dust Role Models Limited is in accordance with:

(a) the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2011 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.

KPMG

Chris Wooden

Partner

Melbourne

24 October 2011