

Red Dust Role Models Ltd

Red Dust Role Models Ltd

ABN 12118641777

For the year ended 30 June 2019

Prepared by Jones Louros & Associates

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Auditor's Independence Declaration

Red Dust Role Models Ltd For the year ended 30 June 2019

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

To: the directors of Red Dust Role Models Ltd

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2019 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

Chris Wooden
Partner
Melbourne

Directors' Report

Red Dust Role Models Ltd For the year ended 30 June 2019

Your directors of Red Dust Role Models Ltd ("the Company") present their report on the Company for the financial year ended 30 June 2019 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 (Appointed 11/06/2019)

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 four meetings throughout the year. Each director attended all four meetings with the following exceptions; Raymond Minniecon (3); Paul Guerra (3); Tania Carlos (2); Roslyn Johnson (3); Austin Van Groningen (2).

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 2019.

Indemnities and Insurance

The Company held public liability insurance and professional indemnity insurance during the year ended 30 June 2019. 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 2019, 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 2019, there were 37 members and therefore total liability of the company is \$1,850 (2018: \$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 2019

	NOTES	2019	2018
Revenue			
Revenue	3	1,329,146	1,172,534
Interest Received	3	405	811
Total Revenue and other income		1,329,551	1,173,344
Cost of Goods Sold			
Program Expenses		486,380	420,556
Total Cost of Goods Sold		486,380	420,556
Total Income		843,171	752,788
Expenses			
Consultancy & Professional Fees		136,881	102,880
Depreciation		7,799	10,308
Employee Benefits		647,415	412,299
KPMG Audit Fees	11	3,000	-
Marketing		10,386	19,693
Office Expenses		54,762	75,739
Other Expenses		54,779	83,258
Travel and accommodation		10,932	-
Total Expenses		925,955	704,177
Total comprehensive income / (loss) for the year		(82,784)	48,611

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 2019

	NOTES	30 JUN 2019	30 JUN 2018
Assets			
Current Assets			
Cash and cash equivalents	4	244,983	186,765
Trade and other receivables	5	56,930	114,579
Other current assets	6	13,770	12,735
Total Current Assets		315,683	314,079
Non-Current Assets			
Property, plant and equipment	7	26,620	34,419
Total Non-Current Assets		26,620	34,419
Total Assets		342,303	348,498
Liabilities			
Current Liabilities			
Trade and other payables	8	58,815	1,685
Employee Benefits	10	34,982	14,878
Financial Liabilities	9	15,797	17,173
Total Current Liabilities		109,594	33,736
Non-Current Liabilities			
Employee Benefits	10	1,246	516
Total Non-Current Liabilities		1,246	516
Total Liabilities		110,840	34,251
Net Assets		231,463	314,246
Equity			
Retained Earnings		231,463	314,246
Total Equity		231,463	314,246

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 2019

	2019	2018
Equity Movements		
Opening Balance	314,246	265,635
Change in equity		
Total comprehensive income (loss) for the year	(82,784)	48,611
Total Change in equity	(82,784)	48,611
Total Equity Movements	231,463	314,246
Closing Balance	231,463	314,246

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 2019

	2019	2018
Cash flows from Operating Activities		
Cash receipts from other operating activities	1,449,772	1,145,507
Finance costs	(4)	-
Interest received	405	811
Payments to suppliers and employees	(1,390,679)	(1,224,445)
Total Cash flows from Operating Activities	59,494	(78,127)
Cash flows from Investing Activities		
Proceeds from sales of property, plant and equipment	-	803
Total Cash flows from Investing Activities	-	803
Cash flows from Financing Activities		
Proceeds from/ (Repayment) of borrowings	(1,376)	3,152
Employee Loans	100	(3,495)
Total Cash flows from Financing Activities	(1,276)	(343)
Net increase/(decrease) in cash held	58,218	(77,668)
Cash Balances		
Opening cash balance	186,765	264,433
Closing cash balance	244,983	186,765
Movement in cash	58,218	(77,668)

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 2019

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 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.

New standards adopted as at 1 July 2018

AASB 9 Financial Instruments replaces AASB 139 Financial Instruments: Recognition and Measurement. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for impairment of financial assets. It had no material impact on the Company.

New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2019, and have not been applied in preparing these financial statements. The Company does not plan to adopt these standards early. The entity is yet to undertake a detailed assessment of the impact of AASB 1058 *Income of Not-for-Profit Entities*, AASB 15 *Revenue from Contracts with Customers* and AASB 16 *Leases*.

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%

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.

The Company has no critical accounting estimates.

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 14 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.

	2019	2018
3. Revenue and Other Income		
Revenue		
Donations		
AA Property Group	28,000	-
Christ Church School	54,171	40,829
Coles Corporation	-	50,000
Coles Express	-	49,500
Danone Nutricia	-	200,000
General Donations	209,244	136,758
Drink Wise	114,773	119,318
IOOF	-	60,000
Johnson & Johnson	196,276	6,605
Medibank Private	178,000	-
MPC Group	254,980	3,232
Newline Insurance	-	20,000
Nike	166,809	132,449
Telco Together	50,000	75,000
Wood Group	29,752	4,545
Total Donations	1,282,005	898,237
Other		
Fundraising Events	5,000	174,198
Other Revenue	37,141	99
Total Other	42,141	174,297
Government Grants	5,000	100,000
Total Revenue	1,329,146	1,172,534
Interest Received	405	811
Total Revenue and Other Income	1,329,551	1,173,344
	2019	2018

4. Cash & Cash Equivalents

Bank Accounts		
CMT	36,131	90,876
Gift Fund	201,226	68,676
Operating Account	7,626	27,213
Total Bank Accounts	244,983	186,765
Total Cash & Cash Equivalents	244,983	186,765
	2019	2018

5. Trade and Other Receivables

Current		
Accounts Receivable	56,861	114,579

	2019	2018
Sundry Debtors	70	-
Total Current	56,930	114,579
Total Trade and Other Receivables	56,930	114,579

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.

	2019	2018
6. Other Current Assets		
Current		
Loan - Karyn	3,395	3,495
Rental Bond	10,375	9,240
Total Current	13,770	12,735
Total Other Current Assets	13,770	12,735

	2019	2018
7. Property Plant and Equipment		
Plant and Equipment		
Plant and equipment at cost	97,337	97,337
Accumulated depreciation of plant and equipment	(89,111)	(87,019)
Total Plant and Equipment	8,226	10,318
Vehicles		
Vehicles at cost	71,235	71,235
Accumulated depreciation of vehicles	(52,841)	(47,134)
Total Vehicles	18,394	24,101
Total Property Plant and Equipment	26,620	34,419

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 2017	13,919	31,611	45,530
Additions	-	-	-
Gain on Sale	-	-	-
Disposals	(803)	-	(803)
Depreciation expense	(2,797)	(7,510)	(10,308)
Balance at 30 June 2018	10,319	24,101	34,419
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

2019 2018

8. Trade and Other Payables

Current

Accounts Payable	43,332	4,879
PAYG Withholdings Payable	-	5,344
Superannuation Payable	15,483	-
GST	-	(8,539)
Total Current	58,815	1,685
Total Trade and Other Payables	58,815	1,685

Normal terms and conditions of accounts payable are 30 days

2019 2018

9. Financial Liabilities

Current

Unsecured

NAB CC	(15,797)	-
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NAB Business Visa	-	(17,173)
Total Unsecured	(15,797)	(17,173)
Total Current	15,797	17,173
Total Financial Liabilities	15,797	17,173
	2019	2018

10. Employee Benefits

Current		
Provision for Annual Leave	34,982	14,878
Total Current	34,982	14,878
Non Current		
Provision for Long Service Leave	1,246	516
Total Non Current	1,246	516
Total Employee Benefits	36,228	15,394
	2019	2018

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 G Minson	Mr Austin Van Groningen	Mrs Roslyn Johnson
Mrs Tania Michelle Carlos	Mr Christopher Francis Naish	

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 2019.

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:

	2019	2018
Key management personnel compensation		
Short-term employee benefits		
Wages and Salaries	140,000	125,000
Superannuation contributions	13,300	11,372
Total Short-term employee benefits	153,300	136,372
Long-term employee benefits		
Annual Leave	8,160	4,882
Long Service Leave	354	117
Total Long-term employee benefits	8,514	4,999
Total Key management personnel compensation	161,814	141,371

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 2019.

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:

	2019	2018
15. Cash Flow Information		
Reconciliation of Cash Flow from Operations with Profit after Income Tax		
Profit (loss) after income tax	(82,870)	48,712
Total Reconciliation of Cash Flow from Operations with Profit after Income Tax	(82,870)	48,712
Non-cash flows in profit:		
Depreciation	7,799	10,308
Total Non-cash flows in profit:	7,799	10,308
Changes in assets and liabilities, net of the effects of purchase and disposals		
(Increase) Decrease in current receivables	56,514	(89,828)
Increase (Decrease) in sundry creditors	53,936	(24,709)
Increase (Decrease) in other creditors	3,194	(2,290)
Increase (Decrease) in employee benefit provisions	20,834	(20,320)
Total Changes in assets and liabilities, net of the effects of purchase and disposals	134,478	(137,147)
Total Cash Flow Information	(59,407)	78,127

30-Jun-18	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	17,173	(17,173)	17,173	-	-	-	-

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	15,883	(15,883)	15,883	-	-	-	-

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 2019 there were 37 members (2017: 37 members).

17. Commitments or Contingencies

There are no commitments of contingencies as at 30 June 2019(2018: 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 2019

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 2019 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 30/6/19 2019



Martin Phillip Hiron
Chairman



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 2019, 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 2019.
- 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.

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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 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 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

30 October 2019