

RKS CONSOLIDATED LIMITED
(formerly Rockstead Financial Services Limited and First Capital Group Limited)
ABN 20 009 264 699
AND ITS CONTROLLED ENTITIES
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2011

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RKS CONSOLIDATED LIMITED AND CONTROLLED ENTITIES ANNUAL REPORT 2011

RKS Consolidated Limited (formerly Rockstead Financial Services Limited and First Capital Group Limited) is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is Level 10, 77 King Street, Sydney NSW 2000. The previous registered office and place of business was Level 2 Spectrum, 100 Railway Road, Subiaco, WA, Australia, 6008.

CORPORATE GOVERNANCE STATEMENT

Background

The Board of Directors of RKS Consolidated Limited (formerly Rockstead Financial Services Limited and First Capital Group Limited) is responsible for the Corporate Governance of RKS Consolidated Limited and its controlled entities. The Board guides and monitors the business and affairs of the group on behalf of the shareholders by whom they are elected and to whom they are accountable.

The RKS Consolidated Limited Corporate Governance Statement on the governance practices adopted by the Company is structured with reference to the ASX Corporate Governance Council's Principles and Recommendations. The practice are summarised below.

The Board is committed to improving its corporate governance practices and embracing the principles put out by the ASX Corporate Governance Council, however the Board is of a view that the adoption of the practices and principles should be in line with the growth in size, changes in the nature and increase in complexity of the Company's business.

The Board aims to achieve all of the Best Practice Recommendations in stages as the Company grows and its circumstances change over time. As reported in the current years' and previous years' annual report, the Company has been concentrating on its efforts to restore the financial position of the Company and does not have sufficient resources to adopt and improve its corporate governance practices at present.

A number of the principles previously adopted by the Company were not consistently adhered to during the period from February 2008 to June 2011. During this period, the Company was suspended from quotation from the ASX (21 July 2008), placed in voluntary administration (July 2008) and in liquidation (June 2009). The liquidation was subsequently terminated (23 August 2010) via a court order. It is the new Board's intention to apply all principals previously adopted on the resumption of quotation on the ASX and achieve all of the Best Practice Recommendations in stages as the Company grows and its circumstances change over time.

Principle 1: Lay solid foundations for management and oversight

For the reasons outlined above, this principle previously adopted by the Company was not consistently adhered to during the period from February 2008 to June 2011.

On resumption of quotation of RKS's securities on the ASX, it is Board's intention to ensure the Company is structured such that there are clearly defined roles, segregation of duties and responsibilities and approved levels of authority between the management and the governance of the Company. The Board will set the overall corporate governance policy for the Company including determining the strategic direction, establishing policies and goals for management and monitoring the achievement of them. The Board will delegate responsibility for the day to day management of the Company to the Chief Executive Officer and the senior executive team.

The key responsibilities of the Board will include:

- setting the long-term strategy and annual business plan including objectives and milestones to be achieved;
- evaluating capital, cash and operating risk budgets and making appropriate recommendations on an annual basis;
- reviewing and approving the Company's financial, strategic and operational goals and assessing key business developments as formulated by management in line with the objectives and goals set by the Board;
- monitoring the performance of the Company against the financial objectives and operational goals set by the Board and reviewing the implementation of Board approved strategies;
- assessing the appropriateness of the skill sets and the levels of experience of the members of the Board, individually and as a whole and selecting new members to join the Board when a vacancy exists;
- appointing, removing and determining the terms of engagement of the Directors, Chief Executive Officer and Company Secretary;
- overseeing the delegation of authority for the day to day management of the Company;
- ensuring that the risk management systems, financial reporting and information systems, personnel, policies and procedures are all operating efficiently and effectively by establishing a framework of internal controls and compliance;
- reviewing major contracts, goods or services on credit terms, acceptance of counter-party risks and issuing guarantees on behalf of the Company;
- approving the capital structure and major funding requirements of the Company;
- making recommendations as to the terms of engagement, independence and the appointment and removal of the external auditors;
- setting the Code of Conduct for the Company and ensuring that appropriate standards of corporate governance and ethics are effectively communicated throughout the Company and complied with;
- reviewing the adherence by each director to the Directors' Code of Ethics;
- establishing policies to ensure that the Company complies with the ASX Continuous Disclosure Policy;
- approving the Company's half year and full year reports to the shareholders, ASX and ASIC; and

CORPORATE GOVERNANCE STATEMENT (continued)

- ensuring that recruitment, retention, termination, remuneration, performance review and succession planning policies and procedures are in place and complied with.

Principle 2: Structure the Board to add value

For the reasons outlined above, this principle previously adopted by the Company was not consistently adhered to during the period from February 2008 to June 2011.

The Board is presently structured to maximise value to the Company and the shareholders. The Board is of a size and composition that is conducive to making decisions expediently, with the benefit of a variety of perspectives, experiences and skills.

Board composition

The Board is composed of three directors. The skills, experience and expertise relevant to the position of Director held of each Director in office at the date of the annual report are included in the Directors Report.

It is noted that the Company's board composition is not in keeping with the commentary and guidance to Best Practice Recommendations 2.1. The Board is of the opinion that the current stage of uncertainty in relation to the future operations of the Company requires the Company to have a board, which has more of a hands-on and technical experience in order to stabilise the Company. However, the board is committed to follow the guidance to Best Practice Recommendations 2.1 by appointing independent directors to the Board once the future direction of the Company is resolved.

The Board has determined that there are sufficient appropriate alternative governance measures in place to ensure that non compliance with the recommendations does not give rise to undue risk or other material concerns relating to the management and oversight of the Company.

Term of office

The members of the Board are elected by the shareholders to ensure that the Board has the appropriate mix of expertise and experience.

In accordance with the Corporations Act 2001, if a person is appointed as Director during the year, the Company must confirm appointment by resolution at the Company's next Annual General Meeting.

One-third of the Board retires and make themselves available for re-election at the following AGM, with the exception of the Chief Executive Officer. No Director, with the exception of the Chief Executive Officer, is allowed to retain office for more than 3 years without submitting himself or herself for re-election.

When a vacancy exists on the Board, the Board appoints the most suitable candidate from a panel of candidates, who then must stand for election at the next Annual General Meeting if he or she wishes to continue as a member of the Board in the following year.

Personal interests & conflicts

Directors must not take advantage of their position as Directors and must not allow their personal interests, or the interests of any associated person to interfere or exert undue influence on their conduct or decisions as a Director.

Directors also have a duty to avoid conflicts of interest between the best interests of the Company and their own personal or commercial interests. Conflicts of interest can be either actual or potential. If a conflict of interest arises, Directors must disclose their interests to the Board immediately. The Directors concerned must not be present at the meeting while the matter is being considered and must not be allowed to vote on the matter either.

Independent professional advice

There are procedures in place, agreed by the Board, to enable directors in furtherance of their duties to seek independent professional advice at the Company's expense.

Board Standing Committees

Due to the size of the Company and present uncertainties the Board has decided not to formally establish a Nomination Committee.

Although the board established an Audit and Risk Management Committee, at the date of this report, the Company has not appointed any member to the Committee and as such, the responsibilities and duties of this Committee were taken up by the Board during the year. The small size and the hands on approach of the Board enable it to handle particular issues relevant to verifying and safeguarding the integrity of the Company's financial reporting with the same efficiency as an Audit and Risk Management Committee.

Consequently, the Company does not comply with Best Practice Recommendations. However the Board will keep this position under review.

Summary

In summary, the Company does not meet the requirements of Principle 2 of the Corporate Governance Guidelines in that:

- (i) The Board does not comprise a majority of independent Directors;
- (ii) The Chairperson is not an independent Director;

As explained throughout this section, the Board feels that at the present time each of the recommendations is not cost effective for adoption in a small public company such as GRP Corporation Limited. However the Board will constantly monitor and review the situation.

CORPORATE GOVERNANCE STATEMENT (continued)

Principle 3 and 10: Promote ethical and responsible decision-making and recognise the legitimate interests of stakeholders

For the reasons outlined above, this principle previously adopted by the Company was not consistently adhered to during the period from February 2008 to June 2011.

Code of Conduct & Ethics

The Company had a Code of Conduct, which sets the standards in accordance with which each director, manager and employee of the Company is expected to act. The code is communicated to all levels of the Company and deals with areas such as professional conduct, customers/consumers, suppliers, advisers/regulators, competitors, the community and the employees.

In addition to the Code of Conduct, the Company also had a Directors' Code of Ethics, which sets out particular issues relevant to directors' obligations to the Company.

Share trading policy

The constitution permits directors, senior executives and other officers of the Company to trade in Company shares as long as they comply with the Company's Share Trading Policy. The Share Trading Policy is a code that is designed to minimise the potential for insider trading.

Directors must notify the Chairman of the Board, before they buy or sell shares in the Company. If the Chairman of the Board intends to trade in the Company shares, the Chairman of the Board must give prior notice to the Chairman of the Audit & Risk Management Committee. The details of the share trading must be given to the Company Secretary who must lodge such details of such changes in with the ASX.

Senior executives must give prior notice to the Chief Executive Officer, while other officers must notify the Company Secretary, before trading in the Company shares and details of all such transactions must be given, in writing, to the Company Secretary within 7 business days.

Any changes in substantial shareholding of the Directors, senior executives or other officers must be reported to the ASX within 2 business days of such trading. The policy also recommends that trading in the Company shares only occur in the following trading windows:

- 30 days after the announcement of the Company's half year results; and
- 30 days after the announcement of the Company's full year results.

Principle 4: Safeguard integrity in financial reporting

For the reasons outlined above, this principle previously adopted by the Company was not consistently adhered to during the period from February 2008 to June 2011.

It is the Board's responsibility to ensure an effective internal control framework exists within the entity. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information as well as non financial considerations such as benchmarking of operational key performance indicators.

Executive Certification

Historically the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) are required to and have provided assurance to the Board stating that the financial statements and reports of the Company:

- Present a true and fair view, in all material respects, of the operating results and financial condition in accordance with the Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001;
- Are founded on a system of risk management and internal compliance and control, and these are operating efficiently and effectively in all material aspects.

However, as stated on page 3, the principles previously adopted by the Company were not adhered to during the period from February 2008 to June 2011 – including the requirement to obtain assurance from the CEO and the CFO that the financial statements present a true and fair view, in accordance with the Australian Accounting Standards and are founded on a system of risk management and internal compliance and control. It is the Board's intention to apply all principles previously adopted on the resumption of quotation on the ASX - including the requirement to obtain assurances from the CEO and the CFO in relation to the financial statements, systems of risk management and internal controls - in stages as the Company grows and its circumstances change over time.

Audit & Risk Management Committee – audit responsibilities

The Company currently does not have an audit committee. Historically the board believes a separate audit committee in a company of this size with the absence of independent Directors would be of little value. The small size of the company and the hands on approach of the Board enable it to handle particular issues relevant to verifying and safeguarding the integrity of the Company's financial reporting with the same efficiency as an audit committee.

The board is committed to following the Best Practice Recommendation 4.3, and will establish an independent Audit & Risk Management Committee once independent Directors are appointed and the Company increases in size.

CORPORATE GOVERNANCE STATEMENT (continued)

Principle 5: Make timely and balanced disclosure

Historically, the Company's market disclosure policy is to ensure that shareholders and the market are fully informed of the Company's strategy, performance and details of any information or events that could be material to the value of the Company's securities. The

Company is committed to ensuring that all information that may have a material impact on the Company's share value is disclosed to the market in a timely and balanced manner.

The Chief Executive Officer and the Company Secretary, in consultation with the Board, are responsible, for the review, authorisation and disclosure of information to the ASX and for overseeing and coordinating information disclosures to the ASX, shareholders, brokers, analysts, the media and the public.

The Company ensures that it also complies with the requirements of the Listing Rules of the Australian Stock Exchange ("ASX") and the Corporations Act in providing information to shareholders through:

- The half-yearly report to the ASX;
- The annual Report which is distributed to the ASX and to shareholders prior to the AGM;
- The AGM and other meetings called to obtain approval from shareholders where appropriate;
- Ad-hoc releases to the ASX as required under the ASX Listing Rules.

However, for the period February 2008 to June 2011, the Company did not comply with this principal in a timely manner. Half yearly reports of the periods December 2008, December 2009 and December 2010 are anticipated to be reported to the ASX in December 2011. The annual reports for the years ending June 2008, June 2009, June 2010 and June 2011 are anticipated to be distributed to the ASX in December 2011. The AGM for years June 2008, June 2009, June 2010 and June 2011 are anticipated to be held in December 2011.

It is the Boards intention to apply all principles previously adopted in a timely manner on the resumption of quotation on the ASX and achieve all of the Best Practice Recommendations in stages as the Company grows and its circumstances change over time.

Principle 6: Respect the rights of shareholders

Communication to shareholders

The Company recognises the rights of its shareholders and other interested stakeholders to have easy access to balanced, understandable and timely information concerning the operations of the Group. The Chief Executive Officer and the Company Secretary are primarily responsible of ensuring communications with shareholders are delivered in accordance with this strategy and with our policy of continuous disclosure.

The Company strives to communicate with shareholders and other stakeholders in a regular manner as outlined in Principle 5 of this statement. However as stated on page 3 above, in the period from February 2008 to June 2011 the Company did not communicate with shareholders and other stakeholders in a timely manner.

The Board encourages participation of shareholders at the Annual General Meeting or any other shareholder meetings to ensure a high level of accountability and identification with the Company's strategy and goals. Shareholders are requested to vote on the appointment and aggregate remuneration of Directors, the granting of options and shares to Directors, issue of shares and changes to the constitution.

Annual General Meeting

Historically, the Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the Company's strategy and goals.

The Board has also requested representatives from Hall Chadwick, the Company's external auditor, to be present at the Annual General Meeting to answer questions that shareholders might have about the scope and conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company and the independence of the auditor.

It is the Boards intention to apply all principles previously adopted on the resumption of quotation on the ASX and implement all of the Best Practice Recommendations in stages as the Company grows and its circumstances change.

Principle 7: Recognise and manage risk

Risk management responsibilities

The Company's risk management framework is designed to identify, assess, monitor and manage material business risks, both financial and non financial, to minimise their impact on the achievement of organisational goals.

As no member has been appointed to the Audit & Risk Management Committee, the Board is responsible for reviewing and ratifying the system of risk management, internal compliance and control, codes of conduct and legal compliance.

Historically, the Board delegates to the Chief Executive Officer and the Chief Financial Officer the responsibilities for the establishment, implementation and maintenance of the system of risk management including measures of its effectiveness.

In the period February 2008 to June 2011, the Board did not receive a report from management as required under section 295A of the Corporation Act that the Company's risk management framework is effective for the Company's purpose.

As disclosed on page 3, the principles previously adopted by the Company were not always adhered to during the period from February 2008 to June 2011. It is the Boards intention to apply all principles previously adopted on the resumption of quotation on the ASX and achieve all of the Best Practice Recommendations in stages as the Company grows and its circumstances change over time.

CORPORATE GOVERNANCE STATEMENT (continued)

Principle 8: Encourage enhanced performance

As stated above, principles previously adopted by the Company were not always adhered to during the period from February 2008 to June 2011.

Performance evaluation

The Board has responsibility with respect to the following functions:

- develop policies and procedures to identify, assess and enhance the skills, expertise and competencies of the Directors individually and the Board as a whole; and
- develop a process and establish the criteria for evaluating the performance of the Directors and the Board as a whole.

Monthly financial results

Historically, the Chief Financial Officer distributes the monthly financial results of the Company to members of the Board before each monthly Board meeting. This ensures the Board is kept up to date with all the necessary information to effectively discharge their duties in its discussions and deliberations. The Board is also free to meet and question individual members of management to clarify issues on any matter pertaining to the Company.

However, as previously stated the principles, previously adopted by the Company were not always adhered to during the period from February 2008 to June 2011 – including the provision of monthly reports. It is the Boards intention to apply all principles previously adopted – including distribution of monthly results before each board meeting - on the resumption of quotation on the ASX and implement all of the Best Practice Recommendations in stages as the Company grows and its circumstances change.

Director induction and training

New Directors will be provided with an induction program to introduce them to the Company structure, culture and business operations.

Directors are also encouraged to undertake continuous professional development, at the Company's expense, to keep their skills up to date.

Principle 9: Remunerate fairly and responsibly

Remuneration responsibilities

The Company's remuneration policy is disclosed in the Directors' Report. The policy has been set out to ensure that the performance of Directors, key executives and staff reflect each person's accountabilities, duties and their level of performance, and to ensure that remuneration is competitive in attracting, motivating and retaining staff of the highest quality. A program of regular performance appraisals and objective setting for key executives and staff is in place. These annual reviews take into account individual and company performance, market movements and expert advice.

The Board determines any changes to the remuneration of key executives on an annual basis.

The Board determines and reviews compensation arrangements for the Directors and the executive team.

DIRECTORS' REPORT

The Directors present their report on the consolidated entity consisting of RKS Consolidated Limited (formerly Rockstead Financial Services Limited) and the entities it controlled. The following persons held office as Directors at any time during or since the end of the financial year.

Current directors:

The details of each of the current Directors' position, date of appointment, qualifications, experience and expertise and assessment of independence is listed in the table below.

Robert Whitton	Chairman (Non Executive) – appointed 28 September 2012
Qualifications:	Mr Whitton holds a Bachelor of Business (Accounting) and a Graduate Certificate in Forensic Studies (Accounting).
Special Responsibilities	Chairman
Interest in Shares & Options:	125,000 (0.53% of total share capital) Options - Nil
Experience:	Robert has a longstanding and successful career as a Chartered Accountant and Business Advisor. A specialist in business reconstruction services and Fellow of the Institute of Chartered Accountants and a Fellow of the Institute of Company Directors. Robert has more than 25 years experience gained across a range of accountancy firms, most recently as a Director of William Buck, Chartered Accountants & Advisors in Sydney, Australia. Robert is a Certified Fraud Examiner. He also is an Associate Fellow of the Australian Institute of Management and a member of the Insolvency Practitioners Association of Australia.
Directorships held in Other Listed Entities	Current: Tempo Australia Ltd (ASX: TPP) & AUV Enterprises Ltd (ASX:AUV) Former: Nexbis Ltd (ASX:NBS)
Peter Torney	Director (Non Executive) – appointed 28 September 2012
Special Responsibilities	Director
Interest in Shares & Options:	200,000 (0.85% of total share capital) Options - Nil
Experience:	Mr Torney is a stockbroker with over 10 year's experience in the Australian financial services industry. During that time he has been involved in a number of successful stockbroking and equity capital markets businesses including Findlay Stockbroking and ASX listed Aequus Securities, later to become InvestorFirst Pty Ltd. Prior to entering the Equity market, Mr Torney has been involved in the advertising, real estate, finance, publishing and beef cattle production industries. Mr Torney has experience in retail and institutional broking, capital raisings, share placements and Initial Public Offerings.
Directorships held in Other Listed Entities	Nil
Robert Spano	Director (Non Executive) – appointed 28 September 2012
Special Responsibilities	Director
Interest in Shares & Options:	Nil
Experience:	Mr Spano is a management specialist with over 30 years' experience in the finance industry. He began his involvement in the finance and banking industry in 1981. He established his first finance group in 1988 and founded Integrated Asset Management (IAM) in 1999, IAM became a leader in the Leasing industry and was recognised as dynamic and innovative. In 2008 Mr Spano, in a Joint Venture with CHAMP Private Equity, purchased the Alleasing Group and sold IAM into the same group. He is now a Non-Executive Director and Shareholder of Alleasing Group with CHAMP. Alleasing is the largest independent Operating lease company in Australia, with a portfolio of \$1 billion in receivables and 15,000 customers ranging from Government clients to small commercial enterprises. Mr Spano was Chairman at Aequus Capital Limited from 2004 up until its takeover by Investorfirst. He was appointed to the Board of Investorfirst in 2009 assisted management with a smooth transition, and continues to act as a director including chairing the Audit, Risk and Compliance Committee.
Directorships held in Other Listed Entities	Nil

DIRECTORS' REPORT (continued)

Company secretary

Mr Peter Torney is company secretary. He was appointed on 28 September 2012.

Ms Eryn Kestel was company secretary. She was appointed on 19 July 2011 and resigned on 29 February 2012.

Mr Steve Nicols was appointed company secretary on 9 June 2010 until his resignation on 19 July 2011.

Mr Mathew Fogarty was appointed company secretary on 10 March 2003 until his resignation on 23 July 2008.

DIRECTORS' REPORT (continued)
Previous directors:

The following people have held the position of company directors any time during the current financial year up to the date of this report. Their details including qualifications, experience and expertise and assessment of independence is listed in the table below.

Troy Graham	Director (Non Executive) – appointed 7 July 2011 & Chairman appointed 2 August 2011 – resigned 28 September 2012
Delan Pagliaccio	Director (Non Executive) – appointed 2 August 2011 – resigned 28 September 2012
Jeffrey Triganza	Director (Non Executive) – appointed 2 August 2011 – resigned 28 September 2012
Tony Crimmins	Director (Non Executive) – appointed 9 June 2010 – resigned 2 August 2011
Greg Cornelsen	Director (Non Executive) – appointed 9 June 2010 – resigned 2 August 2011
Steve Nicols	Chairman (Non Executive) – appointed 9 June 2010 – resigned 19 July 2011
Steve Ploubidis	Director (Non Executive) – appointed 15 October 2010 – resigned 25 November 2010
Wilton Yao	Director (Non Executive) – appointed 14 September 2010 – resigned 15 December 2010
Lester Tay	Chairman (Non Executive) – appointed 8 October 2007 – resigned 9 June 2010
Ang Poh Seng	Director - appointed 12 May 2008 – resigned 9 June 2010
Thomas Wallace	Managing Director – resigned 23 July 2008
Mark Phillips	Director (Non Executive) – appointed 30 July 2007 – resigned 23 July 2008
Ananda Kathiravelu	Chairman (Executive) – resigned 30 April 2008
Kenneth Major	Director (Non Executive) – appointed 8 October 2007 – resigned 9 June 2010
Leslie Freeman	Managing Director – resigned 30 July 2007

Troy Graham	Director (Non Executive)– elected 7 July 2011 & chairman from 2 August 2011 – resigned 28 September 2012
Qualifications:	Mr Graham holds a Bachelor of Commerce and a Graduate Diploma in Business and Technology.
Interest in Shares & Options:	444,444 (0.14% of total share capital) Nil Options
Experience:	Mr Graham is the Managing Director of boutique investment banking firm Autus Capital which focus on emerging and middle market company engagements, including mergers and acquisitions, capital raisings, and general strategic and corporate advice. He has significant experience in the Australasian financial services sector ranging from roles in Chartered Accounting, Management Consulting, Strategy & Development, and Investment Banking, He was the national head of corporate finance for a specialist institutional funds stockbroker Australian Stockbrokers.
Directorships held in Other Listed Entities	Mr Graham is not a director of any other ASX listed company.

Delan Pagliaccio	Director (Non Executive) – appointed 2 August 2011 – resigned 28 September 2012
Special Responsibilities	Director
Interest in Shares & Options:	Nil
Experience:	Mr Pagliaccio's experience in financial services is over 15 years. Continually building on his experience and expertise Mr Pagliaccio has held directorships and responsible Manager positions with the likes of ANZ, E*Trade, Asandas Limited, IC Markets and Blue Fin Capital. As the head of dealing and derivatives at E*Trade, Mr Pagliaccio managed one of the largest retail derivatives books in Australia for almost 10 years. It was in this role that Mr Pagliaccio gained invaluable experience in order execution, risk management, margin management and platform construction. Mr Pagliaccio is currently a member of the SAA and the Institute of Company Directors.
Directorships held in Other Listed Entities	Mr Pagliaccio is not a director of any other ASX listed company.

DIRECTORS' REPORT (continued)

Previous directors (continued):

Jeffrey Triganza	Director (Non Executive) – appointed 2 August 2011 – resigned 28 September 2012
Qualifications:	Mr Triganza holds a Masters of Business Administration degree.
Interest in Shares & Options:	Nil
Experience:	Mr Triganza has worked in financial services for over 20 years working with companies such as the Commonwealth Bank and NAB. Mr Triganza has spent a significant amount of time researching financial markets and is currently the Managing Director of Hamilton Rhodes, a boutique broking business based in Sydney Australia.
Directorships held in Other Listed Entities	Mr Triganza is not a director of any other ASX listed company.

Tony Crimmins	Director (Non Executive) appointed 9 June 2010 - resigned 2 August 2011
Qualifications:	Mr Crimmins has a Master of Chemical Engineering and a Master of Business Administration degree.
Interest in Shares & Options:	2,144,445 (0.65% of total share capital) and Nil Options
Experience:	Mr Crimmins is an experienced corporate executive, advisor and company director. He has a background in Chemical and Environmental Engineering. He brings a wealth of experience in management consulting has successfully assisted 12 businesses list onto the Australia Stock Exchange.
Directorships held in Other Listed Entities	Mr Crimmins is non executive director of ASX listed companies DVM international Limited, Reco Financial Services Limited and Xstate Resources Limited.

Greg Cornelsen	Director (Non Executive) - appointed 9 June 2010 - resigned 2 August 2011
Qualifications:	Mr Cornelsen has a Bachelor of Economics.
Interest in Shares & Options:	233,333 (0.07% of total share capital) and Nil Options
Experience:	Mr Cornelsen has an extensive network within the Australian business community. He has been involved in a number of small business and founded two companies which were sold an ASX listed company.
Directorships held in Other Listed Entities	Mr Cornelsen is currently a director of BluGlass Limited, Blackcrest Resources Limited and Welcome Stranger Mining Limited.

Steve Nicols	Chairman (Non Executive) and Company Secretary - appointed 9 June 2010 - resigned 19 July 2011
Qualifications:	Mr Nicols has a Bachelor of Commerce and is a Certified Public Accountant (CPA)
Interest in Shares & Options:	2,144,445 (0.65% of total share capital) Nil Options
Experience:	Mr Nicols is the principal of Nicols and Brien, a specialised accounting practice with offices in Sydney and Wollongong. He provides advice to businesses for the purposes of reconstruction or profit enhancement. He has recapitalised 7 ASX listed companies.
Directorships held in Other Listed Entities	Mr Nicols previous directorships of ASX Listed companies include DVM International Ltd aka Tangiers Petroleum Ltd , Resource Star Ltd, FTD Corporation limited and Blackcrest Resources Ltd. He is a current director of Welcome Stronger Mining Limited and GRP Corporation Limited.

Steve Ploubidis	Director (Non Executive) – appointed 15 October 2010 - resigned 25 November 2010
Interest in Shares & Options	Nil
Experience:	Mr Ploubidis has a Bachelor of Laws Degree and a background in Management Consulting He is a Director Palamedia Ltd – which provides business and financial content across all media. The company's publishing, electronic and broadcast platforms target a national audience of diversified business markets.
Directorships held in Other Listed Entities	Nil

DIRECTORS' REPORT (continued)

Previous directors (continued):

Wilton Yao	Director (Non Executive) –appointed 14 September 2010 - resigned 15 December 2010
Interest in Shares & Options	Nil
Experience:	Mr Yao has a background in renewal energy and is currently a director at ASX list company Jatenergy Limited – a company that has a number of interests and projects in coal and bio fuels through out Australia and parts of Asia.
Directorships held in Other Listed Entities	Nil

Lester Tay	Chairman (Non Executive) – appointed 8 October 2007 and resigned – 9 June 2010
Interest in Shares & Options:	Nil
Experience:	Mr Tay is the Chief Executive of Rockstead, a boutique investment and advisory firm Headquartered in Singapore with a direct presence in Asia, Europe and North America. Mr Tay is a certified public accountant and a member of the institute of certified Public Accountants of Singapore.
Directorships held in Other Listed Entities	Nil

Ang Poh Seng	Director - appointed 12 May 2008 - resigned 9 June 2010
Interest in Shares & Options:	Nil
Experience:	Mr Ang is a certified public accountant and a member of the institute of certified Public Accountants of Singapore. Mr Ang graduated with a bachelor in Accounting from Nanyang Technology University in Singapore.
Directorships held in Other Listed Entities	Mr Ang is an executive of Rockstead's majority shareholders based in Singapore.

Thomas Wallace	Acting Managing Director (from 30 July 2007) – resigned 23 July 2008
Interest in Shares & Options:	6,633 shares (0.001% of total share capital) Nil Options
Experience:	Mr Wallace brings expertise in legal, regulatory compliance, property development, business development and corporate governance. Mr Wallace was appointed as a Director of the Company on 19 April 2006.
Directorships held in Other Listed Entities	Nil

Mark Phillips	Director (Non Executive) - appointed 30 July 2007 - resigned 23 July 2008
Interest in Shares & Options:	3,218 shares (0.001% of total share capital) Nil Options
Experience:	Mr Phillips is a member of the Mortgage Industry Association of Australia and Associate Fellow of the Australian Institute of Management. Mr Phillips has a strong background in finance and property funding through 20 years of experience.
Directorships held in Other Listed Entities	Mr Phillips was formerly Group Manager of the Asset Management and Structured Finance divisions of ASX listed, MFS Group Limited.

Ananda Kathiravelu	Chairman (Executive) – resigned 30 April 2008
Interest in Shares & Options:	33,511 shares (0.1% of total share capital) Nil Options
Experience:	Mr Kathiravelu has been in the financial services funds management and stockbroking industries for over 10 years. He holds a Bachelor of Business and a Graduate Diploma of Applied Finance and Investment and is an associate of the Securities Institute of Australia.
Directorships held in Other Listed Entities	Nil

DIRECTORS' REPORT (continued)*Previous directors (continued):*

Kenneth Major	Director (Non Executive) – appointed 8 October 2007 - resigned 9 June 2010
Interest in Shares & Options:	Nil
Experience:	Mr Major, a Partner of Rockstead, is an executive director of Rockstead Capital Pty Ltd who oversees the firm's investment activities in Australia and New Zealand. Mr Major (MBA) is a member of the Australian Institute of Company Directors (MAICD) and a member of the Australian Institute of Management.
Directorships held in Other Listed Entities	Nil

Leslie Freeman	Managing Director – resigned 30 July 2007
Interest in Shares & Options:	Nil
Experience:	Mr Freeman has 16 years experience in the investment industry, residential property acquisition and development. He also has a background in business management and marketing. Mr Freeman is a registered property developer.
Directorships held in Other Listed Entities	Nil

Directors Meetings

A number of Directors meetings were held during and since the end of the financial year. However details and formal records of such meetings were unable to be obtained.

Principal activity

The principal activity of the consolidated entity is to seek business opportunities in the exploration and development of coal tenements as well as seeking other investments that will add shareholder value.

During the year ended 2011, the consolidated entity was dormant. Prior to 30 June 2008, the principal activity of the consolidated entity was to act as an investor in a range of businesses including funds management, property development and lending sectors.

Consolidated Results

For the year ended 30 June 2011, the net result of the consolidated entity after applicable income tax for was a loss of \$224,805 (30 June 2010: profit of \$24,149,920).

Review of operations

The company had incurred significant losses due in part to the competitive nature of the funds management industry and due to the deterioration in the property development and lending sectors as a result of significant tightening in the Australian and New Zealand credit markets.

Previously the Company advised that, in relation to its wholly owned subsidiary, First Capital Securities Limited (FCSL) has been 'running out' its lending book since May 2007 and was experiencing difficulties in recovering four loans. The difficulties are due to delays in building projects, builders becoming insolvent and borrowers being unable to obtain refinance. These difficulties strained the liquidity of FCSL and the Company generally and resulted in delays of payments to the Company's unsecured note holders.

Specifically FCSL had managed its financial obligations with the financial support of its major shareholders and on 21 July 2008 the Company advised that two major shareholders had withdrawn financial support from FCSL and that Mr Greg Moloney and Mr Peter Geoff of Ferrier Hodgson have been appointed voluntary administrators of FCSL.

On 21 July 2008, The Public Trustee of Queensland pursuant to a charge over FCSL for the benefit of unsecured note holders, appointed John Grieg and Nicholas Harwood of Deloitte as receivers and managers.

In addition, on 21 July 2008 the Company advised that another of its wholly owned subsidiaries, First Capital Gulf Harbour Limited ("FCGH") has been unable to secure full refinance for a loan held by Strategic Finance Limited ("Strategic"). Prior to this date, a full funding proposal with a construction facility was obtained. However, with the deterioration of the Australian and New Zealand credit markets, coupled with the collapse of a number of finance companies in New Zealand, the financier was unable to refinance.

On 21 July 2008, the Company's securities were suspended from official quotation on the ASX.

The Company's securities remain suspended.

On 29 July 2008, the Company advised that Mr Greg Moloney and Mr Peter Geroff of Ferrier Hodgson have been appointed voluntary administrators of the Company (Rockstead Financial Services Limited).

On 18 August 2008, Company's remaining 4.9% of Rockstead Funds Management Limited ("RFML") was sold by the Administrators. The principal remaining asset of the Company is its listed shell and a potential recapitalisation of the shell via a Deed of Company Arrangement (DOCA).

DIRECTORS' REPORT (continued)

Review of operations (continued)

In the period August 2008 to June 2009, the Company and its creditors attempted to negotiate a DOCA but were unable to agree on the terms and on 30 June 2009 Gregory Moloney of Ferrier Hodgson Brisbane was appointed Liquidator (in accordance with the provisions of Part 5.3A of the Corporations Act 2001).

On 23 December 2009, the Liquidator appointed Michael Hird of Worrells Sydney as Administrator to enable fresh negotiations and a new DOCA to be considered.

On 8 March 2010, the Creditors voted that the Company enter a new Deed of Company Arrangement (DOCA) which included a proposal from an Investment Group for restructuring and recapitalising the Company and a settlement of creditors claims which extinguished all liabilities and removed the Company from Administration. The proposal was accepted by the creditors and the DOCA was executed on 10 March 2010.

The proposal from the Investment Group involves:

1. Consolidation of existing share capital on a 10 for 1 basis;
2. Allotment and issue of 100 million shares (after consolidation) to the Investment group at 0.02 cents to raise \$20,000;
3. Allotment and issue of 123 million shares (after consolidation) to the Investment group at 0.3 cents to raise \$369,000;
4. Allotment and issue of 100 million shares (after consolidation) to the public at 0.02 cents to raise a further \$2,000,000;
5. Allotment and issue of 5 million shares (after consolidation) to the DOCA administrators at no cost;
6. Removal of the previous Directors and Company Secretary;
7. Appointment of the following Directors from the Investment group:
 - Mr Steve Nicols;
 - Mr Tony Crimmins
 - Mr Gregory Cornelsen
8. Change of the company name to RKS Consolidated Limited.

The stated purpose of the Company on exit from administration is to recapitalise and to seek opportunities to enable the reinstatement of its securities to Official Quotation on the ASX. The Company is seeking business opportunities within the financial services and funds management industry with a focus on developing and managing investment trusts in a range of asset classes as well as seeking other investments that will add shareholder value.

On 9 June 2010, the shareholders approved the above resolutions.

On 17 June 2010, the shareholders of the Company in a General Meeting authorised the company to consolidate its existing shares on a 10 to 1 basis. The capital re-origination was effective 18 June 2010.

On 23 August 2010, the liquidation and winding up of Rockstead Financial Services (in Liquidation) was terminated via a Court order.

On 24 August 2010, the company's name change to RKS Consolidated Limited (from Rockstead Financial Services Limited) became effective.

On 7 July 2011, in a General Meeting, the shareholders voted to:

1. Consolidate the shares on a 9 to 1 basis;
 2. Issue 300 million shares on a post consolidation basis to the parties set out in the Explanatory Statement, to raise a total amount of \$100,200;
 3. Elect Mr Troy Graham as a non executive director;
- and pursue opportunities in the acquisition, exploration and development of coal tenements.

On 30 August 2011, the Company announced (subject to shareholder approval) it has entered into an agreement to acquire 100% of Scott Creek Coal Pty Ltd. for a purchase price of \$5,784,375. The Company will issue 19,281,250 shares at \$0.30 per share as consideration. The proposed transaction also has a number of key steps which need to be completed in sequence before moving to the next step.

The steps to complete this transaction are as follows:

1. The Company consolidates its share capital on a 16 to 1 basis;
2. The Company acquires 100% of the issued capital of SCC for \$5,784,375;
3. The Company changes its existing business to the acquisition, exploration and development of coal tenements in Queensland and elsewhere;
4. The Company will change its name to "Scott Creek Coal Limited";
5. The Company will raise up to \$4.5 million through the issue of 15,000,000 shares which will be applied towards the costs associated with this transaction, the Company's coal exploration programme, working capital requirements and general corporate purposes;
6. The company will issue a total of up to 13,605,858 shares at a minimum price of \$0.30 to a consortium of Queensland Coal Companies (QCC). This will take the holding of the QCC parties to 19.9%.
7. The company satisfies the conditions imposed by the ASX for restatement to Quotations;
8. The company meets certain cash reserves and net asset thresholds

On 19 September 2011, the Company confirmed its share registry is Security Transfer Registrar.

DIRECTORS' REPORT (continued)

Review of operations (continued)

On 27 September 2011, the Company confirmed that its shares would be consolidated on a basis of 16:1.

On 28 September 2011, the Company announced that shareholders unanimously approved all six resolutions in relation to the above transactions.

On 13 October 2011, 1,085,714 ordinary shares were issued at \$0.35 each to private and sophisticated investors to raise working capital.

On 1 August, 2012, the Company announced the proposed transaction to acquire Scott Creek Coal Pty Ltd will no longer proceed.

On 10 August 2012, the Company borrowed the sum of \$150,000 to settle creditor claims and provide working capital, the lenders were provided security over the company.

On 14 September 2012, 1,986,934 ordinary shares were issued at \$0.05 each to raise working capital.

Dividends

No dividends were declared for the year ended 30 June 2011 (30 June 2010: \$NIL).

Likely developments

For the likely developments in the operations of the economic entity refer to the review of operations.

Significant Changes in the State of Affairs

During the financial year, the following significant changes in the state of affairs materially impacted on the Group's operations.

On 21 July 2008, the Company advised that the major shareholders had withdrawn financial support from its wholly owned subsidiary First Capital Securities Limited (FCSL) and that Mr Greg Moloney and Mr Peter Geroff of Ferrier Hodgson have been appointed voluntary administrators of FCSL.

On 21 July 2008, the Public Trustee of Queensland pursuant to a charge over FCSL for the benefit of unsecured note holders, appointed John Grieg and Nicholas Harwood of Deloitte as receivers and managers.

On 21 July 2008, the Company advised that another of its wholly owned subsidiaries, First Capital Gulf Harbour Limited has been unable to secure full refinance for a loan held by Strategic Finance Limited.

On 21 July 2008 the Company's securities were suspended from Official Quotation by the ASX in accordance with listing rule 17.3 pending the Company's compliance with ASX listing rule 12.1. The Company's securities remain suspended.

On 29 July 2008, the Company under section 436A of the *Corporations Act 2001*, appointed Greg Moloney of Ferrier Hodgson Brisbane as Voluntary Administrator.

On 18 August 2008, Company's remaining 4.9% of Rockstead Funds Management Limited ("RFML") was sold by the Administrators. The principal remaining asset of the Company is its listed shell and a potential recapitalisation of the shell via a Deed of Company Arrangement.

On 30 September 2008, a Deed of Company Arrangement between the Company and its Creditors was signed, however it subsequently failed.

On 30 June 2009, Greg Moloney of Ferrier Hodgson Brisbane was appointed as liquidator in accordance with the provisions of Part 5.3A of the *Corporations Act 2001*.

First Capital Securities Limited (FCSL)

The Company's main trading entity is FCL. On the 21 July 2008, the Public Trustee of Queensland (PTQ) (acting on behalf of the note holders of FCS) appointed Deloitte as receivers in relation to the charge over FCSL assets. As a result, the assets of FCSL will be realised for the benefit of the PTQ and the note holders of FCSL. Any residual money will returned to the Company – however this is considered extremely unlikely. As a consequence the assets of FCSL have been written down to nil.

First Capital Gulf Harbour (FCGH)

First Capital Gulf Harbour is the Company's wholly owned subsidiary in New Zealand. FCGH has a project for the development of prime residential land. FCSL advanced \$6.5m on a second ranking security basis and therefore it is unlikely the Company will recover any residual money. As a consequence the assets of FCGH have been written down to nil.

On 23 December 2009, the liquidator Greg Maloney, appointed Mr Christopher Darin and Mr Michael Hird of Worrells Sydney as Administrators to enable a fresh DOCA to be considered.

On 8 March 2010, the shareholders voted that the Company enter a DOCA. The summary of the terms of the deed were set out in the Explanatory Statement and included a proposal from an Investment Group for restructuring and recapitalising the company including a settlement of creditors claims extinguishing all liabilities and removing itself from Administration. The proposal was accepted by the creditors and the DOCA was executed on 10 March 2010.

DIRECTORS' REPORT (continued)

Significant Changes in the State of Affairs (continued)

The proposal from the Investment Group is summarised as follows:

1. Consolidation of existing share capital on a 10 for 1 basis;
2. Allotment and issue of 100 million shares (after consolidation) to the Investment group at 0.02 cents to raise \$20,000;
3. Allotment and issue of 123 million shares (after consolidation) to the Investment group at 0.3 cents to raise \$369,000;
4. Allotment and issue of 100 million shares (after consolidation) to the public at 0.02 cents to raise a further \$2,000,000;
5. Allotment and issue of 5 million shares (after consolidation) to the DOCA administrators at no cost;
6. Removal of the previous Directors and Company Secretary;
7. Appointment of the following Directors from the Investment group:
 - Mr Steve Nicols;
 - Mr Tony Crimmins
 - Mr Gregory Cornelsen
8. Change of the company name to RKS Consolidated Limited.

On 9 June 2010, the shareholders approved the above resolutions.

On 17 June 2010, the shareholders of the Company authorised the company to consolidate its existing shares on a 10 to 1 basis. The capital re-origination was effective 18 June 2010.

On 23 August 2010, the liquidation and winding up of the Company (as Rockstead Financial Services (in Liquidation)) was terminated via a Court order.

On 24 August 2010, the Directors of the Company entered into a memorandum of understanding with Greenlink Solar for the proposed acquisition of Greenlink Energy Limited.

On 24 August 2010, the company's name change to RKS Consolidated from Rockstead Financial Services Limited became effective.

On 26 November 2010, the Company announced it had terminated the memorandum of understanding with Greenlink Solar for the proposed acquisition of Greenlink Energy Limited with immediate effect.

On 7 July 2011, in a General Meeting, the shareholders voted to:

1. Consolidate the shares on a 9 to 1 basis;
 2. Issue 300 million shares on a post consolidation basis to the parties set out in the Explanatory Statement, to raise a total amount of \$100,200;
 3. Elect Mr Troy Graham as a non executive director;
- and pursue opportunities in the acquisition, exploration and development of coal tenements.

On 30 August 2011, the Company announced (subject to shareholder approval) it has entered into an agreement to acquire 100% of Scott Creek Coal Pty Ltd. for a purchase price of \$5,784,375. The Company will issue 19,281,250 shares at \$0.30 per share as consideration.

The proposed transaction also has a number of key steps which need to be completed in sequence before moving to the next step. The steps to complete this transaction are as follows:

1. The Company consolidates its share capital on a 16 to 1 basis;
2. The Company acquires 100% of the issued capital of SCC for \$5,784,375;
3. The Company changes its existing business to the acquisition, exploration and development of coal tenements in Queensland and elsewhere;
4. The Company will change its name to "Scott Creek Coal Limited";
5. The Company will raise up to \$4.5 million through the issue of 15,000,000 shares which will be applied towards the costs associated with this transaction, the Company's coal exploration programme, working capital requirements and general corporate purposes;
6. The company will issue a total of up to 13,605,858 shares at a minimum price of \$0.30 to a consortium of Queensland Coal Companies (QCC). This will take the holding of the QCC parties to 19.9%.
7. The company satisfies the conditions imposed by the ASX for restatement to Quotations;
8. The company meets certain cash reserves and net asset thresholds

On 19 September 2011, the Company confirmed its share registry is Security Transfer Registrar.

On 27 September 2011, the Company confirmed that its shares would be consolidated on a basis of 16:1.

On 28 September 2011, the Company announced that shareholders unanimously approved all six resolutions in relation to the above transactions.

On 13 October 2011, 1,085,714 ordinary shares were issued at \$0.35 each to private and sophisticated investors to raise working capital.

On 1 August, 2012, the Company announced the proposed transaction to acquire Scott Creek Coal Pty Ltd will no longer proceed.

On 10 August 2012, the Company borrowed the sum of \$150,000 to settle creditor claims and provide working capital, the lenders were provided security over the company.

DIRECTORS' REPORT (continued)

Significant Changes in the State of Affairs (continued)

On 14 September 2012, 1,986,934 ordinary shares were issued at \$0.05 each to raise working capital.

Events Subsequent to Balance Date

On 7 July 2011, in a General Meeting, the shareholders voted to:

1. Consolidate the shares on a 9 to 1 basis;
 2. Issue 300 million shares on a post consolidation basis to the parties set out in the Explanatory Statement, to raise a total amount of \$100,200;
 3. Elect Mr Troy Graham as a non executive director;
- and pursue opportunities in the acquisition, exploration and development of coal tenements.

On 30 August 2011, the Company announced (subject to shareholder approval) it has entered into an agreement to acquire 100% of Scott Creek Coal Pty Ltd. for a purchase price of \$5,784,375. The Company will issue 19,281,250 shares at \$0.30 per share as consideration. The proposed transaction also has a number of key steps which need to be completed in sequence to give effect to this transaction.

The steps to complete this transaction are as follows:

1. The Company consolidates its share capital on a 16 to 1 basis;
2. The Company acquires 100% of the issued capital of SCC for \$5,784,375;
3. The Company changes its existing business to the acquisition, exploration and development of coal tenements in Queensland and elsewhere;
4. The Company will change its name to "Scott Creek Coal Limited";
5. The Company will raise up to \$4.5 million through the issue of 15,000,000 shares which will be applied towards the costs associated with this transaction, the Company's coal exploration programme, working capital requirements and general corporate purposes;
6. The company will issue a total of up to 13,605,858 shares at a price \$0.30 to a consortium of Queensland Coal Companies (QCC). This will take the holding of the QCC parties to 19.9%;
7. The company satisfies the conditions imposed by the ASX for restatement to Quotations;
8. The company meets certain cash reserves and net asset thresholds.

On 19 September 2011, the Company confirmed its share registry is Security Transfer Registrar.

On 27 September 2011, the Company confirmed that its shares would be consolidated on a basis of 16:1.

On 28 September 2011, the Company announced that shareholders unanimously approved all six resolutions in relation to the above transactions.

On 13 October 2011, 1,085,714 ordinary shares were issued at \$0.35 each to private and sophisticated investors to raise working capital.

On 1 August, 2012, the Company announced the proposed transaction to acquire Scott Creek Coal Pty Ltd will no longer proceed.

On 10 August 2012, the Company borrowed the sum of \$150,000 to settle creditor claims and provide working capital, the lenders were provided security over the company.

On 14 September 2012, 1,986,934 ordinary shares were issued at \$0.05 each to raise working capital.

On 30 October 2012, the Company called a general meeting for 30 November 2012 wherein a resolution to convert the aforementioned debt to equity will be put as well as resolutions approving prior placement of 3,072,647 shares issued under the 15% threshold.

Other than those disclosed above, there are no other matters or circumstances that have arisen since 30 June 2011 that have significantly affect, or may significantly affect:

- the consolidated entity's operations in the future financial years, or
- the results of those operations in future financial years, or
- the consolidated entity's state of affairs in the future financial years.

Insurance of Directors and officers

The Company no longer holds an insurance policy to insure the Directors and officers of the Company and its controlled entities against all liabilities to other persons that may arise from their position.

Options

There were no options outstanding at the date of this report.

There were no options granted which expired during or since the end of the financial year.

DIRECTORS' REPORT (continued)

Remuneration Report

This report details the nature and amount of remuneration for each director of RKS Consolidated Limited and for the executive receiving the highest remuneration. As detailed above all the directors as at 30 June 2011 have resigned or been removed by the shareholders and new Directors and a new Board have been appointed.

A. Principles used to determine the nature and amount of remuneration

Non executive Directors

Under the previous Board, the total non-executive directors' remuneration pool was approved by the shareholders. The remuneration pool currently stands at a maximum of \$200,000 per annum and shall remain the same until amended and approved by the shareholders.

In recommending the remuneration pool, the board takes into account current market and industry specific practice to ensure non-executive directors' fee and payments are appropriate and in line with market situation.

No remuneration has been paid to the non-executive (previous) directors.

Executive Directors and executives

Executive directors and executives are remunerated in accordance with their executive service contracts as approved by the Board. In approving the reward for executives, the Board will ensure it rewards competency and experience while remain competitive and reasonable as compared to current market and industry specific practice and are in line with the shareholders' interests.

Executive pay

The total remuneration package of executives consists of the followings:

- (a) Base pay;
- (b) Benefits;
- (c) Superannuation contribution.

(a) Base pay

Base pay is the fixed cash salary set by the service contract. The base pay is set to be in line with the market rate for a comparable role in an organisation similar to the size of the Company. Base pay is reviewed annually to ensure it remains competitive in the market but there is no guarantee of annual increases in the service contract.

The base pay will also be reviewed if the executive is promoted or takes on additional roles within the Company.

(b) Benefits

Benefits are prescribed benefits to be provided at the executives' discretion. Prescribed benefits include the use of motor vehicle, reimbursement of the running cost and the use of car park in the office building.

(c) Superannuation contribution

The Company contributes to the executives' superannuation fund at the statutory prescribed rate which is currently at 9%. The contribution rate applies to the cash salary only.

B. Share options

The Company had set up a Directors, executives and staff share option plan under which share options can be issued in lieu of payment for services or as rewards for performance.

During the year, no share options have been issued to any directors, executives or staff.

C. Key Management Remuneration

Current Directors

The following currently hold office as Director of the Company.

Robert Whitton	Chairman (Non Executive)– appointed 28 September 2012
Peter Torney	Director (Non Executive) – appointed 28 September 2012
Robert Spano	Director (Non Executive) – appointed 28 September 2012

The current Directors and key management personnel detailed above have not receive any remuneration in respect of their duties in relation to RKS Consolidated Limited.

Previous Directors – subsequent to year end

The following persons held office as Director since the end of the financial year.

Troy Graham	Director (Non Executive) – elected 7 July 2011 and chairman from 2 August 2011 – resigned 28 September 2012
Delan Pagliaccio	Director (Non Executive) – appointed 2 August 2011 – resigned 28 September 2012
Jeffrey Triganza	Director (Non Executive) – appointed 2 August 2011 – resigned 28 September 2012
Tony Crimmins	Director (Non Executive) - appointed 9 June 2010 - resigned 2 August 2011

DIRECTORS' REPORT (continued)

Remuneration Report (continued)

C. Key Management Remuneration (continued)

Greg Cornelsen	Director (Non Executive) - appointed 9 June 2010 - resigned 2 August 2011
Steve Nicols	Chairman (Non Executive) - appointed 9 June 2010 - resigned 19 July 2011
Steve Ploubidis	Director (Non Executive) – appointed 15 October 2010 - resigned 25 November 2010
Wilton Yao	Director (Non Executive) – appointed 14 September 2010 - resigned 15 December 2010

The previous Directors and key management personnel detailed above did not receive any remuneration in respect of their duties in relation to RKS Consolidated Limited.

Previous Directors – during the financial year

The following persons held office as Director for some time during the financial year.

Lester Tay	Chairman (Non Executive) – appointed 8 October 2007 - resigned 9 June 2010
Ang Poh Seng	Director - appointed 12 May 2008 - resigned 9 June 2010
Thomas Wallace	Managing Director – resigned 23 July 2008
Mark Phillips	Director (Non Executive) – appointed 30 July 2007 - resigned 23 July 2008
Kenneth Major	Director (Non Executive) – appointed 8 October 2007 - resigned 9 June 2010

In relation to the above directors, the details of the nature and amount of the remuneration of each key management personnel of RKS Consolidated Limited is detailed below:

In relation to the above directors, the details of the nature and amount of the remuneration of each key management personnel of RKS Consolidated Limited for the financial year are as follows:

	Primary Cash, Salary & Commission \$	Non cash Benefits \$	Post employment Superannuation \$	Equity Options \$	Total \$	Performance Related %
Consolidated entity Key Management						
Period 1 July 2010 to 30 June 2011						
Tony Crimmins (app. 9 June 2010 - resigned 2 Aug 2011)	26,400	-	-	-	26,400	100%
Greg Cornelsen (app. 9 June 2010 - resigned 2 Aug 2011)	26,400	-	-	-	26,400	100%
Steve Nicols (app. 9 June 2010 – resigned 19 July 2011)	26,400	-	-	-	26,400	100%
Steve Ploubidis (app. 15 Oct 2010 - resigned 25 Nov 2010)	1,500	-	-	-	1,500	-
Wilton Yao (app. 14 Sept 2010 – resigned 15 Dec 2010)	9,700	-	-	-	9,700	-
Total remuneration 2011	90,400	-	-	-	90,400	-
Period 1 July 2009 to 30 June 2010						
Tony Crimmins (app. 9 June 2010 - resigned 2 Aug 2011)	-	-	-	-	-	-
Greg Cornelsen (app. 9 June 2010 - resigned 2 Aug 2011)	-	-	-	-	-	-
Steve Nicols (app. 9 June 2010 – resigned 19 July 2011)	-	-	-	-	-	-
Steve Ploubidis (app. 15 Oct 2010 - resigned 25 Nov 2010)	-	-	-	-	-	-
Wilton Yao (app. 14 Sept 2010 – resigned 15 Dec 2010)	-	-	-	-	-	-
Total remuneration 2010	-	-	-	-	-	-

RKS CONSOLIDATED LIMITED AND CONTROLLED ENTITIES ANNUAL REPORT 2011

DIRECTORS' REPORT (continued)

Remuneration Report (continued)

C. Key Management Remuneration (continued)

Shareholdings

Number of shares held by Key Management personnel

Consolidated entity Directors

Tony Crimmins (app. 9 June 2010 - resigned 2 Aug 2011)
 Greg Cornelsen (app. 9 June 2010 - resigned 2 Aug 2011)
 Steve Nicols (app. 9 June 2010 – resigned 19 July 2011)
 Steve Ploubidis (app. 15 Oct 2010 - resigned 25 Nov 2010)
 Wilton Yao (app. 14 Sept 2010 – resigned 15 Dec 2010)

Balance as at 1 July 2010	Received as remuneration	Options exercised	Net purchases or sales	Balance as at 30 June 2011
-	-	-	2,144,445	2,144,445
-	-	-	233,333	233,333
-	-	-	2,144,445	2,144,445
-	-	-	-	-
-	-	-	-	-
-	-	-	4,522,223	4,522,223

Shareholdings

Number of shares held by Key Management personnel

Consolidated entity Directors

Tony Crimmins (app. 9 June 2010 - resigned 2 Aug 2011)
 Greg Cornelsen (app. 9 June 2010 - resigned 2 Aug 2011)
 Steve Nicols (app. 9 June 2010 – resigned 19 July 2011)
 Steve Ploubidis (app. 15 Oct 2010 - resigned 25 Nov 2010)
 Wilton Yao (app. 14 Sept 2010 – resigned 15 Dec 2010)

Balance as at 1 July 2009	Received as remuneration	Options exercised	Net purchases or sales	Balance as at 30 June 2010
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-

Environmental regulations

The consolidated entity's operations are not subject to environmental regulations under either Commonwealth or State legislation.

Proceedings on Behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Non-Audit Services

The Board of Directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- All non-audit services are reviewed and approved by the board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditors; and
- The nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2011 has been received and can be found on page 19 of this Annual Report.

Signed this 22nd November 2012 in accordance with a resolution of the Directors.

Mr Robert Whitton (Chairman)

Mr Robert Spano (Non Exec. Director)

**RKS CONSOLIDATED LIMITED
(FORMERLY AS ROCKSTEAD FINANCIAL SERVICES LIMITED
AND FIRST CAPITAL GROUP LIMITED)
ABN 20 009 264 699 AND CONTROLLED ENTITIES**

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF
RKS CONSOLIDATED LIMITED**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2011 there have been:

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

HM Chadwick

Hall Chadwick
Level 29, St Martins Tower
31 Market Street, SYDNEY NSW 2001

Graham Webb

GRAHAM WEBB

Partner
Date: 22 November 2012

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2011

		Consolidated Group	
		2011	2010
	Note	\$	\$
Revenue	2	26,643	24,381,998
Administrator fees		-	(27,000)
ASX listing fees		(20,982)	(10,989)
Directors fees		(91,450)	-
Legal fees and settlement costs		(19,918)	(12,967)
Liquidator fees		-	(35,000)
Professional service fees		(81,508)	(106,114)
Other expenses		(37,590)	(40,008)
(Loss)/profit before income tax		(224,805)	24,149,920
Income tax expense	4	-	-
(Loss)/profit attributable to members of the parent entity		(224,805)	24,149,920
Other comprehensive income		-	-
Total comprehensive (loss)/income for the year		(224,805)	24,149,920
Basic earnings per share (cents per share)	7	(0.10)	11.96
Diluted earnings per share (cents per share)	7	(0.10)	11.96

The above statement of comprehensive income is to be read in conjunction with the notes to the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2011

		Consolidated Group	
		2011	2010
	Note	\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	42,228	219,720
TOTAL CURRENT ASSETS		42,228	219,720
TOTAL ASSETS		42,228	219,720
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	150,113	66,000
Financial liabilities	11	-	425,800
TOTAL CURRENT LIABILITIES		150,113	491,800
TOTAL LIABILITIES		150,113	491,800
NET ASSETS		(107,885)	(272,080)
EQUITY			
Issued capital	12	32,364,000	31,975,000
Reserves	13	234,000	234,000
Retained earnings		(32,705,885)	(32,481,080)
TOTAL EQUITY		(107,885)	(272,080)

The above statement of financial position is to be read in conjunction with the notes to the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2011

	Ordinary Shares	Foreign Currency Translation Reserves	Retained Earnings	Total
Consolidated Group	\$	\$	\$	\$
Balance at 1 July 2009	31,975,000	234,000	(56,631,000)	(24,422,000)
Profit attributable to members of parent entity	-	-	24,149,920	24,149,920
Balance at 30 June 2010	31,975,000	234,000	(32,481,080)	(272,080)
 Balance at 1 July 2010	 31,975,000	 234,000	 (32,481,080)	 (272,080)
Loss attributable to members of parent entity	-	-	(224,805)	(224,805)
Shares issued	389,000	-	-	389,000
Balance at 30 June 2011	32,364,000	234,000	(32,705,885)	(107,885)

The above statement of changes in equity is to be read in conjunction with the notes to the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2011

		Consolidated Group	
		2011	2010
	Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		25,000	-
Payments to suppliers		(167,335)	(211,078)
Interest received		1,643	4,998
Net cash used in operating activities	16	(140,692)	(206,080)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of loans		(36,800)	-
Proceeds from loans		-	425,800
Net cash provided by financing activities		(36,800)	425,800
CASH			
Net (decrease)/increase in cash held		(177,492)	219,720
Cash at beginning of financial year		219,720	-
Cash at end of financial year	8	42,228	219,720

The above statement of cash flows is to be read in conjunction with the notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

This financial report includes the consolidated financial statements and notes of RKS Consolidated Limited and controlled entities ('Consolidated Group' or 'Group'). The separate financial statements of the parent entity, RKS Consolidated Limited, have not been presented within this financial report as permitted by the Corporations Act 2001. The financial statements are authorised for issue on XX November 2012 by the directors of the company.

1: Statement of Significant Accounting Policies

Basis of Preparation

The financial statements are a general purpose financial statements have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

a. Going concern

The financial statements have been prepared on a going-concern basis notwithstanding that the consolidated entity incurred an operating loss after income tax of \$224,805 and has a deficiency in net assets of \$107,885 as at 30 June 2011 and that the consolidated entity incurred significant losses and generated negative cash flows from operations over a number of years.

The consolidated entity is currently in the final process of recapitalising its operations. Accordingly, the Directors' are of the opinion that the company will be able to meet its current trade and other payables, as well as repay its debts as and when they fall due. Therefore, the Directors are of the opinion that the financial statements be prepared on a going-concern basis.

The Company has executed a deed of arrangement and creditors trust with its creditors, which extinguished all its liabilities as at June 2010 and removed itself from Administration.

The stated purpose of the Company was until 1 August 2012 to seek opportunities with a focus in the exploration and development of coal tenements, since that time it has been examining alternative opportunities.

In the event that RKS Consolidated Limited is unable to realise its object of obtaining profitable opportunities or complete any further capital raisings it will be required to realise its assets and extinguish its liabilities in a manner other than in the normal course of business such as voluntarily administration. The financial report does not include any adjustments relating to the recoverability or classification of recorded asset amounts or classification of liabilities that might be necessary should the consolidated entity not be able to continue as a going concern.

b. Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled RKS Consolidated Limited at the end of the reporting period. A controlled entity is any entity over which RKS Consolidated Limited has the ability and right to govern the financial and operating policies so as to obtain benefits from the entity's activities.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities is included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 9 to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated in full on consolidation.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are reported separately within the equity section of the consolidated statement of financial position and statement of comprehensive income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

1: Statement of Significant Accounting Policies (continued)*Business Combinations*

Business combinations occur where an acquirer obtains control over one or more businesses. A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions). When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or a liability is remeasured each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date. All transaction costs incurred in relation to the business combination are expensed to the statement of comprehensive income. The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

c. Income tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are recognized outside profit and loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

d. Impairment of assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information, including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in AASB 116).

Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

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

e. Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employee to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

1: Statement of Significant Accounting Policies (continued)

f. Borrowing costs

Borrowing costs are recognised as expenses in the period in which they are incurred, except where they are included as part of the costs of acquiring land and building for redevelopment. Borrowing costs carried forward are amortised over the life of the loan or 5 years, whichever is earlier.

g. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST on investing and financial activities, which are disclosed as operating cash flows.

h. 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 the asset (ie, trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transactions 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.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method or cost. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense item in profit or loss.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

The company does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

Loans and receivables

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

They are subsequently measured at fair value with changes in such fair value (ie gains or losses) recognised in other comprehensive income (except for impairment losses and foreign exchange gains and losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Impairment

At the end of each reporting period, the company assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

1: Statement of Significant Accounting Policies (continued)

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

i. Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

j. Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short term high liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within short term borrowings in current liabilities in the statement of financial position.

k. Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that is transferred to entities in the consolidated group, are classified as finance 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 depreciated 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 charged as expenses in the periods 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.

l. Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of comprehensive income, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the statement of comprehensive income.

Group companies

The financial results and position of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

- assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in the statement of financial position. These differences are recognised in the statement of comprehensive income in the period in which the operation is disposed.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

1: Statement of Significant Accounting Policies (continued)

m. Debt Defeasance

Where assets are given up to extinguish the principal repayments and all future interest payments of a debt any differences in the carrying values of assets foregone and the liability extinguished are brought to account in the profit. Costs incurred in establishing the defeasance are expensed in the period that the defeasance occurs. Where only part of a debt is extinguished the interest payments and principal repayments are decreased proportionately and a liability recognised for the net present value of the remaining future interest and principal repayments. The discount factor applied is the implicit rate in the original debt. In all cases where defeasance occurs, it is highly unlikely that the company will again be required to pay any part of the debt or meet any guarantees or indemnities associated with the debt.

n. Revenue

Revenue from rendering of financial and other services is recognised in the periods in which the services are provided and it is probable that the compensation will flow to the entity, the amount to be received can be reliably measured and the stage of completion can be reliably measured.

Interest revenue is recognized using effective interest method.

All revenue is stated net of the amount of goods and services tax (GST).

o. Comparatives

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current year.

p. Critical Accounting Estimates and Judgments

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Key Estimates — Impairment

At each reporting date, the group reviews the carrying value of tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amounts of the asset, being the higher of the asset's fair value 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.

q. New Accounting Standards for Application in Future Periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the Group has decided not to early adopt. A discussion of those future requirements and their impact on the Group is as follows:

- AASB 9: Financial Instruments (December 2010) (applicable for annual reporting periods commencing on or after 1 January 2013).

This Standard is applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments. The Group has not yet determined any potential impact on the financial statements.

The key changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

1: Statement of Significant Accounting Policies (continued)

q. New Accounting Standards for Application in Future Periods (continued)

- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.
- AASB 124: Related Party Disclosures (applicable for annual reporting periods commencing on or after 1 January 2011).

This Standard removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities and clarifies the definition of a "related party" to remove inconsistencies and simplify the structure of the Standard. No changes are expected to materially affect the Group.

- AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052] (applicable for annual reporting periods commencing on or after 1 July 2013).

AASB 1053 establishes a revised differential financial reporting framework consisting of two tiers of financial reporting requirements for those entities preparing general purpose financial statements:

- Tier 1: Australian Accounting Standards; and
- Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements.

Tier 2 of the framework comprises the recognition, measurement and presentation requirements of Tier 1, but contains significantly fewer disclosure requirements.

The following entities are required to apply Tier 1 reporting requirements (ie full IFRS):

- for-profit private sector entities that have public accountability; and
- the Australian Government and state, territory and local governments.

Since the Group is a for-profit private sector entity that has public accountability, it does not qualify for the reduced disclosure requirements for Tier 2 entities.

- AASB 2010-2 makes amendments to Australian Accounting Standards and Interpretations to give effect to the reduced disclosure requirements for Tier 2 entities. It achieves this by specifying the disclosure paragraphs that a Tier 2 entity need not comply with as well as adding specific "RDR" disclosures.
- AASB 2009-12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011).

This Standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. The Standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. The amendments are not expected to impact the Group.

- AASB 2009-14: Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement [AASB Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2011).

This Standard amends Interpretation 14 to address unintended consequences that can arise from the previous accounting requirements when an entity prepays future contributions into a defined benefit pension plan.

This Standard is not expected to impact the Group.

- AASB 2010-4: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101 & AASB 134 and Interpretation 13] (applicable for annual reporting periods commencing on or after 1 January 2011).

This Standard details numerous non-urgent but necessary changes to Accounting Standards arising from the IASB's annual improvements project. Key changes include:

- clarifying the application of AASB 108 prior to an entity's first Australian-Accounting-Standards financial statements;
- adding an explicit statement to AASB 7 that qualitative disclosures should be made in the context of the quantitative disclosures to better enable users to evaluate an entity's exposure to risks arising from financial instruments;

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

1: Statement of Significant Accounting Policies (continued)

q. New Accounting Standards for Application in Future Periods (continued)

- amending AASB 101 to the effect that disaggregation of changes in each component of equity arising from transactions recognised in other comprehensive income is required to be presented, but is permitted to be presented in the statement of changes in equity or in the notes;
- adding a number of examples to the list of events or transactions that require disclosure under AASB 134; and making sundry editorial amendments to various Standards and Interpretations.

This Standard is not expected to impact the Group.

- AASB 2010-5: Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042] (applicable for annual reporting periods beginning on or after 1 January 2011).

This Standard makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. However, these editorial amendments have no major impact on the requirements of the respective amended pronouncements.

- AASB 2010-6: Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & AASB 7] (applicable for annual reporting periods beginning on or after 1 July 2011).

This Standard adds and amends disclosure requirements about transfers of financial assets, especially those in respect of the nature of the financial assets involved and the risks associated with them. Accordingly, this Standard makes amendments to AASB 1: First-time Adoption of Australian Accounting Standards, and AASB 7: Financial Instruments: Disclosures, establishing additional disclosure requirements in relation to transfers of financial assets.

This Standard is not expected to impact the Group.

- AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127] (applies to periods beginning on or after 1 January 2013).

This Standard makes amendments to a range of Australian Accounting Standards and Interpretations as a consequence of the issuance of AASB 9: Financial Instruments in December 2010. Accordingly, these amendments will only apply when the entity adopts AASB 9.

As noted above, the Group has not yet determined any potential impact on the financial statements from adopting AASB 9.

- AASB 2010-8: Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112] (applies to periods beginning on or after 1 January 2012).

This Standard makes amendments to AASB 112: Income Taxes.

The amendments brought in by this Standard introduce a more practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model under AASB 140: Investment Property.

Under the current AASB 112, the measurement of deferred tax liabilities and deferred tax assets depends on whether an entity expects to recover an asset by using it or by selling it. The amendments introduce a presumption that an investment property is recovered entirely through sale. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

The amendments brought in by this Standard also incorporate Interpretation 121 into AASB 112.

The amendments are not expected to impact the Group.

- AASB 2010-9: Amendments to Australian Accounting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters [AASB 1] (applies to periods beginning on or after 1 July 2011).

This Standard makes amendments to AASB 1: First-time Adoption of Australian Accounting Standards.

The amendments brought in by this Standard provide relief for first-time adopters of Australian Accounting Standards from having to reconstruct transactions that occurred before their date of transition to Australian Accounting Standards.

Furthermore, the amendments brought in by this Standard also provide guidance for entities emerging from severe hyperinflation either to resume presenting Australian-Accounting-Standards financial statements or to present Australian-Accounting-Standards financial statements for the first time.

This Standard is not expected to impact the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

1: Statement of Significant Accounting Policies (continued)

q. New Accounting Standards for Application in Future Periods (continued)

- AASB 2010–10: Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First-time Adopters [AASB 2009–11 & AASB 2010–7] (applies to periods beginning on or after 1 January 2013).

This Standard makes amendments to AASB 2009–11: Amendments to Australian Accounting Standards arising from AASB 9, and AASB 2010–7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010).

The amendments brought in by this Standard ultimately affect AASB 1: First-time Adoption of Australian Accounting Standards and provide relief for first-time adopters from having to reconstruct transactions that occurred before their transition date.

[The amendments to AASB 2009–11 will only affect early adopters of AASB 2009–11 (and AASB 9: Financial Instruments that was issued in December 2009) as it has been superseded by AASB 2010–7.]

This Standard is not expected to impact the group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

		Consolidated Group	
		2011	2010
NOTE 2: REVENUE	Note	\$	\$
a. Operating activities			
— Interest received		1,643	4,998
— Debt forgiveness	2b	-	24,377,000
— Other revenue		25,000	-
Total revenue		26,643	24,381,998
b. Debt forgiveness from:			
— Unsecured creditors	(i)	-	814,000
— Related party entities	(ii)	-	23,563,000
Total debt forgiveness		-	24,377,000

- (i) As set out in deed of company arrangement (DOCA) in March 2010 and approved by creditors on 7 June 2010 and subsequently by the shareholders on 9 June 2010.
- (ii) As set out in deed of company arrangement (DOCA) in March 2010 and approved by creditors on 7 June 2010 and subsequently by the shareholders on 9 June 2010.

		Consolidated Group	
		2011	2010
NOTE 3: (LOSS)/PROFIT FOR THE YEAR		\$	\$
Professional fees			
Accountant - expert report		7,167	4,432
Company secretarial services		23,104	2,500
Litigation support - Nicols and Brien	(i)	-	8,906
IT design and support - Top Cat Consulting	(ii)	3,181	-
Recapitalisation services			
— Nicols and Brien	(i)	27,761	73,776
—Winning Corporate Services	(iii)	20,295	
— Steve Nicols	(iv)	-	5,500
— Greg Cornelsen	(v)	-	5,500
— Tony Crimmins	(vi)	-	5,500
		81,508	106,114

- (i) Nicols and Brien — is a specialist accounting firm of which Steve Nicols is a partner.
- (ii) Top Cat Consulting Services (TCCS) Pty Ltd is an IT and web design company which Tony Crimmins is an owner.
- (iii) Winning Corporate Services Pty Limited is a recapitalization consultancy company of which Tony Cummings is a principal.
- (iv) Mr Steve Nicols provided recapitalization advise and services and was a director of RKS consolidated Limited during the financial ended 30 June 2010.
- (v) Mr Greg Cornelsen provided recapitalization services and was a director of RKS consolidated Limited during the financial ended 30 June 2010.
- (vi) Tony Crimmins provided recapitalization services and was a director of RKS consolidated Limited during the financial ended 30 June 2010.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

	Consolidated Group	
	2011	2010
	\$	\$
NOTE 4: INCOME TAX		
The components of tax expense comprises:		
— Current tax	-	-
— Deferred tax	-	-
	-	-
The prima facie tax on (loss)/profit from ordinary activities	(67,441)	7,250,980
— Deferred tax assets not brought to account	-	(7,250,980)
— Effect of current year tax losses derecognised	67,441	-
Income tax attributable to entity	-	-

NOTE 5: DIVIDENDS

No dividend (2010: \$NIL) was declared in respect of the year ending 30 June 2011.

	Consolidated Group	
	2011	2010
	\$	\$
NOTE 6: AUDITORS' REMUNERATION		
Remuneration of the auditor of the parent entity for:		
— auditing or reviewing the financial report	8,000	8,000
Total remuneration of the auditor of the parent entity	8,000	8,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

NOTE 7: EARNINGS PER SHARE

		Consolidated Group	
		2011	2010
		\$	\$
a.	Reconciliation of earnings to profit or loss		
	(Loss)/profit	(224,805)	24,149,920
	Earnings used to calculate basic EPS	(224,805)	24,149,920
	Earnings used in the calculation of dilutive EPS	(224,805)	24,149,920
		No.	No.
b.	Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	233,259,212	201,897,180
	Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	233,259,212	201,897,180
	Basic earnings per share (cents per share)	(0.10)	11.96
	Diluted earnings per share (cents per share)	(0.10)	11.96

Options have not been included in the calculation of diluted EPS as they are not dilutive.

Convertible notes have not been included in the calculation of diluted EPS as they are not dilutive.

NOTE 8: CASH AND CASH EQUIVALENTS

		Consolidated Group	
		2011	2010
		\$	\$
CURRENT			
	Cash at bank	42,228	219,720
		42,228	219,720

NOTE 9: CONTROLLED ENTITIES

Controlled Entities Consolidated

		Percentage Owned	
		2011	2010
Parent Entity:	Country of Incorporation		
RKS Consolidated Limited	Australia	(%)*	(%)*
Subsidiaries of RKS:			
Millennium Capital Managers Limited	Australia	100%	100%
First Capital Gulf Harbour Limited	New Zealand	100%	100%

* Percentage of voting is proportional to ownership

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

NOTE 10: TRADE AND OTHER PAYABLES

	Consolidated Group	
	2011	2010
	\$	\$
CURRENT		
Trade payables	25,113	21,000
Sundry payables and accrued expenses	125,000	45,000
	<u>150,113</u>	<u>66,000</u>

NOTE 11: FINANCIAL LIABILITIES

	Consolidated Group	
	2011	2010
	\$	\$
CURRENT		
Other loans – related party	(i) -	425,800
	<u>-</u>	<u>425,800</u>

- (i) The investor group including previous directors Mr Steve Nicols, Mr Greg Cornelsen and Tony Crimmins. provided a loan to provide funds to complete the recapitalisation process. The loan was subsequently repaid via the issue of new shares on 8 July 2010.

	Consolidated Group	
	2011	2010
	No.	No.
NOTE 12: ISSUED CAPITAL		
a. Ordinary shares		
At the beginning of reporting period	21,401,560	214,015,599
Effect of share consolidation on 17 June 2010	-	(192,614,039)
Shares issued during the year		
- 8 July 2010	238,000,000	-
At reporting date 30 June	<u>259,401,560</u>	<u>21,401,560</u>
	\$	\$
b. Value of share capital issued		
Balance at beginning of reporting period	31,975,000	31,975,000
Shares issued during the year		
- 8 July 2010	389,000	-
At reporting date 30 June	<u>32,364,000</u>	<u>31,975,000</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

NOTE 13: RESERVES

Foreign Currency Translation Reserve

The foreign currency translation reserve records exchange differences arising on translation of a foreign controlled subsidiary.

NOTE 14: CONTINGENT LIABILITIES

There are no contingent liabilities accounted for as at 30 June 2011 and there has been no change in contingent liabilities since the last annual reporting date.

NOTE 15 SEGMENT REPORTING

Primary Reporting – Business Segments

During the year the Company did not trade and was predominately dormant. The Company was placed in administration early during the year and all the key management and employees left the Company in July 2008. Only limited information is available and it is not possible to accurately report results, assets and liabilities by Business Segment.

Historically the Company had operated two segments – Fund Management and Property Development and in two geographical segments - Australia and New Zealand. Segment revenues and expenses were directly attributable to the segments and included any joint revenue and expenses where a reasonable basis of allocation existed. Segment assets included all assets used by a segment. While most assets were directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis. Segment liabilities consist principally of payables, employee benefits, accrued expenses, provisions and borrowings. Segment assets and liabilities do not include deferred income taxes.

Segment revenues, expenses and results included transfers between segments. The prices charged on intersegment transactions are the same as those charged for similar goods to parties outside of the consolidated group at an arm's length. These transfers are eliminated on consolidation.

	Consolidated Group	
	2011	2010
	\$	\$
NOTE 16: CASH FLOW INFORMATION		
a. Reconciliation of cash flow from operations with (loss)/profit after income tax		
(Loss)/profit after income tax	(224,805)	24,149,920
Non-cash flows in (loss)/profit		
Debt forgiveness	-	(23,598,000)
Changes in assets and liabilities		
Increase/(decrease) in trade payables and accruals	84,113	(715,000)
Decrease in provisions	-	(43,000)
Cashflow from operations	<u>(140,692)</u>	<u>(206,080)</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

NOTE 17: EVENTS AFTER THE REPORTING DATE

On 7 July 2011, in a General Meeting, the shareholders voted to:

1. Consolidate the shares on a 9 to 1 basis;
2. Issue 300 million shares on a post consolidation basis to the parties set out in the Explanatory Statement, to raise a total amount of \$100,200;
3. Elect Mr Troy Graham as a non executive director; and pursue opportunities in the acquisition, exploration and development of coal tenements.

On 30 August 2011, the Company announced (subject to shareholder approval) it has entered into an agreement to acquire 100% of Scott Creek Coal Pty Ltd. for a purchase price of \$5,784,375. The Company will issue 19,281,250 shares at \$0.30 per share as consideration. The proposed transaction also has a number of key steps which need to be completed in sequence to give effect to this transaction.

The steps to complete this transaction are as follows:

1. The Company consolidates its share capital on a 16 to 1 basis;
2. The Company acquires 100% of the issued capital of SCC for \$5,784,375;
3. The Company changes its existing business to the acquisition, exploration and development of coal tenements in Queensland and elsewhere;
4. The Company will change its name to "Scott Creek Coal Limited";
5. The Company will raise up to \$4.5 million through the issue of 15,000,000 shares which will be applied towards the costs associated with this transaction, the Company's coal exploration programme, working capital requirements and general corporate purposes;
6. The company will issue a total of up to 13,605,858 shares at a price \$s0.30 to a consortium of Queensland Coal Companies (QCC). This will take the holding of the QCC parties to 19.9%;
7. The company satisfies the conditions imposed by the ASX for restatement to Quotations;
8. The company meets certain cash reserves and net asset thresholds.

On 19 September 2011, the Company confirmed its share registry is Security Transfer Registrar.

On 27 September 2011, the Company confirmed that its shares would be consolidated on a basis of 16:1.

On 28 September 2011, the Company announced that shareholders unanimously approved all six resolutions in relation to the above transactions.

On 13 October 2011, 1,085,714 ordinary shares were issued at \$0.35 each to private and sophisticated investors to raise working capital.

On 1 August, 2012, the Company announced the proposed transaction to acquire Scott Creek Coal Pty Ltd will no longer proceed.

On 10 August 2012, the Company borrowed the sum of \$150,000 to settle creditor claims and provide working capital, the lenders were provided security over the company.

On 14 September 2012, 1,986,934 ordinary shares were issued at \$0.05 each to raise working capital.

On 30 October 2012, the Company called a general meeting for 30 November 2012 wherein a resolution to convert the aforementioned debt to equity will be put as well as resolutions approving prior placement of 3,072,647 shares issued under the 15% threshold.

Other than those disclosed above, there are no other matters or circumstances that have arisen since 30 June 2011 that have significantly affect, or may significantly affect:

- The consolidated entity's operations in the future financial years, or
- The results of those operations in future financial years, or
- The consolidated entity's state of affairs in the future financial years.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

NOTE 18: RELATED PARTY TRANSACTIONS

	2011	2010
	\$	\$
(a) Key management personnel		
Details of directors' remuneration are disclosed in the Remuneration Report in the Directors' Report.		
Payment for professional fees in relation to recapitalisation services		
— Steve Nicols	-	5,500
— Greg Cornelsen	-	5,500
— Tony Crimmins	-	5,500
(b) Other transactions with directors and directors' related entities		
Nicols and Brien - payment for professional services in relation to re-capitalisation and litigation support to Nicols and Brien - of which Steve Nicols is a partner	27,761	82,682
Winning Corporate Services Pty Limited - payment for professional services in relation to re-capitalisation to Winning Corporate Services Pty Limited of which Tony Crimmins is a principal	20,295	-
Top Cat Consulting Services (TCCS) Pty Ltd - payment for professional services in relation to IT and web design to TCCS of which Tony Crimmins is an owner.	3,181	-
Unsecured loans from the investor group which includes the following directors and related parties (Steve Nicols, Greg Cornelsen and Tony Crimmins)	-	425,800
Share subscription funds received from Troy Graham	70,000	

NOTE 19: FINANCIAL INSTRUMENTS*a. Financial Risk Management*

The group's financial instruments consist mainly of cash at bank, trader and other payables, loans and short term provisions. The group classifies its financial liabilities as liabilities at amortised cost.

Interest Rate Risk

Interest rate risk is managed with a mixture of fixed and floating rate debt.

Foreign currency risk

The group is exposed to fluctuations in foreign currencies arising from the sale and purchase of goods and services in currencies other than the group's measurement currency.

Liquidity risk

The group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The group is not exposed to significant credit risk.

*b. Financial Instruments Risk**Interest Rate Risk*

The consolidated group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

NOTE 19: FINANCIAL INSTRUMENTS (continued)

Within 1 Year	\$	\$
Financial Liabilities:		
Other loans – related party	-	425,800
Total Financial Liabilities	-	425,800

	2011 Carrying Amount \$	2010 Carrying Amount \$	2011 Net Fair Value \$	2010 Net Fair Value \$
Financial Liabilities				
Other loans – related party	-	425,800	70,000	425,800
	-	425,800	70,000	425,800

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

NOTE 20: PARENT ENTITY DISCLOSURES

The following information has been extracted from the books and records of the parent and has been prepared in accordance with accounting standards.

A. Statement of comprehensive income

	Parent	
	2011	2010
	\$	\$
(Loss)/profit for the year net of income tax	(224,805)	4,840,947
Total (loss)/profit for the year	<u>(224,805)</u>	<u>4,840,947</u>

B. Statement of Financial Position

Total Current Assets	42,228	219,720
Total Assets	<u>42,228</u>	<u>219,720</u>
Total Current Liabilities	150,113	491,800
Total Liabilities	<u>150,113</u>	<u>491,800</u>
Net Assets	<u>(107,885)</u>	<u>(272,080)</u>
Issued Capital	32,364,000	31,975,000
Retained Earnings	<u>(32,471,885)</u>	<u>(32,247,080)</u>
Total Equity	<u>(107,885)</u>	<u>(272,080)</u>

C. Contingent liabilities

At the balance date the parent entity has no contingent liabilities.

D. Outstanding liabilities arising from subsidiaries

At the balance date the parent entity has no outstanding balances arising from subsidiaries.

E. Contractual commitments

At the balance date the parent entity has not entered into any material contractual agreements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

NOTE 21: COMPANY DETAILS

The registered office of the company is:

RKS Consolidated Limited

Level 10,

77 King Street,

Sydney NSW 2000

The principal places of business are:

RKS Consolidated Limited

Level 10,

77 King Street,

Sydney NSW 2000

DIRECTORS' DECLARATION

In the opinion of the Directors of RKS Consolidated Limited:

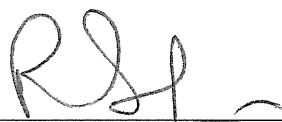
1. the financial statements and notes, set out on pages 20 to 41 are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
 - (b) give a true and fair view of the financial position of the Company as at 30 June 2011 and of the performance for the year ended on that date of the Company and consolidated group;
2. the directors have each declared that:
 - (a) the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
 - (b) The financial statements and notes for the financial year comply with the Accounting Standards, and
 - (c) The financial statements and notes for the financial year give a true and fair view, and
3. In the directors opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Group's mid to long term future is dependent upon the successful identification and acquisition of profitable business which the Company is currently seeking.

Signed this 22nd November 2012 in accordance with a resolution of the Board of Directors.



Mr Robert Whitton (Chairman)



Mr Robert Spano (Non Exec. Director)

**RKS CONSOLIDATED LIMITED
(FORMERLY ROCKSTEAD FINANCIAL SERVICES LIMITED
AND FIRST CAPITAL GROUP LIMITED)
ABN 20 009 264 699 AND CONTROLLED ENTITIES**

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF RKS CONSOLIDATED LIMITED**

Report on the Financial Report

We were engaged to audit the accompanying financial report of RKS Consolidated Limited (the consolidated entity), 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, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. Because of the matters discussed in the Basis for Disclaimer of Auditor's Opinion paragraph, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Basis for Disclaimer of Auditor's Opinion

Incomplete Accounting and Statutory Records

As disclosed in Directors' Report, on 21 July 2008 the company's securities were suspended from official quotation by the ASX. On 29 July 2008, the company under section 436A of the Corporations Act 2001, appointed Greg Moloney of Ferrier Hodgson Brisbane as Voluntary Administrator. On 30 June 2009, Greg Moloney of Ferrier Hodgson Brisbane was appointed as liquidator in accordance with the provision of Part 5.3A of the Corporations Act 2001. On 10 March 2010, the company executed a deed of arrangement with its creditors. The accounting and statutory records prior to 10 March 2010 were not adequate to permit the application of necessary audit procedures. As such, we are unable to obtain all the information and explanations we require in order to form an opinion on the financial report.

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**RKS CONSOLIDATED LIMITED
(FORMERLY ROCKSTEAD FINANCIAL SERVICES LIMITED
AND FIRST CAPITAL GROUP LIMITED)
ABN 20 009 264 699 AND CONTROLLED ENTITIES**

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF RKS CONSOLIDATED LIMITED**

Going Concern

Based on the statement made by the directors, we have not been able to obtain reliable conclusive audit evidence during the course of the audit. Therefore in our opinion it is highly improbable that the company will be able to continue as a going concern.

Disclaimer of Opinion

Because of the significance of the matters described in the Basis for Disclaimer of opinion paragraphs, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial report.

Report on Other Legal and Regulatory Requirements

Due to the matters described in the Basis for Disclaimer of Auditor's Opinion paragraph, we have not been given all information, explanation and assistance necessary for the conduct of the audit; and we are unable to determine whether the company has kept:

- a) financial records sufficient to enable the financial report to be prepared and audited; and
- b) other records and registers as required by the Corporations Act 2001.

Report on Remuneration Report

We were engaged to audit the Remuneration Report included in pages 16 to 18 of the directors' report for the year ended 30 June 2011. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

RKS CONSOLIDATED LIMITED
(FORMERLY ROCKSTEAD FINANCIAL SERVICES LIMITED
AND FIRST CAPITAL GROUP LIMITED)
ABN 20 009 264 699 AND CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF RKS CONSOLIDATED LIMITED

Disclaimer of Auditor's Opinion

In our opinion, because of the existence of the limitation on the scope of our work as described in the Basis for Disclaimer of Auditor's Opinion paragraph and the effects of such adjustments, if any, as might have been determined to be necessary had the limitation not existed, we are unable to and do not express an opinion as to whether the Remuneration Report is in accordance with section 300A of the Corporations Act 2001.

Hall Chadwick

Hall Chadwick
Level 29, St Martins Tower
31 Market Street, Sydney, NSW 2000

G Webb

GRAHAM WEBB

Partner

Date: 22 November 2012

Shareholder Information

Major Shareholders

As at 4 August 2011 the 20 largest holders of Ordinary Shares held 26,998,922 Shares equal to 97.31 percent of the total number of shares on issue.

Major shareholders	Number of shares	%
Suburban Holdings Pty Ltd	5,333,334	19.22%
Brown & Biggings Pty Ltd	2,666,667	9.61%
Sinbad Pty Ltd <Rock City Unit A/c>	2,144,445	7.73%
George Calder and Susan Elizabeth Sim<Elm Superannuation Fund>	2,144,445	7.73%
Anthony Stephen Crimmins <The Crimmins A/C>	2,144,445	7.73%
WA Halpin Investments Pty Ltd <Halpin Investment Unit A/c>	1,777,778	6.41%
Anthony and Rosemarie Camuglia <Anthony Camuglia S/F A/c>	1,777,778	6.41%
John and Natasha Camuglia <John Camuglia S/F A/c>	1,777,778	6.41%
Nubey Trading Pty Ltd	1,777,778	6.41%
Joseph and Kirsten Camuglia <Jospeh Camuglia S/F A/c>	1,777,778	6.41%
Rockstead Venture Pty Ltd	841,667	3.03%
George Karantzias	444,445	1.60%
Ryan Graham	444,445	1.60%
Strategic Nominees Limited	337,386	1.22%
Harry Fung <Meng Seng Unit A/c>	333,334	1.20%
Adelaide Street Investments	307,902	1.11%
RS Asset Management Private	280,556	1.01%
Ferguson Road Pty Ltd	250,000	0.90%
Cornelsen Investments Pty Ltd	233,334	0.84%
First Capital Securities Ltd	203,627	0.73%
	26,998,922	97.31%

Substantial Shareholders

As at 4 August 2011 the following shareholders were regarded as substantial shareholders:

	Number of Shares
Suburban Holdings Pty Ltd	5,333,334
Brown & Biggings Pty Ltd	2,666,667
Sinbad Pty Ltd <Rock City Unit A/c>	2,144,445
George Calder and Susan Elizabeth Sim<Elm Superannuation Fund>	2,144,445
Anthony Stephen Crimmins <The Crimmins A/C>	2,144,445
WA Halpin Investments Pty Ltd <Halpin Investment Unit A/c>	1,777,778
Anthony and Rosemarie Camuglia <Anthony Camuglia S/F A/c>	1,777,778
John and Natasha Camuglia <John Camuglia S/F A/c>	1,777,778
Nubey Trading Pty Ltd	1,777,778
Joseph and Kirsten Camuglia <Jospeh Camuglia S/F A/c>	1,777,778

Shareholder Information (continued)**Distribution of Shareholdings**

At 4 August 2011 the distribution of shareholdings was as follows:

Range	Number of holders	% of holders	Number of shares	% of shares
1 – 1,000 shares	527	79.97	106,635	0.38
1,001 – 5,000 shares	84	12.75	170,632	0.62
5,001 – 10,000 shares	17	2.58	121,239	0.44
10,001 – 100,000 shares	10	1.52	242,618	0.87
100,001 shares and over	21	3.19	27,103,872	97.69
	659	100.00	27,744,996	100.00

As at 4 August 2011, there were 379 shareholders with less than a marketable parcel of ordinary shares totalling 341,739 shares.

Registered Office

The registered office of the company is:

Level 10,

77 King Street,

Sydney NSW 2000

Telephone 02 9186 6100

Facsimile 02 9186 6110

Company Secretary

Ms Peter Torney

Share Registry

Security Transfer Registrars Pty Ltd

770 Canning Highway,

Applecross

WA 6953

Mailing Address

PO box Box 535,

Applecross

WA 6953

Telephone (08) 9315 2333

Facsimile (08) 9315 2233

Website www.securitytransfer.com.au

Stock Exchange Listing

Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the Australian Stock Exchange Limited under Security Code RKS.