

RKS CONSOLIDATED LIMITED
ABN 20 009 264 699
AND CONTROLLED ENTITIES
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013

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RKS Consolidated Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is Level 4, 95 Pitt Street, Sydney NSW 2000. The previous registered office and place of business was Level 29, 66 Goulburn Street, Sydney NSW 2000.

CORPORATE GOVERNANCE STATEMENT

Background

The Board of Directors of RKS Consolidated 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 2012. 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 2013.

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;

CORPORATE GOVERNANCE STATEMENT

- 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
- 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 2013.

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 four 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.

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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 RKS Consolidated Limited. However the Board will constantly monitor and review the situation.

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 2013.

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.

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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 or the whole Board if there is no 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.

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 2013.

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, the principles previously adopted by the Company were not adhered to during the period from February 2008 to June 2013 – 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 Boards 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.

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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 2012, 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 were lodged with the ASX in February 2013. The annual reports for the years ending June 2008, June 2009, June 2010 and June 2011 were lodged with the ASX in December 2012. The AGM for years June 2008, June 2009, June 2010, June 2011 and June 2012 were held in September 2013.

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 2012 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.

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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 2012, the Board did not receive a report from management as required under section 295A of the Corporations Act that the Company's risk management framework is effective for the Company's purpose.

As disclosed previously, the principles previously adopted by the Company were not always adhered to during the period from February 2008 to June 2013. 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.

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 2013.

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 2012 – 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.

CORPORATE GOVERNANCE STATEMENT

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 and the entities it controlled. The following persons held office as Directors at any time during the financial year or up to the date of this report 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 Spano	Director (Non Executive) – appointed 28 September 2012 & Chairman – appointed 18 April 2013
Special Responsibilities	Director
Interest in Shares & Options:	1,200,000 Shares
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

Suyin (Susan) Chi	Director (Non Executive) – appointed 18 April 2013
Qualifications:	Nil
Special Responsibilities	Director
Interest in Shares & Options:	Nil
Experience:	Susan Chi is the founder of Jiaren Investment Pty Ltd, an Australian Financial Services License Holder and has more than 10 years' experience in financial services and over 7 years' experience in successfully advising and dealing in capital raising, corporate advisory, mergers and acquisition, financial planning and funds management transactions. She has a Master of Commerce Degree in Australia and has a double-degree in Journalism in China. Susan Chi is a qualified Financial Planner and Investment Adviser in Australia. She is also the member of Australian Institute of Company Directors.
Directorships held in Other Listed Entities	Nil

DIRECTORS' REPORT

Peter Dykes	Director (Non Executive) – appointed 11 February 2013
Qualifications:	Mr Dykes holds a Bachelor of Business (Accounting)
Special Responsibilities	Director
Interest in Shares & Options:	Nil
Experience:	Mr Dykes has more than 20 years experience in the technology industry, beginning his career as a founding member of KPMG's technology advisory practice in both Sydney and Melbourne. He subsequently co-founded a boutique technology advisory business and advised some of Australia's largest corporate clients including BHP, Boral, Telstra and General Motors Holden. Mr Dykes was an Executive Director, CFO and Company Secretary of Nexbis Ltd and played a key role during its rise from a market capitalisation of \$4 million until its successful sale for \$80 million.
Directorships held in Other Listed Entities	Current: Tempo Australia Ltd (ASX: TPP), AUV Enterprises Ltd (ASX:AUV), Exalt Resources Ltd (ASX:ERD) & Chapmans Limited (ASX:CHP) Former: Nexbis Ltd (ASX:NBS)

Company secretary

Mr Peter Dykes is company secretary. He was appointed on 18 April 2013.

Mr Peter Torney was company secretary. He was appointed on 28 September 2012 and resigned on 18 April 2013.

DIRECTORS' REPORT

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.

Robert Whitton	Chairman (Non Executive) – appointed 28 September 2012 – resigned 18 April 2013
Peter Torney	Director (Non Executive) – appointed 28 September 2012 – resigned 18 April 2013
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

Robert Whitton	Chairman (Non Executive) – appointed 28 September 2012 – resigned 18 April 2013
Qualifications:	Mr Whitton holds a Bachelor of Business (Accounting) and a Graduate Certificate in Forensic Studies (Accounting).
Special Responsibilities	Chairman
Interest in Shares & Options:	679,394 Shares
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) & Exalt Resources Ltd (ASX:ERD) Former: Nexbis Ltd (ASX:NBS)

Peter Torney	Director (Non Executive) – appointed 28 September 2012 – resigned 18 April 2013
Special Responsibilities	Director
Interest in Shares & Options:	200,000 Shares
Experience:	Mr Torney is a stockbroker with over 10 years 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. He is now employed by BYY Limited. 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

DIRECTORS' REPORT

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:	27,778 Shares
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.

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.

DIRECTORS' REPORT**Directors Meetings**

During the financial year, 6 meetings of directors were held. Attendances by each director during the year were as follows:

DIRECTORS' MEETINGS		
DIRECTORS	HELD	ATTENDED
Robert Spano	6	4
Susan Chi	6	2
Peter Dykes	6	2
Robert Whitton	6	3
Peter Torney	6	3
Troy Graham	6	1
Delan Pagliaccio	6	1
Jeffrey Triganza	6	1

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 2013, 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 2013, the net result of the consolidated entity after applicable income tax for was a loss of \$280,505 (30 June 2012: loss of \$597,296).

Review of operations

The Company's securities remain suspended from official quotation on the ASX.

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

DIRECTORS' REPORT

Review of operations

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 28 September 2012, Robert Whitton, Robert Spano and Peter Torney were appointed Directors and Troy Graham, Delan Pagliaccio and Jeffrey Triganza resigned.

At an Extraordinary General Meeting held 30 November 2012 the share issues were ratified on 13 October 2011 and 14 September 2012 amounting to a total of 3,072,648 shares.

On 30 November 2012, shareholders were approved the issue of 6,000,000 shares to raise \$150,000, the intention being to use such funds to repay the secured loan of \$150,000.

On 30 November 2012, shareholders also voted in favour of increasing the Directors' remuneration pool.

On 2 October 2012, Robert Whitton was appointed Chairman and Peter Torney as Company Secretary.

On 5 April 2013, the company announced that it has through a letter of intent ("LOI") dated 13 March 2013 to acquire the entire issued capital of OzCrest Minerals Limited, an unlisted public company that has acquired tenements in North Queensland that contain significant polymetallic deposits which include zinc, lead, copper, silver and gold.

On 18 April 2013, Robert Whitton resigned his role as non-executive chairman. Peter Torney resigned his role as non-executive director and company secretary. Robert Spano assumed role as non-executive chairman. Ms Suyin (Susan) Chi appointed as non-executive director. Peter Dykes assumed role as company's secretary.

On 10 May 2013, 4,430,108 ordinary shares were issued at \$0.03 each to raise working capital.

On 24 July 2013, the Company announced the proposed transaction to acquire OzCrest Minerals Limited will no longer proceed.

On 11 September 2013, the Company announced that shareholders approved all resolutions put to the AGM held on that date.

On 25 October 2013, the Company converted the sum of \$168,197 in convertible loan payable into 6,727,870 ordinary shares at issue price of \$0.025 each.

Dividends

No dividends were declared for the year ended 30 June 2013 (30 June 2012: \$NIL).

Likely developments

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

DIRECTORS' REPORT

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 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 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 28 September 2012, Robert Whitton, Robert Spano and Peter Torney were appointed Directors and Troy Graham, Delan Pagliaccio and Jeffrey Triganza resigned.

At an Extraordinary General Meeting held 30 November 2012 the share issues were ratified on 13 October 2011 and 14 September 2012 amounting to a total of 3,072,648 shares.

On 30 November 2012, shareholders were approved the issue of 6,000,000 shares to raise \$150,000, the intention being to use such funds to repay the secured loan of \$150,000.

On 30 November 2012, shareholders also voted in favour of increasing the Directors' remuneration pool.

On 2 October 2012, Robert Whitton was appointed Chairman and Peter Torney as Company Secretary.

On 5 April 2013, the company announced that it has through a letter of intent ("LOI") dated 13 March 2013 to acquire the entire issued capital of OzCrest Minerals Limited, an unlisted public company that has acquired tenements in North Queensland that contain significant polymetallic deposits which include zinc, lead, copper, silver and gold.

DIRECTORS' REPORT

Significant Changes in the State of Affairs

On 18 April 2013, Robert Whitton resigned his role as non-executive chairman. Peter Torney resigned his role as non-executive director and company secretary. Robert Spano assumed role as non-executive chairman. Ms Suyin (Susan) Chi appointed as non-executive director. Peter Dykes assumed role as company's secretary.

On 10 May 2013, 4,430,108 ordinary shares were issued at \$0.03 each to raise working capital.

On 24 July 2013, the Company announced the proposed transaction to acquire OzCrest Minerals Limited will no longer proceed.

On 11 September 2013, the Company announced that shareholders approved all resolutions put to the AGM held on that date.

On 25 October 2013, the Company converted the sum of \$168,197 in convertible loan payable into 6,727,870 ordinary shares at issue price of \$0.025 each.

Events Subsequent to Balance Date

On 24 July 2013, the Company announced the proposed transaction to acquire OzCrest Minerals Limited will no longer proceed.

On 11 September 2013, the Company announced that shareholders approved all resolutions put to the AGM held on that date.

On 25 October 2013, the Company converted the sum of \$168,197 in convertible loan payable into 6,727,870 ordinary shares at issue price of \$0.025 each.

Other than those disclosed above, there are no other matters or circumstances that have arisen since 30 June 2013 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 holds an insurance policy to insure the Directors and officers of the Company 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

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 2012 have resigned or been removed by the shareholders and new Directors and a new Board has 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 \$500,000 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.

DIRECTORS' REPORT

Remuneration Report

C. Key Management Remuneration

Current Directors

The following currently hold office as Director of the Company.

Suyin (Susan) Chi	Director (Non Executive) – appointed 18 April 2013
Robert Spano	Director (Non Executive) – appointed 28 September 2012 and Chairman – appointed 28 September 2012
Peter Dykes	Director (Non Executive) – appointed 11 February 2013

Previous Directors – during the financial year

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

Robert Whitton	Chairman (Non Executive) – appointed 28 September 2012 – resigned 18 April 2013
Peter Torney	Director (Non Executive) – appointed 28 September 2012 – resigned 18 April 2013
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

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	Non cash	Post	Equity	Total	Performance
	Cash, Salary & Commission	Benefits	employment Superannuation	Options		Related
	\$	\$	\$	\$	\$	%
Consolidated entity Key Management						
Period 1 July 2012 to 30 June 2013						
Suyin (Susan) Chi (app. 18 April 2013)	5,934	-	-	-	5,934	-
Robert Spano (app. 28 September 2012)	24,385	-	-	-	24,385	-
Peter Dykes (app. 11 February 2013)	20,386	-	-	-	20,386	-
Robert Whitton (app. 28 September 2012 – resigned 18 April 2013)	-	-	-	-	-	-
Peter Torney (app. 28 September 2012 – resigned 18 April 2013)	5,333	-	-	-	5,333	-
Troy Graham (app. 7 Jul 2011 – resigned 28 Sep 2012)	-	-	-	-	-	-
Delan Pagliaccio (app. 7 Jul 2011 – resigned 28 Sep 2012)	-	-	-	-	-	-
Jeffrey Triganza (app. 7 Jul 2011 – resigned 28 Sep 2012)	-	-	-	-	-	-
Total remuneration 2013	56,038	-	-	-	56,038	-

DIRECTORS' REPORT**Remuneration Report**

	Primary	Non cash	Post	Equity	Total	Performance
	Cash, Salary & Commission	Benefits	employment Superannuation	Options		Related
	\$	\$	\$	\$	\$	%
Consolidated entity Key Management						
Period 1 July 2011 to 30 June 2012						
Tony Crimmins (app. 9 Jun 2010 - resigned 2 Aug 2011)	-	-	-	-	-	-
Greg Cornelsen (app. 9 Jun 2010 - resigned 2 Aug 2011)	-	-	-	-	-	-
Steve Nicols (app. 9 Jun 2010 – resigned 19 Jul 2011)	-	-	-	-	-	-
Troy Graham (app. 7 Jul 2011 – resigned 28 Sep 2012)	-	95,219	-	-	95,219	-
Delan Pagliaccio (app. 7 Jul 2011 – resigned 28 Sep 2012)	-	-	-	-	-	-
Jeffrey Triganza (app. 7 Jul 2011 – resigned 28 Sep 2012)	-	-	-	-	-	-
Total remuneration 2012	-	95,219	-	-	95,219	-

Shareholdings

Number of shares held by Key Management Personnel

	Balance as at 1 July	Received as remuneration	Consolidation of Capital	Net purchases or sales	Balance as at 30 June
Consolidated entity Directors					
Period 1 July 2012 to 30 June 2013					
Robert Spano (app. 28 September 2012)	-	-	-	1,200,000	1,200,000
Peter Dykes (app. 11 February 2013)	-	-	-	-	-
Suyin (Susan) Chi (app. 18 April 2013)	-	-	-	-	-
Robert Whitton (app. 28 September 2012– resigned 18 April 2013)	125,000	-	-	554,394	679,394
Peter Torney (app. 28 September 2012– resigned 18 April 2013)	-	-	-	200,000	200,000
Troy Graham (app. 7 Jul 2011 – resigned 28 Sep 2012)	27,778	-	-	-	27,778
Delan Pagliaccio (app. 7 Jul 2011 – resigned 28 Sep 2012)	-	-	-	-	-
Jeffrey Triganza (app. 7 Jul 2011 – resigned 28 Sep 2012)	-	-	-	-	-
Total shareholdings 2013	152,778	-	-	1,954,394	2,107,172

Period 1 July 2011 to 30 June 2012

Tony Crimmins (app. 9 Jun 2010 - resigned 2 Aug 2011)	2,144,445	-	(2,010,417)	-	134,028
Greg Cornelsen (app. 9 Jun 2010 - resigned 2 Aug 2011)	233,333	-	(218,749)	-	14,584
Steve Nicols (app. 9 Jun 2010 - resigned 19 July 2011)	2,144,445	-	(2,010,417)	-	134,028
Troy Graham (app. 7 Jul 2011 - resigned 28 Sep 2012)	-	444,444	(416,666)	-	27,778
Delan Pagliaccio (app. 7 Jul 2011 - resigned 28 Sep 2012)	-	-	-	-	-
Jeffrey Triganza (app. 7 Jul 2011 - resigned 28 Sep 2012)	-	-	-	-	-
Total shareholdings 2012	4,522,223	444,444	(4,656,249)	-	310,418

DIRECTORS' REPORT

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 2013 has been received and can be found on page 20 of this Annual Report.

Signed this 22nd November 2013 in accordance with a resolution of the Directors.



Mr Robert Spano (Chairman)

RKS CONSOLIDATED 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 2013 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.



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Drew Townsend

Partner

Dated: 22 November 2013

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2013

		Consolidated Group	
		2013	2012
	Note	\$	\$
Revenue	2	77,563	3,744
Costs of potential acquisition		-	(391,919)
ASX listing fees		(18,243)	(27,625)
Directors fees		(56,038)	-
Legal fees and settlement costs		(27,048)	(9,621)
Professional service fees	3	(133,084)	(50,699)
Share-based payments		(99,347)	(95,219)
Other expenses		(8,829)	(25,957)
Finance costs		(3,479)	-
Loss before income tax	3	(268,505)	(597,296)
Income tax expense	4	-	-
Loss attributable to members of the parent entity		(268,505)	(597,296)
Other comprehensive income for the year		-	-
Total comprehensive income for the year		(268,505)	(597,296)
Basic and diluted earnings per share (cents per share)	7	(1.00)	(0.94)

The above consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2013

		Consolidated Group	
		2013	2012
	Note	\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	4,550	692
Trade and other receivables	9	68,320	53,456
Financial assets	10	115,940	-
TOTAL CURRENT ASSETS		188,810	54,148
TOTAL ASSETS		188,810	54,148
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	131,849	279,129
Financial liabilities	12	168,197	-
TOTAL CURRENT LIABILITIES		300,046	279,129
TOTAL LIABILITIES		300,046	279,129
NET ASSETS		(111,236)	(224,981)
EQUITY			
Issued capital	13	33,226,450	32,844,200
Reserves	14	234,000	234,000
Accumulated losses		(33,571,686)	(33,303,181)
TOTAL EQUITY		(111,236)	(224,981)

The above consolidated 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 2013

Consolidated Group	Ordinary Shares	Foreign Currency Translation Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
Balance at 1 July 2011	32,364,000	234,000	(32,705,885)	(107,885)
Comprehensive income				
Loss attributable to members of parent entity	-	-	(597,296)	(597,296)
Total comprehensive income for the year	-	-	(597,296)	(597,296)
Transactions with owners, in their capacity as owners, and other transfers				
Shares issued	480,200	-	-	480,200
Total transactions with owners and other transfers	480,200	-	-	480,200
Balance at 30 June 2012	32,844,200	234,000	(33,303,181)	(224,981)
Balance at 1 July 2012	32,844,200	234,000	(33,303,181)	(224,981)
Comprehensive income				
Loss attributable to members of parent entity	-	-	(268,505)	(268,505)
Total comprehensive income for the year	-	-	(268,505)	(268,505)
Transactions with owners, in their capacity as owners, and other transfers				
Shares issued	382,250	-	-	382,250
Total transactions with owners and other transfers	382,250	-	-	382,250
Balance at 30 June 2013	33,226,450	234,000	(33,571,686)	(111,236)

The above consolidated 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 2013

	Note	Consolidated Group	
		2013	2012
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		-	-
Payments to suppliers		(317,003)	(356,661)
Interest received		-	144
Interest paid		(3,479)	-
Net cash used in operating activities	18	<u>(320,482)</u>	<u>(356,517)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for available-for-sale financial assets		(84,320)	-
Loan provided to related entity		<u>(42,440)</u>	<u>-</u>
Net cash used in investing activities		<u>(126,760)</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of convertible loan		168,197	-
Proceeds from share issues		<u>282,903</u>	<u>314,981</u>
Net cash provided by financing activities		<u>451,100</u>	<u>314,981</u>
Net increase/ (decrease) in cash held		3,858	(41,536)
Cash at beginning of financial year		<u>692</u>	<u>42,228</u>
Cash at end of financial year	8	<u><u>4,550</u></u>	<u><u>692</u></u>

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

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 22 November 2013 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 group incurred an operating loss after income tax of \$268,505 and had a deficiency in net assets of \$111,236 as at 30 June 2013 and that the consolidated entity incurred significant losses and generated negative cash flows from operations over a number of years.

The directors believe that it is appropriate to prepare the financial statements on a going concern basis for the following reasons:

- The company is currently in the final process of recapitalising its operations;
- The company continues to seek to acquire projects with potential for future cash flow and profit as part of the company's principal objectives. The company is actively seeking the acquisition of suitable projects to achieve this objective;
- The company has successfully converted \$168,197 of convertible loan into ordinary shares at a price of 2.5 cent per share;
- Based on the cash flows forecast, the company plans to raise up to \$300,000 to enable the company to have sufficient cash reserves for at least 12 months from the date of this report.

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.

In the event that the company 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 CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

1: Statement of Significant Accounting Policies

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

1: Statement of Significant Accounting Policies

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

1: Statement of Significant Accounting Policies

Financial assets at fair value through profit or loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a Group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

1: Statement of Significant Accounting Policies

I. Foreign Currency Transactions and Balances

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

1: Statement of Significant Accounting Policies

q. New Accounting Standards for Application in Future Periods

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Group. The Group has decided not to early adopt any of the new and amended pronouncements. The Group's assessment of the new and amended pronouncements that are relevant to the Group but applicable in future reporting periods is set out below:

- AASB 9: *Financial Instruments* (December 2010) and AASB 2010–7: *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)*.

These Standards are applicable retrospectively and include revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.

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
- 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.

These Standards were mandatorily applicable for annual reporting periods commencing on or after 1 January 2013. However, AASB 2012–6: *Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures* (issued September 2012) defers the mandatory application date of AASB 9 from 1 January 2013 to 1 January 2015.

In light of the change to the mandatory effective date, these Standards are not expected to significantly impact the Group's financial statements.

- AASB 10: *Consolidated Financial Statements*, AASB 11: *Joint Arrangements*, AASB 12: *Disclosure of Interests in Other Entities*, AASB 127: *Separate Financial Statements* (August 2011) and AASB 128: *Investments in Associates and Joint Ventures* (August 2011) (as amended by AASB 2012–10: *Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments*), and AASB 2011–7: *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards* (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 10 replaces parts of AASB 127: *Consolidated and Separate Financial Statements* (March 2008, as amended) and Interpretation 112: *Consolidation – Special Purpose Entities*. AASB 10 provides a revised definition of "control" and additional application guidance so that a single control model will apply to all investees. This Standard is not expected to significantly impact the Group's financial statements.

AASB 11 replaces AASB 131: *Interests in Joint Ventures* (July 2004, as amended). AASB 11 requires joint arrangements to be classified as either "joint operations" (where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities) or "joint ventures" (where the parties that have joint control of the arrangement have rights to the net assets of the arrangement).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

1: Statement of Significant Accounting Policies

q. New Accounting Standards for Application in Future Periods

AASB 12 contains the disclosure requirements applicable to entities that hold an interest in a subsidiary, joint venture, joint operation or associate. AASB 12 also introduces the concept of a “structured entity”, replacing the “special purpose entity” concept currently used in Interpretation 112, and requires specific disclosures in respect of any investments in unconsolidated structured entities. This Standard will affect disclosures only and is not expected to significantly impact the Group’s financial statements.

To facilitate the application of AASBs 10, 11 and 12, revised versions of AASB 127 and AASB 128 have also been issued. The revisions made to AASB 127 and AASB 128 are not expected to significantly impact the Group’s financial statements.

These Standards are not expected to significantly impact the Group’s financial statements.

- AASB 13: *Fair Value Measurement* and AASB 2011–8: *Amendments to Australian Accounting Standards arising from AASB 13* (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 13 defines fair value, sets out in a single Standard a framework for measuring fair value, and requires disclosures about fair value measurement.

AASB 13 requires:

- inputs to all fair value measurements to be categorised in accordance with a fair value hierarchy; and
- enhanced disclosures regarding all assets and liabilities (including, but not limited to, financial assets and financial liabilities) to be measured at fair value.

These Standards are expected to result in more detailed fair value disclosures, but are not expected to significantly impact the amounts recognised in the Group’s financial statements.

- AASB 2011–4: *Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements* (applicable for annual reporting periods beginning on or after 1 July 2013).

This Standard makes amendments to AASB 124: *Related Party Disclosures* to remove the individual key management personnel disclosure requirements (including paras Aus29.1 to Aus29.9.3). These amendments serve a number of purposes, including furthering trans-Tasman convergence, removing differences from IFRSs, and avoiding any potential confusion with the equivalent *Corporations Act 2001* disclosure requirements.

This Standard is not expected to significantly impact the Group’s financial report as a whole because:

- some of the disclosures removed from AASB 124 will continue to be required under s 300A of the Corporations Act, which is applicable to the Group; and
- AASB 2011–4 does not affect the related party disclosure requirements in AASB 124 applicable to all reporting entities, and some of these requirements require similar disclosures to those removed by AASB 2011–4.

- AASB 119: *Employee Benefits* (September 2011) and AASB 2011–10: *Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)* (applicable for annual reporting periods commencing on or after 1 January 2013).

These Standards introduce a number of changes to the presentation and disclosure of defined benefit plans, including:

- removal of the “corridor” approach from AASB 119, thereby requiring entities to recognise all changes in a net defined benefit liability/(asset) when they occur; and
- disaggregation of changes in a net defined benefit liability/(asset) into service cost, net interest expense and remeasurements and recognition of:
 - (i) service cost and net interest expense in profit or loss; and
 - (ii) remeasurements in other comprehensive income.

AASB 119 (September 2011) also includes changes to the criteria for determining when termination benefits should be recognised as an obligation.

This Standard is not expected to significantly impact the Group’s financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

1: Statement of Significant Accounting Policies

q. New Accounting Standards for Application in Future Periods

- AASB 2012–2: *Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities* (applicable for annual reporting periods commencing on or after 1 January 2013).

AASB 2012–2 principally amends AASB 7: *Financial Instruments: Disclosures* to require entities to include information that will enable users of their financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.

This Standard is not expected to significantly impact the Group's financial statements.

- AASB 2012–3: *Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities* (applicable for annual reporting periods commencing on or after 1 January 2014).

This Standard adds application guidance to AASB 132: *Financial Instruments: Presentation* to address potential inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.

This Standard is not expected to significantly impact the Group's financial statements.

- AASB 2012–5: *Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011* (applicable for annual reporting periods commencing on or after 1 January 2013).

This Standard amends a number of Australian Accounting Standards as a consequence of the issuance of *Annual Improvements to IFRSs 2009–2011 Cycle* by the International Accounting Standards Board, including:

- AASB 1: *First-time Adoption of Australian Accounting Standards* to clarify the requirements in respect of the application of AASB 1 when an entity discontinues and then resumes applying Australian Accounting Standards;
- AASB 101: *Presentation of Financial Statements* and AASB 134: *Interim Financial Reporting* to clarify the requirements for presenting comparative information;
- AASB 116: *Property, Plant and Equipment* to clarify the accounting treatment of spare parts, stand-by equipment and servicing equipment;
- AASB 132 and Interpretation 2: *Members' Shares in Co-operative Entities and Similar Instruments* to clarify the accounting treatment of any tax effect of a distribution to holders of equity instruments; and
- AASB 134 to facilitate consistency between the measures of total assets and liabilities an entity reports for its segments in its interim and annual financial statements.

This Standard is not expected to significantly impact the Group's financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

		Consolidated Group	
		2013	2012
		\$	\$
NOTE 2: REVENUE			
a. Operating activities			
— Interest received		-	144
— Debt forgiveness	2b	45,943	3,600
— Net gains on financial assets at fair value through profit or loss:			
- Held for trading		31,620	-
Total revenue		77,563	3,744
b. Debt forgiveness from:			
— Related party entities		-	3,600
— Other persons		45,943	-
Total debt forgiveness		45,943	3,600
NOTE 3: EXPENSES			
Professional service fees:			
Accountant – Financial statements and other		52,084	26,114
Company secretarial services		-	17,085
Consulting fees — Autus Capital Pty Ltd	(i)	-	7,500
— Validus Corporate Advisory		81,000	-
		133,084	50,699

(i) Autus Capital Pty Ltd is a recapitalisation consultancy company of which Troy Graham is a director.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

	Consolidated Group	
	2013	2012
	\$	\$
NOTE 4: INCOME TAX		
The components of tax expense comprises:		
— Current tax	-	-
— Deferred tax	-	-
	-	-
The prima facie tax on loss from ordinary activities		
— Deferred tax assets not brought to account	(80,552)	(179,189)
— Effect of current year tax losses derecognised	80,552	179,189
Income tax attributable to entity	-	-
Tax losses		
Unused tax losses for which no tax loss has been recognised as a deferred tax asset adjusted for non-temporary differences at 30%	127,532	-
The taxation benefits will only be obtained if:		
(i) the company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deduction for the loss to be realised;		
(ii) the company continues to comply with the conditions for deductibility imposed by law; and		
(iii) no changes in tax legislation adversely affect the company in realising the benefits from the deductions for the loss.		

NOTE 5: DIVIDENDS

No dividend (2012: \$NIL) was declared in respect of the year ending 30 June 2013.

	Consolidated Group	
	2013	2012
	\$	\$
NOTE 6: AUDITORS' REMUNERATION		
Remuneration of the auditor of the parent entity for:		
— auditing or reviewing the financial report	15,000	12,000
Total remuneration of the auditor of the parent entity	15,000	12,000

NOTE 7: EARNINGS PER SHARE

	\$	\$
a. Loss used to calculate basic and diluted EPS	(268,505)	(597,296)
	No.	No.
b. Weighted average number of ordinary shares outstanding during the year used in calculating basic and diluted EPS	26,960,673	63,473,351
Basic and diluted earnings per share (cents per share)	(1.00)	(0.94)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

NOTE 8: CASH AND CASH EQUIVALENTS

	Consolidated Group	
	2013	2012
	\$	\$
CURRENT		
Cash at bank	4,550	692
	<u>4,550</u>	<u>692</u>

NOTE 9: TRADE AND OTHER RECEIVABLES

	Consolidated Group	
	2013	2012
	\$	\$
CURRENT		
GST receivable	13,880	53,456
Prepayments	12,000	-
Loan to a related entity	42,440	-
	<u>68,320</u>	<u>53,456</u>

NOTE 10: FINANCIAL ASSETS

	Consolidated Group	
	2013	2012
	\$	\$
CURRENT		
Financial assets at fair value through profit or loss	115,940	-
	<u>115,940</u>	<u>-</u>

a. Financial assets at fair value through profit or loss

— Held-for-trading Australian listed shares	115,940	-
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Shares held for trading are traded for the purpose of short-term profit taking. Changes in fair value are included in the statement of comprehensive income.

b. Held-for-trading financial assets are equity securities held in entity of which Peter Dykes is a director.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

NOTE 11: TRADE AND OTHER PAYABLES

	Consolidated Group	
	2013	2012
	\$	\$
CURRENT		
Trade payables	64,049	226,329
Sundry payables and accrued expenses	67,800	52,800
	<u>131,849</u>	<u>279,129</u>

NOTE 12: FINANCIAL LIABILITIES

	Consolidated Group	
	2013	2012
	\$	\$
CURRENT		
Unsecured liabilities:		
Convertible loan	(i) <u>168,197</u>	<u>-</u>
	<u>168,197</u>	<u>-</u>

(i) The loan is convertible into ordinary shares of the company at issue price of \$0.025, at the option of the lender, or repayable on 18 April 2014. The convertible loan bears an interest of 7% per annum.

On 25 October 2013, the loan was converted into 6,727,870 of the company's ordinary shares.

NOTE 13: ISSUED CAPITAL

a. Ordinary shares

	No.
Effect of 9 to 1 share consolidation on 7 July 2011	27,711,284
Shares issued during the year – 5 August 2011	300,000,000
Effect of 16 to 1 share consolidation on 19 September 2011	20,481,955
Shares issued during the year – 13 October 2011	<u>1,085,714</u>
At reporting date 30 June 2012	21,567,669
Shares issued during the year – 30 October 2012	1,986,934
Shares issued during the year – 30 October 2012	4,430,108
Shares issued during the year – 5 December 2012	<u>6,000,000</u>
At reporting date 30 June 2013	33,984,711

	Consolidated Group	
	2013	2012
	\$	\$
b. Value of share capital issued		
Balance at beginning of reporting period	32,844,200	32,364,000
Shares issued during the year – 5 August 2011		100,200
Shares issued during the year – 13 October 2011		380,000
Shares issued during the year – 30 October 2012	99,347	-
Shares issued during the year – 30 October 2012	132,903	-
Shares issued during the year – 5 December 2012	<u>150,000</u>	<u>-</u>
Balance at ending of reporting period	33,226,450	32,844,200

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

NOTE 13: ISSUED CAPITAL

Capital Management

When managing capital, management's objective is to ensure the consolidated group continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the consolidated group.

Management adjusts the capital structure to the extent possible to take advantage of favourable costs of capital or high returns on assets. As the market is constantly changing, management may change the amount of dividends to be paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated group is not subject to any externally imposed capital requirements, nor does it focus on obtaining debt as a key capital management tool.

NOTE 14: RESERVES

Foreign Currency Translation Reserve

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

NOTE 15: SHARE-BASED PAYMENTS

During the year, 1,986,934 shares were issued at \$0.05 cents valued at \$99,347 to CBN Capital Pty Ltd. The share-based payment transactions were measured directly, using the fair value of services received during the period.

NOTE 16: CONTINGENT LIABILITIES

There are no contingent liabilities accounted for as at 30 June 2013 and there has been no change in contingent liabilities since the last annual reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

NOTE 17: 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	
	2013	2012
	\$	\$
NOTE 18: CASH FLOW INFORMATION		
a. Reconciliation of cash flow from operations with loss after income tax		
Loss after income tax	(268,505)	(597,296)
Debt forgiveness	(45,943)	(3,600)
Fair value gains on financial assets at fair value through profit or loss	(31,620)	-
Share-based payments	99,347	95,219
Changes in assets and liabilities		
Decrease/ (increase) in trade and other receivables	27,576	(53,456)
(Decrease)/ increase in trade and other payables	(101,337)	202,616
Cashflow from operations	<u>(320,482)</u>	<u>(356,517)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

NOTE 19: CONTROLLED ENTITIES

Controlled Entities Consolidated

Parent Entity:	Country of Incorporation	Percentage Owned	
		2013	2012
RKS Consolidated Limited	Australia	(%)*	(%)*
Subsidiaries of RKS:			
Millinnium Capital Managers Limited	Australia	-	- ¹
First Capital Gulf Harbour Limited	New Zealand	-	- ²

* Percentage of voting is proportional to ownership

¹ Formerly known as Rockstead Funds Management Limited and sold by the Administrators on 18 August 2008.

² The Registrar of Companies of New Zealand is satisfied that this company has ceased to carry on business and has initiated action to remove the company from the register.

NOTE 20: EVENTS AFTER THE REPORTING DATE

On 24 July 2013, the Company announced the proposed transaction to acquire OzCrest Minerals Limited will no longer proceed.

On 11 September 2013, the Company announced that shareholders approved all resolutions put to the AGM held on that date.

On 25 October 2013, the Company converted the sum of \$168,197 in convertible loan payable into 6,727,870 ordinary shares at issue price of \$0.025 each.

Other than those disclosed above, there are no other matters or circumstances that have arisen since 30 June 2013 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 CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

NOTE 21: RELATED PARTY TRANSACTIONS**(a) Key management personnel**

Names and positions held of company key management personnel in office at any time during the year were:

S Chi (appointed 18 April 2013)	Non-executive Director
R Spano (appointed 28 September 2012)	Non-executive Director
(appointed 18 April 2013)	Non-executive Chairman
P Dykes (appointed 11 February 2013)	Non-executive Director
R Whitton (appointed 28 September 2012 – resigned 18 April 2013)	Non-executive Chairman
P Torney (appointed 28 September 2012 – resigned 18 April 2013)	Non-executive Director
T Graham (appointed 7 July 2011 – resigned 28 September 2012)	Non-executive Director
D Pagliaccio (appointed 7 July 2011 – resigned 28 September 2012)	Non-executive Director
J Triganza (appointed 7 July 2011 – resigned 28 September 2012)	Non-executive Director

Details of directors' remuneration are disclosed in the Remuneration Report in the Directors' Report.

(b) Other transactions with directors and directors' related entities

	Consolidated Group	
	2013	2012
	\$	\$
Autus Capital Pty Ltd:		
- Payment for professional services in relation to consultancy to Autus Capital Pty Ltd of which Troy Graham is a director	-	7,500
- Payment for professional services in relation to re-capitalisation to Autus Capital Pty Ltd of which Troy Graham is a director	-	95,219
Payment for interest expense in relation to unsecured loan from Peter Dykes, Director	3,479	-
Payment for professional service fees in relation to accounting services to William Buck Corporate Advisory Services of which Robert Whitton is a principal	36,364	-

NOTE 22: 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.

*b. Financial Instruments Risk**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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2012

NOTE 22: FINANCIAL INSTRUMENTS

*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:

	Effective Interest Rate	
	2013 %	2012 %
Financial Liabilities:		
Convertible loan	7.00	-
Within 1 Year	\$	\$
Financial Liabilities:		
Convertible loan	168,197	-
Total Financial Liabilities	168,197	-

*Fair Values**Fair value estimation*

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying amounts as presented in the statement of financial position. Fair value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair values derived may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the company. Most of these instruments, which are carried at amortised cost, are to be held until maturity and therefore the fair value figures calculated bear little relevance to the Group.

	Note	2013 Carrying Amount \$	2012 Carrying Amount \$	2013 Net Fair Value \$	2012 Net Fair Value \$
Financial Assets					
Cash and cash equivalents	(i)	4,550	692	4,550	692
Trade and other receivables	(i)	68,320	53,456	68,320	53,456
Financial assets at fair value through profit or loss (held-for-trading)	(ii)	115,940	-	115,940	-
Total Financial Assets		188,810	54,148	188,810	54,148
Financial Liabilities					
Trade and other payables	(i)	131,849	279,129	131,849	279,129
Convertible loan		168,197	-	168,197	-
Total Financial Liabilities		300,046	279,129	300,046	279,129

(i) The carrying amounts of trade and other receivables, trade and other payables are assumed to approximate their fair values due to their short-term nature. The fair value of convertible loan approximates the carrying amount, as the impact of discounting is not significant.

(ii) For listed held-for-trading financial assets, closing quoted bid prices at the end of the reporting period used.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

NOTE 22: FINANCIAL INSTRUMENTS*b. Financial Instruments Risk*

Financial Instruments Measured at Fair Value

The financial instruments recognised at fair value in the statement of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

- quoted prices in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

Consolidated Group

2013	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial assets:				
Financial assets at fair value through profit or loss:				
– investments – held-for-trading	115,940	-	-	115,940
	<u>115,940</u>	<u>-</u>	<u>-</u>	<u>115,940</u>

Included within Level 1 of the hierarchy are listed investments. The fair values of these financial assets have been based on the closing quoted bid prices at the end of the reporting period, excluding transaction costs.

No transfers between the levels of the fair value hierarchy occurred during the current or previous reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2013

NOTE 23: 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	
	2013	2012
	\$	\$
Loss for the year, net of income tax	(268,505)	(597,296)
Total loss for the year	(268,505)	(597,296)

B. Statement of Financial Position

Total Current Assets	188,810	54,148
Total Assets	<u>188,810</u>	<u>54,148</u>
Total Current Liabilities	300,046	279,129
Total Liabilities	<u>300,046</u>	<u>279,129</u>
Net Assets	<u>(111,236)</u>	<u>(224,981)</u>
Issued capital	33,226,450	32,844,200
Reserves	234,000	234,000
Accumulated losses	(33,571,686)	(33,303,181)
Total Equity	<u>(111,236)</u>	<u>(224,981)</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.

NOTE 22: COMPANY DETAILS

The principal places of business and registered office of the company is:

RKS Consolidated Limited
Level 4, 95 Pitt Street, Sydney NSW 2000

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of RKS Consolidated Limited, the directors of the company declare that:

1. the financial statements and notes, as set out on pages 21 to 43, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Australian Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and
 - b. give a true and fair view of the financial position as at 30 June 2013 and of the performance for the year ended on that date of the consolidated group;
2. 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; and
3. the directors have been given the declarations required by s 295A of the *Corporations Act 2001* from the Chief Executive Officer.



Mr Robert Spano (Chairman)

Dated this 22th November 2013

RKS CONSOLIDATED 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 have audited the accompanying financial report of RKS Consolidated Limited, which comprises the consolidated statement of financial position as at 30 June 2013, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards (IFRS).

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Independence

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

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**RKS CONSOLIDATED LIMITED
ABN 20 009 264 699
AND CONTROLLED ENTITIES**

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

Basis for Qualified Opinion

Comparative Figures

Included in the consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2012 were share-based payments and consulting fees for services rendered amounting to \$95,219 and \$7,500 paid to Autus Capital Pty Ltd, a company for which Troy Graham was a director. We were unable to obtain sufficient appropriate audit evidence to verify the accuracy and completeness of these amounts in the consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2012 and as such we were unable to determine whether any adjustments to these amounts were necessary. The auditor's opinion on the financial report for the year ended 30 June 2012 was modified accordingly. Our opinion on the current year's financial report is also modified because of the possible effect of this matter on the comparability of the current year's figures and the corresponding figures.

Qualified Opinion

In our opinion, except for the possible effect of the matter described in the Basis for Qualified Opinion paragraph:

- (a) the financial report of RKS Consolidated Limited is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Emphasis of Matter

Without further modifying our opinion, we draw attention to Note 1 in the financial report which indicates that the company incurred an operating loss after income tax of \$268,505 during the year ended 30 June 2013 and as of that date the company's current liabilities exceed its total assets by \$111,236. These conditions, along with other matters as set forth in Note 1 indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

**RKS CONSOLIDATED LIMITED
ABN 20 009 264 699
AND CONTROLLED ENTITIES**

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

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 16 to 18 of the director's report for the year ended 30 June 2013. The directors of the company are responsible for preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporation Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Basis for Qualified Opinion

Included in the Remuneration Report for the year ended 30 June 2012 are share-based payments for services rendered amounting to \$95,219 paid to Autus Capital Pty Ltd, a company for which Troy Graham was a director. We were unable to obtain sufficient appropriate audit evidence to verify the accuracy and completeness of this amount in the Remuneration Report and as such we were unable to determine whether any adjustment to this amount was necessary. The auditor's opinion on the Remuneration Report for the year ended 30 June 2012 was modified accordingly. Our opinion on the current year's Remuneration Report is also modified because of the possible effect of this matter on the comparability of the current year's figures and the corresponding figures.

Qualified Opinion

In our opinion, except for the possible effect of the matter described in the Basis for Qualified Opinion paragraph, the Remuneration Report of RKS Consolidated Limited for the year ended 30 June 2013 complies with section 300A of the Corporations Act 2001.



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



Drew Townsend

Partner

Dated: 22 November 2013

Shareholder Information**Major Shareholders**

As at 14 November 2013 the 20 largest holders of Ordinary Shares held 31,647,640 Shares equal to 77.73 percent of the total number of shares on issue.

Major shareholders	Number of shares	%
Chapmans Ltd	6,000,000	14.74%
General Investment Services Pty Ltd	4,200,000	10.32%
First State Pty Ltd	3,800,000	9.33%
John Perovich	2,594,018	6.37%
Aust-Sport Financial Services Pty Ltd	2,026,716	4.98%
JW Bountiful Super Fund Pty Ltd	1,482,295	3.64%
Estre Pty Ltd	1,231,095	3.02%
Vanavo Pty Ltd	1,200,000	2.95%
Bin Wei	1,111,721	2.73%
Jin Jian Lin	1,111,721	2.73%
GG No.2 Pty Ltd	861,238	2.12%
GC Securities Pty Ltd	800,000	1.96%
Xiaojing Shen	741,148	1.82%
Zhao Zhengguo & Yan Jiafeng Joint	741,148	1.82%
Qin Wang	741,147	1.82%
Yitong Liu	741,147	1.82%
CBN Capital Pty Ltd	609,852	1.50%
Frank Ruggiero	600,000	1.47%
Cuchulainn Advisory Services Pty Ltd	554,394	1.36%
Search Point Pty Ltd	500,000	1.23%
	31,647,640	77.73%

Substantial Shareholders

As at 14 November 2013 the following shareholders were regarded as substantial shareholders:

	Number of Shares
Chapmans Ltd	6,000,000
General Investment Services Pty Ltd	4,200,000
First State Pty Ltd	3,800,000
John Perovich	2,594,018

Shareholder Information (continued)

Distribution of Shareholdings

At 14 November 2013 the distribution of shareholdings was as follows:

Range	Number of holders	% of holders	Number of shares	% of shares
1 – 1,000 shares	629	88.58	27,711	0.07
1,001 – 5,000 shares	7	0.99	13,654	0.03
5,001 – 10,000 shares	1	0.14	6,560	0.02
10,001 – 100,000 shares	18	2.54	907,398	2.23
100,001 shares and over	55	7.75	39,759,629	97.65
	710	100.00	40,714,952	100.00

Registered Office

The registered office of the company is:

Level 4,

95 Pitt Street,

Sydney NSW 2000

Telephone 02 8079 2940

Facsimile 02 8079 2998

Company Secretary

Mr Peter Dykes

Share Registry

Security Transfer Registrars Pty Ltd

770 Canning Highway,

Applecross

WA 6953

Mailing Address

PO 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.