

RKS CONSOLIDATED LIMITED
ABN 20 009 264 699
AND CONTROLLED ENTITIES
FINANCIAL REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

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RKS CONSOLIDATED LIMITED AND CONTROLLED ENTITIES HALF YEAR REPORT DECEMBER 2012

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.

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
Qualifications:	Mr. Spano holds a Management Diploma
Special Responsibilities	Director
Interest in Shares & Options:	1,200,000 and Options – Nil
Experience:	Mr Spano is a management specialist with over 30 years' experience in the finance industry. He began his involvement in the finance and banking industry in 1981. He established his first finance group in 1988 and founded Integrated Asset Management (IAM) in 1999, IAM became a leader in the Leasing industry and was recognised as dynamic and innovative. In 2008 Mr Spano, in a Joint Venture with CHAMP Private Equity, purchased the Alleasing Group and sold IAM into the same group. He is now a Non-Executive Director and Shareholder of Alleasing Group with CHAMP. Alleasing is the largest independent Operating lease company in Australia, with a portfolio of \$1 billion in receivables and 15,000 customers ranging from Government clients to small commercial enterprises. Mr Spano was Chairman at Aequus Capital Limited from 2004 up until its takeover by Investorfirst. He was appointed to the Board of Investorfirst in 2009 assisted management with a smooth transition, and continues to act as a director including chairing the Audit, Risk and Compliance Committee.
Directorships held in Other Listed Entities	Nil

DIRECTORS' REPORT

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

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' REPORTPrevious 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:	125,000 and Options – Nil
Experience:	Robert has a longstanding and successful career as a Chartered Accountant and Business Advisor. A specialist in business reconstruction services and Fellow of the Institute of Chartered Accountants and a Fellow of the Institute of Company Directors. Robert has more than 25 years experience gained across a range of accountancy firms, most recently as a Director of William Buck, Chartered Accountants & Advisors in Sydney, Australia. Robert is a Certified Fraud Examiner. He also is an Associate Fellow of the Australian Institute of Management and a member of the Insolvency Practitioners Association of Australia.
Directorships held in Other Listed Entities	Current: Tempo Australia Ltd (ASX: TPP), AUV Enterprises Ltd (ASX:AUV) & 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 and Options – Nil
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. 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 and Options – Nil
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**

1 meeting of directors were held during and since the end of the financial year. Attendances by each director were as follows:

DIRECTORS' MEETINGS		
DIRECTORS	HELD	ATTENDED
Robert Spano	-	-
Susan Chi	-	-
Peter Dykes	-	-
Robert Whitton	-	-
Peter Torney	-	-
Troy Graham	1	1
Delan Pagliaccio	1	1
Jeffrey Triganza	1	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 half-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 half-year ended 31 December 2012, the net result of the consolidated entity after applicable income tax for was a loss of \$83,958 (31 December 2011: loss of \$516,541).

Review of operations

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

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

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

and pursue opportunities in the acquisition, exploration and development of coal tenements.

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

The steps to complete this transaction are as follows:

1. The Company consolidates its share capital on a 16 to 1 basis;
2. The Company acquires 100% of the issued capital of SCC for \$5,784,375;
3. The Company changes its existing business to the acquisition, exploration and development of coal tenements in Queensland and elsewhere;
4. The Company will change its name to "Scott Creek Coal Limited";

DIRECTORS' REPORT

Review of operations

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.

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 half-year ended 31 December 2012 (31 December 2011: \$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.

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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;
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DIRECTORS' REPORT

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Events Subsequent to Balance Date

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Other than those disclosed above, there are no other matters or circumstances that have arisen since 31 December 2012 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 period.

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 half-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 31 December 2012 has been received and can be found on page 10 of this Annual Report.

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



Mr Robert Spano (Chairman)

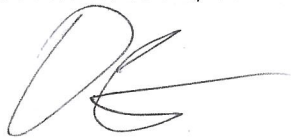
**RKS CONSOLIDATED LIMITED
ABN 20 009 264 699
AND CONTROLLED ENTITIES**

**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 half-year ended 31 December 2012 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.

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



Drew Townsend

Partner

Dated: 22 November 2013

SYDNEY

Level 29
St Martin's Tower
31 Market Street
Sydney NSW 2000
Australia

GPO Box 3555
Sydney NSW 2001

Ph: (612) 9263 2600
Fx: (612) 9263 2800

NEWCASTLE

Ph: (612) 4969 5521
Fx: (612) 4969 6059

PARRAMATTA

Ph: (612) 9687 2100
Fx: (612) 9687 2900

PENRITH

Ph: (612) 4721 8144
Fx: (612) 4721 8155

MELBOURNE

Ph: (613) 8678 1600
Fx: (613) 8678 1699

PERTH

Ph: (618) 6557 6200
Fx: (618) 9218 8950

BRISBANE

Ph: (617) 3211 1250
Fx: (617) 3211 1249

GOLD COAST

Ph: (617) 5538 2322
Fx: (617) 5526 8599

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

	Note	Consolidated Group	
		31 Dec 2012 \$	31 Dec 2011 \$
Revenue		45,943	138
Cost of potential acquisition		44,000	(350,425)
ASX listing fees		(18,153)	(21,951)
Directors fees		(14,500)	-
Legal fees and settlement costs		(1,200)	(9,621)
Professional service fees	2	(6,761)	(30,299)
Share-based payments		(99,347)	(92,705)
Other expenses		(33,940)	(11,678)
Loss before income tax		(83,958)	(516,541)
Income tax expense		-	-
Loss for the period attributable to the members of the parent entity		(83,958)	(516,541)
Other comprehensive income		-	-
Total comprehensive loss for the period		(83,958)	(516,541)
Basic and diluted earnings per share (cents per share)		(0.36)	(0.05)

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 31 DECEMBER 2012

		Consolidated Group	
		31 Dec 2012	30 June 2012
		\$	\$
	Note		
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		37,996	692
Trade and other receivables	3	14,972	53,456
TOTAL CURRENT ASSETS		52,968	54,148
TOTAL ASSETS		52,968	54,148
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	4	112,560	279,129
TOTAL CURRENT LIABILITIES		112,560	279,129
TOTAL LIABILITIES		112,560	279,129
NET ASSETS		(59,592)	(224,981)
EQUITY			
Issued capital	5	33,093,547	32,844,200
Accumulated losses		(33,387,139)	(33,303,181)
Reserves		234,000	234,000
TOTAL EQUITY		(59,592)	(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 HALF YEAR ENDED 31 DECEMBER 2012

Consolidated Group	Ordinary Shares \$	Foreign Currency Translation Reserves \$	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	-	-	(516,541)	(516,541)
Total comprehensive income for the period	-	-	(516,541)	(516,541)
Transactions with owners, in their capacity as owners, and other transfers				
Shares issued during the period	480,200	-	-	480,200
Total transactions with owners and other transfers	480,200	-	-	480,200
Balance at 31 December 2011	32,844,200	234,000	(33,222,426)	(144,226)
Balance at 1 July 2012	32,844,200	234,000	(33,303,181)	(224,981)
Comprehensive income				
Loss attributable to members of parent entity	-	-	(83,958)	(83,958)
Total comprehensive income for the period	-	-	(83,958)	(83,958)
Transactions with owners, in their capacity as owners, and other transfers				
Shares issued during the period	249,347	-	-	249,347
Total transactions with owners and other transfers	249,347	-	-	249,347
Balance at 31 December 2012	33,093,547	234,000	(33,387,139)	(59,592)

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 HALF YEAR ENDED 31 DECEMBER 2012

	Consolidated Group	
	31 Dec 2012	31 Dec 2011
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers	(112,696)	(344,367)
Interest received	-	138
Net cash used in operating activities	<u>(112,696)</u>	<u>(344,229)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from share issues	<u>150,000</u>	<u>303,820</u>
Net cash provided by financing activities	<u>150,000</u>	<u>303,820</u>
CASH		
Net increase/ (decrease) in cash held	37,304	(40,409)
Cash at beginning of period	<u>692</u>	<u>42,228</u>
Cash at end of period	<u><u>37,996</u></u>	<u><u>1,819</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 FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2012

This financial report includes the consolidated financial statements and notes of RKS Consolidated Limited and controlled entities ('Consolidated Group' or 'Group').

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

These general purpose financial statements for the interim half-year reporting period ended 31 December 2012 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of RKS Consolidated Limited and its controlled entities (the Group). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2012, together with any public announcements made during the half-year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements except for the adoption of the following new and revised Accounting Standards.

Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

Critical Accounting Estimates and Judgments

The critical estimates and judgments are consistent with those applied and disclosed in the June 2012 annual report.

New and Revised Accounting Requirements Applicable to the Current Half-year Reporting Period

For the half-year reporting period to 31 December 2012, a number of new and revised Accounting Standard requirements became mandatory for the first time, some of which are relevant to the Company. A discussion of these new and revised requirements that are relevant to the Company is provided below:

Presentation of Items of Other Comprehensive Income

The Group adopted AASB 2011–9: Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income on 1 July 2012. AASB 2011–9 is mandatorily applicable from 1 July 2012 and amends AASB 101: Presentation of Financial Statements.

AASB 2011–9 amends the presentation requirements of other comprehensive income. It requires items of other comprehensive income to be grouped between:

- items that will not be reclassified subsequently to profit or loss; and
- those that will be reclassified subsequently to profit or loss when specific circumstances occur.

It also requires, when items of other comprehensive income are presented before the related tax effects with a single amount shown for the aggregate amount of income tax relating to those items, the amount of tax effect to be allocated between:

- items that will not be reclassified subsequently to profit or loss; and
- those that might be reclassified subsequently to profit or loss.

AASB 2011–9 also amends AASB 101 to change the title “income statement” to “statement of profit or loss” under the two-statement approach. Although other titles are also permitted, the Group has decided to use the title “statement of profit or loss”.

The adoption of AASB 2011–9 only changed the presentation of the Group's financial statements and did not have any impact on the amounts reported for the current period or for any prior period in the Group's financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2012**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****a. Going concern**

The half year report was prepared on a going concern basis notwithstanding that the consolidated entity incurred a net loss after tax \$83,958 and has a deficiency in net assets of \$59,592 as at 31 December 2012.

The directors believe that it is appropriate to prepare the half year 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 on 25 October 2013;
- 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 completing 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 half year 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.

		Consolidated Group	
		31 Dec 2012	31 Dec 2011
NOTE 2: LOSS FOR THE PERIOD	Note	\$	\$
Professional fees			
Accountant – Financial statements and other		6,761	7,814
Company secretarial services		-	14,985
Consulting Fees — Autus Capital Pty Ltd	(i)	-	7,500
		<u>6,761</u>	<u>30,299</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2012

	Consolidated Group	
	31 Dec 2012	30 June 2012
	\$	\$
NOTE 3: TRADE AND OTHER RECEIVABLES		
CURRENT		
GST receivables	14,972	53,456
	<u>14,972</u>	<u>53,456</u>

	Consolidated Group	
	31 Dec 2012	30 June 2012
	\$	\$
NOTE 4: TRADE AND OTHER PAYABLES		
CURRENT		
Trade payables	54,760	226,329
Sundry payables and accrued expenses	57,800	52,800
	<u>112,560</u>	<u>279,129</u>

NOTE 5: ISSUED CAPITAL

	31 Dec 2012	30 June 2012
	\$	\$
29,534,056 (30 June 2012: 21,567,669) fully paid ordinary shares	33,093,547	32,844,200

a. Ordinary shares

	Date	No.	\$
Balance at 1 July 2012		21,567,669	32,844,200
Share-based payments	30 October 2012	1,986,934	99,347
Shares issued	5 December 2012	6,000,000	150,000
Balance at 31 December 2012		<u>29,554,603</u>	<u>33,093,547</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2012

NOTE 6 SEGMENT INFORMATION

Primary Reporting – Business Segments

The Company was placed in administration and all the key management and employees left the Company in July 2008. During the half-year ended 2013, the company did not trade and was predominately dormant.

NOTE 7: EVENTS AFTER THE REPORTING DATE

On 5 April 2013, the company announced that it has through a letter of intent ("LOI") dated 13 March 2013 agreed 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.

Other than those disclosed above, there are no other matters or circumstances that have arisen since 31 December 2012 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.

NOTE 8: CONTINGENT LIABILITIES

There are no contingent liabilities accounted for as at 31 December 2012 and there has been no change in contingent liabilities since the last annual reporting date.

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 11 to 18, are in accordance with the Corporations Act 2001, including:
 - (i) complying with Accounting Standard AASB134: Interim Financial Reporting; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half year ended on that date.
2. In the director's 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.

Director 

Mr Robert Spano (Chairman)

Dated this 22 day of November 2013

INDEPENDENT AUDIT REPORT - 1

RKS CONSOLIDATED LIMITED

ABN 20 009 264 699

AND CONTROLLED ENTITIES

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

Report on the Half-year Financial Report

We have reviewed the accompanying half-year financial report of RKS Consolidated Limited, which comprises the consolidated statement of financial position as at 31 December 2012, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Half-year Financial Report

The directors of RKS Consolidated Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of RKS Consolidated Limited's financial position as at 31 December 2012 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of RKS Consolidated Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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

SYDNEY

Level 29
St Martin's Tower
31 Market Street
Sydney NSW 2000
Australia

GPO Box 3555
Sydney NSW 2001

Ph: (612) 9263 2600
Fx: (612) 9263 2800

NEWCASTLE

Ph: (612) 4969 5521
Fx: (612) 4969 6059

PARRAMATTA

Ph: (612) 9687 2100
Fx: (612) 9687 2900

PENRITH

Ph: (612) 4721 8144
Fx: (612) 4721 8155

MELBOURNE

Ph: (613) 8678 1600
Fx: (613) 8678 1699

PERTH

Ph: (618) 6557 6200
Fx: (618) 9218 8950

BRISBANE

Ph: (617) 3211 1250
Fx: (617) 3211 1249

GOLD COAST

Ph: (617) 5538 2322
Fx: (617) 5526 8599

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

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

Basis for Qualified Conclusion

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 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 conclusion on the current period's half-year financial report is also modified because of the possible effect of this matter on the comparability of the current period's figures.

Qualified Conclusion

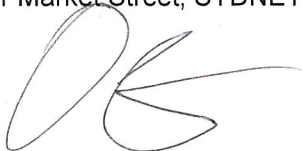
Based on our review, which is not an audit, with the exception of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the half-year financial report of RKS Consolidated Limited is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of RKS Consolidated Limited's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and
- (b) complying with AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

Emphasis of Matter

Without further modifying our conclusion, we draw attention to Note 1 in the financial report which indicates that the company incurred an operating loss after income tax of \$83,958 during the half year ended 31 December 2012 and as of that date the company's current liabilities exceed its total assets by \$59,592. 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.

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



Drew Townsend

Partner

Dated: 22 November 2013