

**RKS CONSOLIDATED LIMITED
ABN 20 009 264 699
AND CONTROLLED ENTITIES
FINANCIAL REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2013**

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RKS CONSOLIDATED LIMITED AND CONTROLLED ENTITIES HALF YEAR REPORT DECEMBER 2013

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.

DIRECTORS' REPORT

Your directors submit the financial report of the consolidated group for the half year ended 31 December 2013.

Directors

The names of directors who held office during or since the end of the half year:

Mr Peter Dykes	Chairman – appointed 11 February 2014 Director (Non Executive)
Ms Suyin (Susan) Chi	Director (Non Executive)
Mr Robert Spano	Director (Non Executive) Chairman – resigned 11 February 2014
Mr Anthony Dunlop	Director (Non Executive) – appointed 11 February 2014
Mr Peter Dykes	Company Secretary

Directors Meetings

9 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	9	9
Susan Chi	9	9
Peter Dykes	9	9
Anthony Dunlop	-	-

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 31 December 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 2013, the net result of the consolidated entity after applicable income tax for was a loss of \$297,811 (31 December 2012: loss of \$83,958).

DIRECTORS' REPORT

Review of Operations

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

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 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.

On 2 December 2013, the Company issued 4,785,048 ordinary shares at \$0.025 each to raise working capital.

On 23 December 2013, the Company announced that all resolutions were passed at 2013 AGM meeting.

On 11 February 2014, Peter Dykes has been appointed as the Chairman. Robert Spano assumed role as a Non-Executive Director. Anthony Dunlop has been appointed as a Non-Executive Director.

Dividends

No dividends were declared for the half year ended 31 December 2013 (31 December 2012: \$NIL).

Likely Developments

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

Significant Changes in the State of Affairs

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

Significant Changes in the State of Affairs

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 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.

On 2 December 2013, the Company issued 4,785,048 ordinary shares at \$0.025 each for services rendered in lieu of cash.

On 23 December 2013, the Company announced that all resolutions were passed at 2013 AGM meeting.

On 11 February 2014, Peter Dykes has been appointed as the Chairman. Robert Spano assumed role as a Non-Executive Director. Anthony Dunlop has been appointed as a Non-Executive Director.

DIRECTORS' REPORT

Events Subsequent to Balance Date

On 11 February 2014, Peter Dykes has been appointed as the Chairman. Robert Spano assumed role as a Non-Executive Director. Anthony Dunlop has been appointed as a Non-Executive Director.

On 19 May 2014, the Company issued 34,500,000 ordinary shares at \$0.01 each to raise working capital.

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.

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.

DIRECTORS' REPORT

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 31 December 2013 has been received and can be found on page 5 of this Annual Report.

Signed this 23 day of May 2014 in accordance with a resolution of the Directors.

A handwritten signature in black ink, appearing to be 'PD' followed by a stylized flourish.

.....
Mr Peter Dykes (Chairman)

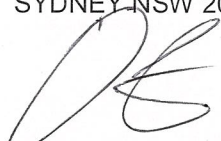
RKS CONSOLIDATED LIMITED
ABN 20 009 264 699
AND CONTROLLED ENTITIES

AUDITOR'S INDEPENDENCE DECLARATION
UNDER S 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 2013 there have been no contraventions of:

- a. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- b. any applicable code of professional conduct in relation to the review.

HALL CHADWICK
Level 40, 2 Park Street
SYDNEY NSW 2000



DREW TOWNSEND

Partner

Dated: 23 May 2014

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2013

		Consolidated Group	
	Note	31 Dec 2013	31 Dec 2012
		\$	\$
Revenue		24,626	45,943
Cost of potential acquisition		-	44,000
ASX listing fees		(30,468)	(18,153)
Directors fees		(36,500)	(14,500)
Fair value losses on financial assets at fair value through profit or loss		(50,305)	-
Finance cost		(10,000)	-
Impairment of loan to a related entity		(27,440)	-
Legal fees and settlement costs		(7,477)	(1,200)
Loss on disposal of financial assets		(12,685)	-
Professional service fees	2	(23,610)	(6,761)
Share-based payments		(108,751)	(99,347)
Other expenses		(15,201)	(33,940)
Loss before income tax		(297,811)	(83,958)
Income tax expense		-	-
Loss for the period		(297,811)	(83,958)
Other comprehensive income		-	-
Total comprehensive loss for the period		(297,811)	(83,958)
Basic and diluted earnings per share (cents per share)		(0.81)	(0.36)

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 2013

	Note	Consolidated Group	
		31 Dec 2013	30 June 2013
		\$	\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		451	4,550
Trade and other receivables	3	16,544	68,320
Financial assets	4	500	115,940
TOTAL CURRENT ASSETS		17,495	188,810
TOTAL ASSETS		17,495	188,810
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	5	138,719	131,849
Financial liabilities		-	168,197
TOTAL CURRENT LIABILITIES		138,719	300,046
TOTAL LIABILITIES		138,719	300,046
NET ASSETS		(121,224)	(111,236)
EQUITY			
Issued capital	6	33,514,273	33,226,450
Accumulated losses		(33,869,497)	(33,571,686)
Reserves		234,000	234,000
TOTAL EQUITY		(121,224)	(111,236)

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 2013

	Ordinary Shares \$	Foreign Currency Translation Reserves \$	Accumulated Losses \$	Total \$
Consolidated Group				
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)
Balance at 1 July 2013	33,226,450	234,000	(33,571,686)	(111,236)
Comprehensive income				
Loss attributable to members of parent entity	-	-	(297,811)	(297,811)
Total comprehensive income for the period	-	-	(297,811)	(297,811)
Transactions with owners, in their capacity as owners, and other transfers				
Shares issued during the period	287,823	-	-	287,823
Total transactions with owners and other transfers	287,823	-	-	287,823
Balance at 31 December 2013	33,514,273	234,000	(33,869,497)	(121,224)

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 2013

	Consolidated Group	
	31 Dec 2013	31 Dec 2012
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	23,211	-
Payments to suppliers	(69,760)	(112,696)
Interest paid	(10,000)	-
Proceeds from disposal of financial assets at fair value through profit or loss	52,950	-
Net cash used in operating activities	(3,599)	(112,696)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for available-for-sale financial assets	(500)	-
Net cash used in investing activities	(500)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from share issues	-	150,000
Net cash provided by financing activities	-	150,000
CASH		
Net (decrease)/ increase in cash held	(4,099)	37,304
Cash at beginning of period	4,550	692
Cash at end of period	451	37,996

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 2013

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

a. Basis of Preparation

These general purpose financial statements for the interim half year reporting period ended 31 December 2013 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 2013, together with any public announcements made during the half year.

b. 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, except in relation to some of the matters discussed at Note 1(d) below.

c. Critical Accounting Estimates and Judgments

The critical estimates and judgments are consistent with those applied and disclosed in the June 2013 annual report.

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

(i) Consolidated financial statements, joint arrangements and disclosure of interests in other entities

The Group has adopted the following new and revised Australian Accounting Standards from 1 January 2013 together with consequential amendments to other Standards:

- AASB 10: *Consolidated Financial Statements*;
- AASB 127: *Separate Financial Statements* (August 2011);
- AASB 11: *Joint Arrangements*;
- AASB 128: *Investments in Associates and Joint Ventures* (August 2011);
- AASB 12: *Disclosure of Interests in Other Entities*;
- AASB 2011–7: *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards*; and
- AASB 2012–10: *Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments*.

These Standards are mandatorily applicable from 1 January 2013 and thus, became applicable to the Group for the first time in the current half year reporting period. The Group has applied these Accounting Standards retrospectively in accordance with AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors* and the specific transition requirements in AASB 10 and AASB 11. The effects of initial application of these Standards in the current half year reporting period are as follows:

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

– Consolidated financial statements:

AASB 10 provides a revised definition of control and additional application guidance so that a single control model will apply to all investees. Revised AASB 127 facilitates the application of AASB 10 and prescribes requirements for separate financial statements of the parent entity. On adoption of AASB 10, the assets, liabilities and non-controlling interests related to investments in businesses that are now assessed as being controlled by the Group, and were therefore not previously consolidated, are measured as if the investee had been consolidated (and therefore applied acquisition accounting in accordance with AASB 3: Business Combinations) from the date when the Group obtained control of that investee on the basis of the requirements in AASB 10.

Upon the initial application of AASB 10, retrospective restatement of financial statement amounts of the year that immediately precedes the date of initial application (ie 2012) is necessary. When control is considered to have been obtained earlier than the beginning of the immediately preceding year (ie pre-1 January 2012), any difference between the amount of assets, liabilities and non-controlling interests recognised and the previous carrying amount of the investment in that investee is recognised as an adjustment to equity as at 1 January 2012.

Although the first-time application of AASB 10 (together with the associated Standards) caused certain changes to the Group's accounting policy for consolidation and determining control, it did not result in any changes to the amounts reported in the Group's financial statements as the "controlled" status of the existing subsidiaries did not change, nor did it result in any new subsidiaries being included in the Group as a consequence of the revised definition. However, the revised wording of accounting policy for consolidation is set out in Note 1(e).

– *Joint arrangements:*

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). Revised AASB 128 facilitates the application of AASB 11 and incorporates guidance relating to the equity method of accounting. Joint ventures are always required to be accounted for using the equity method under AASB 11. The proportionate consolidation method is no longer permitted. However, this will not have any impact on the Group's financial statements as the Group's interest in joint ventures is currently accounted for using the equity method of accounting.

When changing from the proportionate consolidation method to the equity method upon initial application of AASB 11, investments in joint ventures are required to be recognised as at the beginning of the immediately preceding year (ie as at 1 January 2012) and measured as the aggregate of the carrying amounts of the assets and liabilities that the investor had previously proportionately consolidated, including any goodwill arising from acquisition. This amount is regarded as the deemed cost of the investment at initial recognition, and is subject to impairment testing at that point in time. If aggregating all previously proportionately consolidated assets and liabilities results in a negative net asset amount, the investor recognises a liability to the extent that it has a legal or constructive obligation with respect to the negative net assets, and recognises any balance of the negative net assets as an adjustment to opening retained earnings.

The adoption of the Standard has had no significant impact on the Group's accounting policies or the amounts reported during the current half year period.

– *Disclosure of interest in other entities:*

AASB 12 is the Standard that addresses disclosure requirements of AASB 10, AASB 11, AASB 127 and AASB 128. The adoption of the Standard has had no significant impact on the Group's accounting policies or the amounts reported during the current half year period.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(ii) *Fair value measurements and disclosures*

The Group has adopted AASB 13: Fair Value Measurement and AASB 2011–8: Amendments to Australian Accounting Standards arising from AASB 13 from 1 January 2013 together with consequential amendments to other Standards. These Standards are mandatorily applicable from 1 January 2013 and thus, became applicable to the Group for the first time in the current half year reporting period. AASB 13 sets out a comprehensive framework for measuring the fair value of assets and liabilities and prescribes enhanced disclosures regarding all assets and liabilities measured at fair value. New disclosures prescribed by AASB 13 are not expected to significantly impact this interim financial report. Although these Standards do not change the accounting policies on fair value measurement, the directors have determined that additional accounting policies providing a general description of fair value measurement and each level of the fair value hierarchy, as set out in Note 1(f), should be incorporated in these financial statements.

(iii) *Other*

Other new and amending Standards that became applicable to the Group for the first time during this half year reporting period are as follows:

AASB 2012–2: Amendments to Australian Accounting Standards – Disclosures – Offsetting These Standards make changes to presentation and disclosure requirements, but did not affect the *Financial Assets and Financial Liabilities* and AASB Group's accounting policies or the amounts reported in the financial statements.

2012–5: Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle.

AASB 119: Employee Benefits (September 2011) These Standards did not affect the Group's and *AASB 2011–10: Amendments to Australian Accounting Standards arising from AASB 119* accounting policies or the amounts reported in the financial statements, mainly because the Group does not have defined benefit plan assets or obligations.

These Standards did not affect the Group's accounting policies or the amounts reported in the financial statements, mainly because the Group does not have defined benefit plan assets or obligations.

e. Principles of Consolidation

The parent entity and its subsidiaries are collectively referred to as the "Group". The parent of this Group is RKS Consolidated Limited. Entities (including structured entities) over which the parent (or the Group) directly or indirectly exercises control are called "subsidiaries". The consolidated financial statements incorporate the assets, liabilities and results of all subsidiaries. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the Group's subsidiaries is provided in Note 9.

The assets, liabilities and results of subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group companies are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are referred to as "non-controlling interests". The Group recognises any non-controlling interests in subsidiaries on a case-by-case basis either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of profit or loss and other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2013**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****f. Fair Value of Assets and Liabilities**

The Group measures some of the assets and liabilities it holds at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard (for the respective accounting policies of such assets and liabilities, refer to the latest annual financial statements). "Fair value" is the price that would be received to sell an asset or paid to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing buyers and sellers operating in a market. "Market" is taken to mean either a market with the greatest volume and level of activity for such asset or liability, or a market that maximises the receipts from the sale of an asset or minimises the payment made to transfer a liability after taking into account transaction costs and transport costs.

Valuation techniques

The Group selects and uses one or more valuation techniques to measure the fair values of a particular asset or liability. The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- *Market approach*: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- *Income approach*: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- *Cost approach*: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered "observable", whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered "unobservable".

Fair value hierarchy

The Group adopts a "fair value hierarchy" to categorise the fair value measurements derived from the valuation techniques into three levels (as described below). The purpose of this classification is to indicate the relative subjectivity of the fair values derived. This classification is made by prioritising the inputs used in each valuation technique on the basis of the extent to which such inputs are observable.

Level 1	Level 2	Level 3
Level 1 fair values are considered to be the best indication (and therefore the most reliable evidence) of fair value.	Inputs used to measure Level 2 fair values are inputs (other than quoted prices included in Level 1) that are observable either directly or indirectly. Level 2 inputs include:	Level 3 fair values use unobservable inputs specific to the particular asset or liability because observable inputs are not available for such asset or liability.
Inputs used to measure Level 1 fair values are unadjusted quoted prices for identical assets/liabilities in active markets (eg Australian Securities Exchange) where transactions take place with sufficient frequency and volume to provide pricing information on an ongoing basis.	– quoted prices for similar assets/liabilities in active markets; – quoted prices for similar or identical assets/liabilities in non-active markets; – foreign exchange rates; – market interest rates; – yield curves observable at commonly quoted intervals; – implied volatilities; and – credit spreads.	

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2013

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Group would change the categorisation within the fair value hierarchy only in the following circumstances:

- (i) if a market that was previously considered active (Level 1) became inactive (Level 2 or 3) or vice versa; or
- (ii) if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Group recognises transfers between levels of the fair value hierarchy (ie transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

g. Going Concern

The half year report was prepared on a going concern basis notwithstanding that the consolidated entity incurred a net loss after tax \$297,811 and has a deficiency in net assets of \$121,224 as at 31 December 2013.

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;
- The company has successfully raised \$345,000 working capitals through issuing of 34,500,000 ordinary shares at \$0.01 each at 19 May 2014.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2013

	Consolidated Group	
	31 Dec 2013	31 Dec 2012
	\$	\$
NOTE 2: LOSS FOR THE PERIOD		
Professional fees		
Accountant – Financial statements and other	7,974	6,761
Consulting Fees		
– Validus Corporate Advisory	12,000	-
– eFast Pty Ltd	3,636	-
	<u>23,610</u>	<u>6,761</u>

	Consolidated Group	
	31 Dec 2013	30 June 2013
	\$	\$
NOTE 3: TRADE AND OTHER RECEIVABLES		
CURRENT		
GST receivables	16,544	13,880
Prepayments	-	12,000
Loan to a related entity	-	42,440
	<u>16,544</u>	<u>68,320</u>

	Note	Consolidated Group	
		31 Dec 2013	30 June 2013
		\$	\$
NOTE 4: FINANCIAL ASSET			
CURRENT			
Financial assets at fair value through profit or loss	(i)	-	115,940
Available-for-sale financial assets	(ii)	500	-
		<u>500</u>	<u>115,940</u>

- (i) Held-for-trading financial assets are equity securities held in entity of which Peter Dykes is a director.
(ii) Available-for-sale financial assets are equity securities held in entity of which Peter Dykes is a director.

	Consolidated Group	
	31 Dec 2013	30 June 2013
	\$	\$
NOTE 5: TRADE AND OTHER PAYABLES		
CURRENT		
Trade payables	124,919	64,049
Sundry payables and accrued expenses	13,800	67,800
	<u>138,719</u>	<u>131,849</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2013

	31 Dec 2013	30 June 2013
	\$	\$
NOTE 6: ISSUED CAPITAL	<u>33,514,273</u>	<u>33,226,450</u>

a. Ordinary shares

	Date	No.	\$
Balance at 1 July 2013		33,984,711	33,226,450
Issued upon conversion of convertible notes (i)	25 October 2013	6,727,870	168,197
Share-based payments	16 December 2013	4,785,048	119,626
Balance at 31 December 2013		<u>45,497,629</u>	<u>33,514,273</u>

(i) 6,727,870 convertible notes were converted to share capital based on the issue price of the convertible notes being 2.5 cents each.

NOTE 7: 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 31 December 2013, the company did not trade and was predominately dormant.

NOTE 8: EVENTS AFTER THE REPORTING DATE

On 11 February 2014, Peter Dykes has been appointed as the Chairman. Robert Spano assumed role as a Non-Executive Director. Anthony Dunlop has been appointed as a Non-Executive Director.

On 19 May 2014, the Company issued 34,500,000 ordinary shares at \$0.01 each to raise working capital.

NOTE 9: CONTINGENT LIABILITIES

There are no contingent liabilities accounted for as at 31 December 2013 and there has been no change in contingent liabilities since the last annual reporting date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2013

NOTE 10: FAIR VALUE MEASUREMENT

a. Recurring and Non-recurring Fair Value Measurement Amounts and the Level of the Fair Value Hierarchy within which the Fair Value Measurements Are Categorised

		Fair Value Measurements at 31 Dec 2013 Using:		
Description	Note	Quoted Prices in Active Markets for Identical Assets \$ (Level 1)	Significant Observable Inputs Other than Level 1 Inputs \$ (Level 2)	Significant Unobservable Inputs \$ (Level 3)
Recurring fair value measurements				
Available-for-sale financial assets				
- Equity securities	(i)	-	-	500
		-	-	500

	Fair Value Measurements at 30 June 2013 Using:		
Recurring fair value measurements			
Financial assets at fair value through profit or loss			
- Equity securities	115,940	-	-
	115,940	-	-

(i) Equity investment in a de-listed entity, a quoted price or observable market data is not available, and the fair value of the investment was determined to be Level 3 under the fair value hierarchy at 31 December 2013.

There were no transfers between Level 1 and Level 2 during the reporting period.

b. Reconciliation of Recurring Fair Value Measurement Amounts (Level 3)

	Unlisted equity securities \$
Opening balance	-
Additions/purchases made during the half year	500
Closing balance	500

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 6 to 17, 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 2013 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 Peter Dykes (Chairman)

Dated this 23 day of May 2014

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 2013, the consolidated statement of profit or loss and other comprehensive Income, and 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 gives a true and fair view and 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 2013 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*.

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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**

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of RKS Consolidated Limited is not in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of RKS Consolidated Limited's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and
- (ii) complying with AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of Matter

Without 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 \$297,811 during the half-year ended 31 December 2013 and as of that date the company's current liabilities exceed its total assets by \$121,224. 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 40, 2 Park Street
SYDNEY NSW 2000



DREW TOWNSEND

Partner

Dated: 23 May 2014