

**Red Earth City Pty Limited**

ABN 72 141 969 226

Financial Statements

For the year ended 30 June 2012

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**RML Accountants**

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**Red Earth City Pty Limited**  
**ABN 72 141 969 226**  
**Detailed Profit and Loss Statement**  
**For the year ended 30 June 2012**

	<b>2012</b>	<b>2011</b>
	\$	\$
<b>Income</b>		
Sales	64,608	1,680
Interest received	1	2
Other income	767	
Total income	65,376	1,681
<b>Expenses</b>		
Accountancy	589	740
Bank Fees And Charges	471	35
Cleaning/rubbish removal	638	
Directors expenses reimbursed	3,393	
Donations	1,660	
Contr, s/contr and commisn	1,054	
Filing Fees		328
Fuel & oil	341	
Grants paid	11,754	
Hire/rent of Plant & Equipment	2,200	200
Insurance	1,828	
Man build expenses	14,805	161
Materials & supplies	10,626	236
Medical Supplies	1,000	
M/V car - Repairs	1,085	
Printing & stationery	1,135	
Security	1,496	
Sundry expenses	155	
Total expenses	54,229	1,700
<b>Profit from Ordinary Activities before income tax</b>	<b>11,147</b>	<b>(19)</b>

These financial statements are unaudited. They must be read in conjunction with the attached Accountant's Compilation Report and Notes which form part of these financial statements.

**Red Earth City Pty Limited**  
**ABN 72 141 969 226**  
**Profit and Loss Statement**  
**For the year ended 30 June 2012**

	2012	2011
	\$	\$
Operating profit before income tax	11,147	(19)
Income tax attributable to operating profit (loss)	3,339	
<b>Operating profit after income tax</b>	<b>7,808</b>	<b>(19)</b>
Retained profits at the beginning of the financial year	6,404	6,423
Total available for appropriation	14,213	6,404
<b>Retained profits at the end of the financial year</b>	<b>14,213</b>	<b>6,404</b>

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**Red Earth City Pty Limited**  
**ABN 72 141 969 226**  
**Detailed Balance Sheet As At 30 June 2012**

	Note	2012 \$	2011 \$
<b>Current Assets</b>			
<b>Cash Assets</b>			
Cash At Bank		30,358	8,736
		<u>30,358</u>	<u>8,736</u>
<b>Receivables</b>			
Sundry Debtors		658	
		<u>658</u>	
<b>Total Current Assets</b>		<b><u>31,016</u></b>	<b><u>8,736</u></b>
<b>Non-Current Assets</b>			
<b>Other</b>			
Preliminary expenses		246	340
		<u>246</u>	<u>340</u>
<b>Total Non-Current Assets</b>		<b><u>246</u></b>	<b><u>340</u></b>
<b>Total Assets</b>		<b><u>31,262</u></b>	<b><u>9,076</u></b>
<b>Current Liabilities</b>			
<b>Current Tax Liabilities</b>			
Taxation		1,329	1,295
ATO RBA Account			657
		<u>1,329</u>	<u>1,952</u>
<b>Other</b>			
Advance payments		15,000	
		<u>15,000</u>	
<b>Total Current Liabilities</b>		<b><u>16,329</u></b>	<b><u>1,952</u></b>

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**Red Earth City Pty Limited**  
**ABN 72 141 969 226**  
**Detailed Balance Sheet As At 30 June 2012**

	Note	2012 \$	2011 \$
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
<b>Secured:</b>			
Loans from other persons		600	600
		600	600
<b>Total Non-Current Liabilities</b>		<b>600</b>	<b>600</b>
<b>Total Liabilities</b>		<b>16,929</b>	<b>2,552</b>
<b>Net Assets</b>		<b>14,333</b>	<b>6,524</b>
<b>Equity</b>			
<b>Issued Capital</b>			
Issued & paid up capital		120	120
Retained profits / (accumulated losses)		14,213	6,404
<b>Total Equity</b>		<b>14,333</b>	<b>6,524</b>

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**Red Earth City Pty Limited**  
**ABN 72 141 969 226**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2012**

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## **Note 1: Summary of Significant Accounting Policies**

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users dependant on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the needs of the members.

The financial statements have been prepared in accordance with the significant accounting policies disclosed below, which the directors have determined are appropriate to meet the needs of the members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes. The accounting policies that have been adopted in the preparation of the statements are as follows:

**(a) Income Tax**

The income tax expense (revenue) for the year comprises current income tax expense (income). The company does not apply deferred tax.

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

**(b) Provisions**

Provisions are recognised when the company 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 reasonably measured.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at reporting date.

**(c) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

**(d) Revenue and Other Income**

Revenue is measured at the value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

**Red Earth City Pty Limited**  
**ABN 72 141 969 226**  
**Notes to the Financial Statements**  
**For the year ended 30 June 2012**

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Revenue recognised related to the provision of services is determined with reference to the stage of completion of the transaction at the reporting date and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

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

**(e) 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 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 balance sheet are shown inclusive of GST.

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

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**Red Earth City Pty Limited**

**ABN 72 141 969 226**

**Directors' Declaration**

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The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies prescribed in Note 1 to the financial statements.

The directors of the company declare that:

1. the financial statements and notes, present fairly the company's financial position as at 30 June 2012 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements;
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.

This declaration is made in accordance with a resolution of the Board of Directors.

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Phil Smart  
Director

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Robin MacPherson  
Director

Dated:

**Red Earth City Pty Limited**  
**ABN 72 141 969 226**  
**Compilation Report to Red Earth City Pty Limited**

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We have compiled the accompanying special purpose financial statements of Red Earth City Pty Limited, which comprise the balance sheet as at 30 June 2012, the profit and loss statement for the year then ended, a summary of significant accounting policies and other explanatory notes. The specific purpose for which the special purpose financial statements have been prepared is set out in Note 1 to the financial statements.

*The Responsibility of the Directors of Red Earth City Pty Limited*

The directors of Red Earth City Pty Limited are solely responsible for the information contained in the special purpose financial statements and have determined that the significant accounting policies adopted as set out in Note 1 to the financial statements are appropriate to meet their needs and for the purpose that the financial statements were prepared.

*Our Responsibility*

On the basis of the information provided by the directors of Red Earth City Pty Limited, we have compiled the accompanying special purpose financial statements in accordance with the significant accounting policies adopted as set out in Note 1 to the financial statements and APES 315: Compilation of Financial Information.

Our procedures use accounting expertise to collect, classify and summarise the financial information, which the directors provided, in compiling the financial statements. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

The special purpose financial statements were compiled exclusively for the benefit of the directors of Red Earth City Pty Limited. We do not accept responsibility to any other person for the contents of the special purpose financial statements.

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RML Accountants  
Ground Floor, 134 King Street  
NEWCASTLE NSW

21 May, 2013