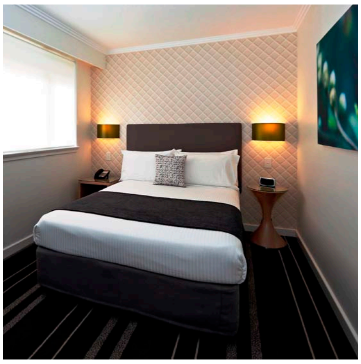
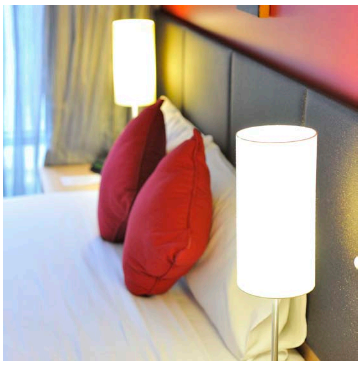
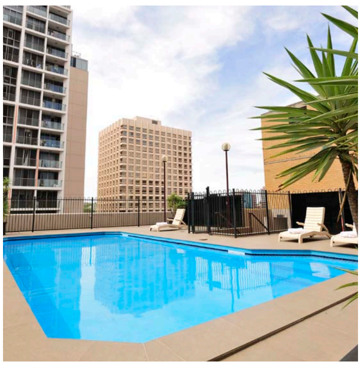
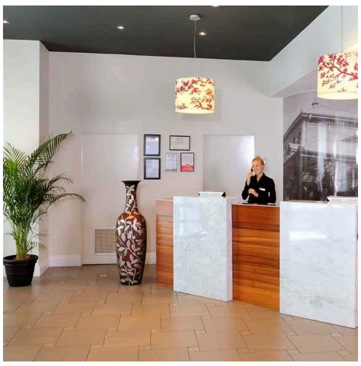
METRO
HOSPITALITY GROUP

ANNUAL REPORT 2014


TRANSMETRO CORPORATION LIMITED
ABN 45 001 809 043

INTRODUCTION

Millions of corporate and leisure guests have stayed at the chain's national portfolio of Metro Hotels, Apartments, and Inns. The group's Palace Hotel Sydney, Paddy Maguires Irish pub and The Elephant British pub, continue to host tens of thousands of Australians and visiting tourists each year at establishments around the country.

Metro Hospitality Group currently provides a national accommodation network of 14 properties, with over 1000 rooms in key locations and major cities across Australia.

Metro Hotels attracts guests from both the domestic and international markets for corporate and leisure stays and four Metro hotel's specialise in small to medium conference business. The Metro hotel group offers a unique range of hospitality from fully serviced hotels and spacious self-contained CBD located apartments.

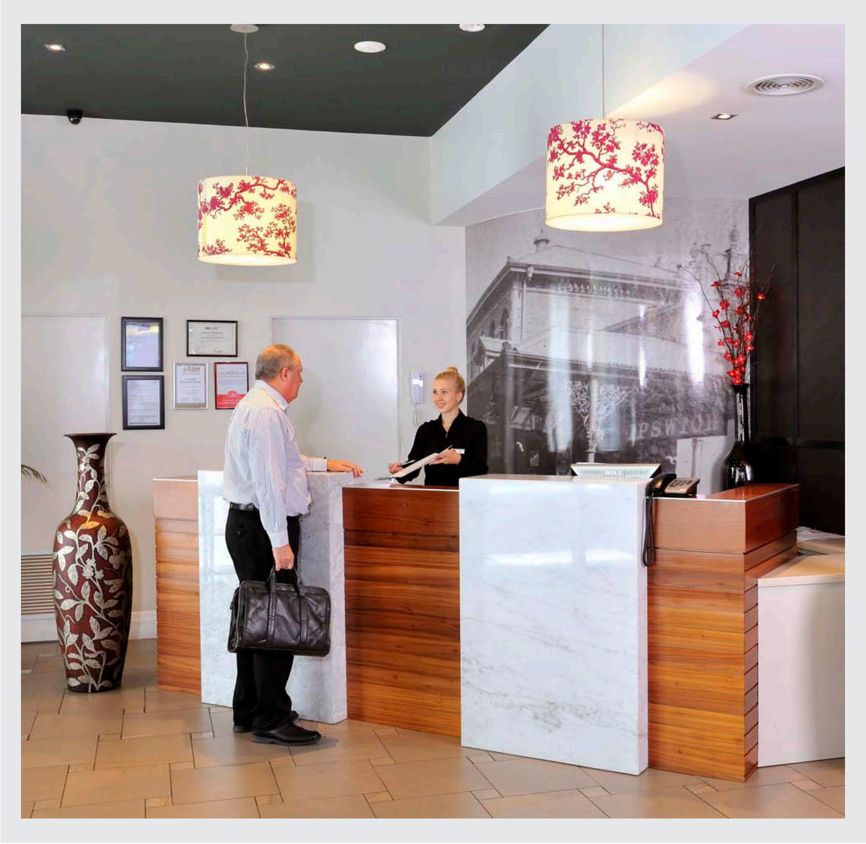
In addition to the accommodation hotels network, the Metro Hospitality Group has interests in three theme pubs in Sydney, Adelaide, and Perth.

The pubs division has broadened the expertise of the group and has enabled it to leverage its resources over a broader portfolio of interests. It has also brought cross-promotional benefits. Metro Hospitality Group's pub division notched up its seventeenth year, having been formed in 1997.

The flexibility and diversity of the Metro Hospitality Group, incorporating Metro Hotels and Pubs, gives Transmetro Corporation a high degree of confidence in its capacity to confront the present and future challenges of a dynamic marketplace.

The company is dedicated to building client relationships and offers a unique range of long-established and well recognized brands.

Transmetro Corporation Limited is an Australian owned public company listed on the Australian Stock Exchange. Metro Hospitality Group, the trading division of the corporation, oversees the Metro Hotels chain, which has operated for a period spanning four decades.



OUR OPERATIONS

METRO HOTELS AND APARTMENTS

Based in capital cities or larger regional centres, Metro Hotels are generally four star properties catering mainly for corporate guests, inbound travellers, and holidaymakers. The fully-serviced hotels include restaurants, meeting rooms, and business facilities. Some properties include conference and function rooms.

The Metro Apartments complexes are located in major cities and cater for corporate travellers, and leisure guests looking for longer term stays. Properties are ranked in the 3.5 to 4.5 star bracket, and are fully equipped with kitchen facilities, crockery, cutlery, glassware, and utensils.

PUBS

A unique range of Pubs in capital cities providing beverages, food, entertainment, and in one of our Sydney locations, gaming. The division also operates the Elephant, a British pub, in Adelaide, and has an interest in the Elephant & Wheelbarrow at Northbridge, in Perth. The Palace Hotel since 1877 in Sydney has been renovated and a gaming room has been updated.

Argyle®

In November 2007, Metro entered into a strategic alliance with Argyle Hotel Group (AHG) in order to represent and promote each other's hotel chains in their respective markets. AHG is now the largest Australian exporter of hotel and resort management and asset management services right across China. AHG manages 9,307 hotel rooms across 40 hotels and resorts, with an asset value of c.A$2.8bn and has responsibility for c.3,400 employees.

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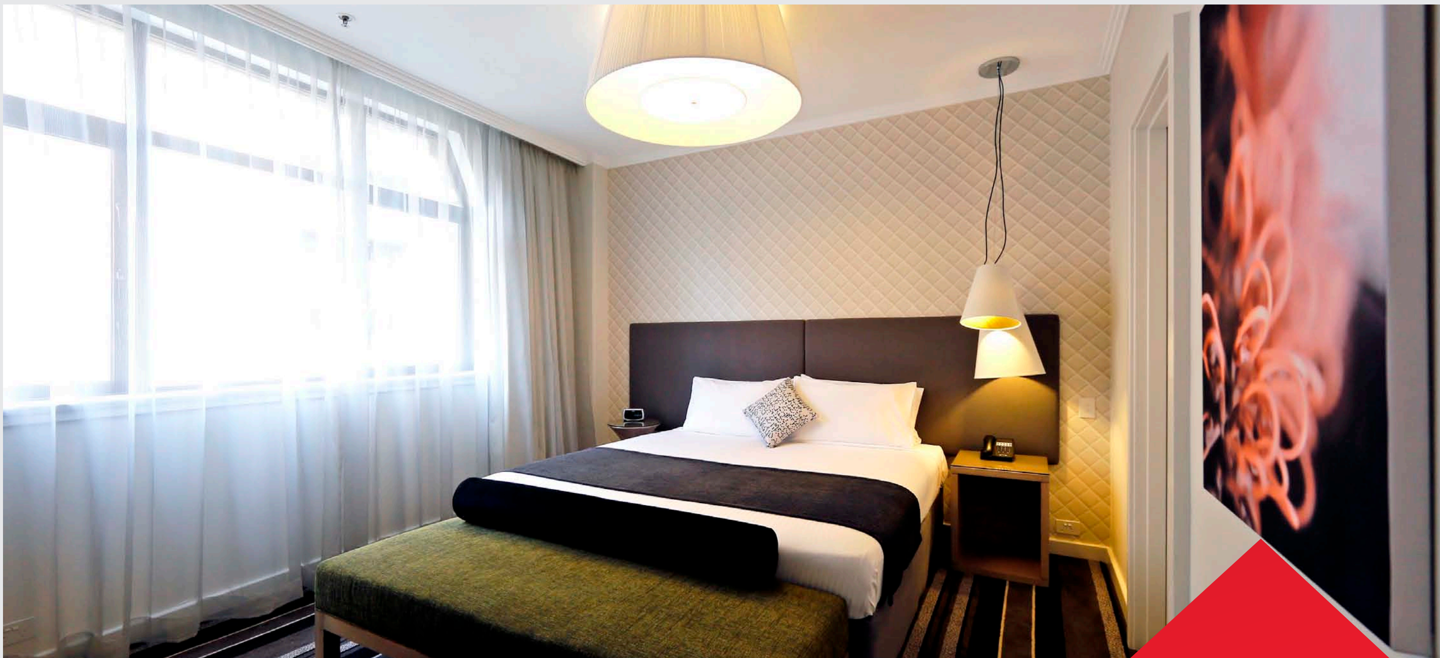


DIRECTORS' REVIEW 2014

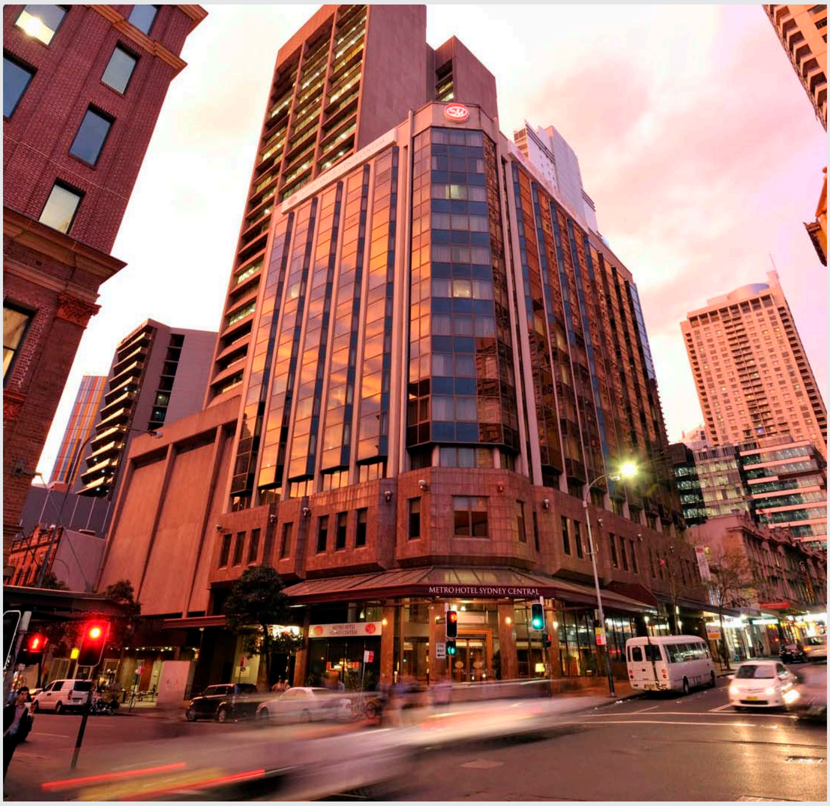
2013/14 has been a year of rationalization and consolidation for the Metro Hotels group. Revenue and profits fell in line with a dip in the performance of our hotels in the mining sector. Perth in particular, our property in Gladstone, and the Dugong Beach Resort all lost business as the surge in investment in mining projects waned, and commodity prices fell sharply reflecting reduced demand as the global economy struggled, resulting in the curtailment or downsizing of existing mining operations.

Brisbane and Melbourne were lackluster as increasing supply dimmed returns. Our property at Ipswich had another challenging year, which with the subdued trading in Perth resulted in revaluations and subsequent write-downs in our balance sheet.

Sydney, where the company operates more than 500 hotel rooms, was a silver lining in the year as it continued to perform strongly. New South Wales continues to attract more than 40% of all international visitors to Australia, and the vast majority of them are drawn to Sydney. Leisure tourism is the mainstay of the hotel business, and with the corporate sector stiffed by the downturn in mining, it has become even more important. Travel within Australia is a major component while international tourists are becoming increasingly important.

Record numbers of Chinese tourists are visiting the country. In the past decade the number of visitors from China has tripled from 234,000 in 2003/4 to 769,000 in 2013/14. We are particularly pleased to have forged an alliance some years ago with our long term partner Argyle Hotels which operates a prominent chain of the Argyle and Ausotel Hotels in China with which to leverage our involvement in the Chinese market. We have also stepped up our sales and marketing focus on New Zealand, which remains the number one source of international visitors to Australia (ahead of China, UK, U.S., Singapore, Japan, Malaysia, Hong Kong, Singapore and India - in that order).

Sydney, where the company operates more than 500 hotel rooms, was a silver lining in the year as it continued to perform strongly. New South Wales continues to attract more than 40% of all international visitors to Australia, and the vast majority of them are drawn to Sydney.



DIRECTORS' REVIEW 2014

The outlook for 2014/15 is somewhat brighter, but remains challenging. New hotels are being built in almost every market where we operate. There has been little development for many years which has pushed occupancy and room rates to levels where new development is justified. However as with most surges in development in previous years, the development tends to start just as the market is cresting.

New development puts pressure on existing, older hotels to upgrade in order to compete with the new inventory coming online. At Metro, significant refurbishment programmes have been underway at most of our properties, and is ongoing. In Perth, construction is continuing on a new wing which will add new functions facilities and 53 new rooms. Piling and preliminary works were completed last year following which the existing car park underwent major repairs and a new switchboard was installed at the property to facilitate the new development. In October 2014 a construction contract for completion of the 53 rooms and functions rooms was awarded to Cooper & Oxley after a tender involving seven construction firms. Despite the softening in the Perth market and the large number of rooms planned and under construction including our own, the larger number of rooms will create economic efficiencies which should boost the bottom line performance of the Metro Hotel Perth operation.

Our pub business had mixed results during the year as the industry struggled with a variety of challenges. Our Sydney operation, The Palace Hotel since 1877, however showed signs of strength, and is continuing that into the current year, which is an encouraging sign.

As with past years, the directors are grateful for the continuing efforts of our management and staff in maximizing the performance of our properties and their efforts in dealing with the challenges we and they face, and we are grateful for the continuing support of the owners of the hotels we manage, our suppliers, our shareholders, and of course the most important of all – our hundreds of thousands of guests who each year reward all our efforts with their patronage.

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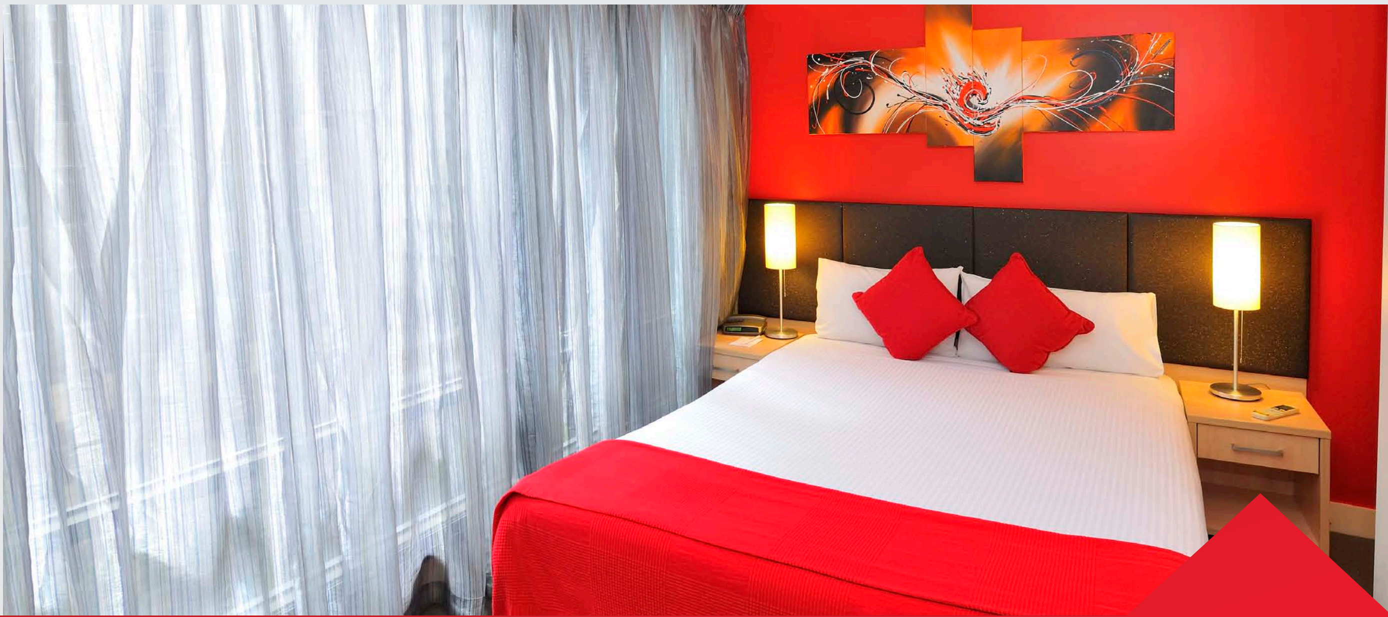


DIRECTORS' REPORT

Your directors have pleasure in submitting their report for the year ended 30 June 2014.

DIRECTORS

The names of the directors of the company in office at the date of this report are:

- D Lloyd
- JAC McEvoy
- A Notley
- S Notley (alternate for A Notley)

As at the date of this report the company does not have an audit committee as the Board, consisting of three directors, feels that all matters of audit significance can be adequately dealt with by the Board.

MEETINGS OF DIRECTORS

The following table sets out the numbers of meetings of the company's directors held during the year ended 30 June 2014 and the numbers of meetings attended by each director.

	Number eligible to attend	Number attended
D Lloyd	11	9
JAC McEvoy	11	11
A Notley	11	10
S Notley	1	1

PRINCIPAL ACTIVITIES

The principal activities of the consolidated group are the operation of Hotels, Serviced Apartments, and Theme Pubs.

RESULTS FOR THE YEAR

Profit before interest, depreciation and tax from continuing operations was $4.60 million.
After interest, depreciation and tax the net profit of the group was $445,000.

DIVIDENDS

A fully franked final dividend for the 2012/13 year of 5 cents per share was paid on 28 June 2013.
A fully franked final dividend for the 2013/14 year of 5 cents per share was paid on 23 July 2014.

EARNINGS PER SHARE

Earnings per share from continuing operations were 3.32 cents per share (after interest, depreciation and tax) compared to 16.56 cents for the previous financial year.

DIRECTORS' REPORT

FINANCIAL POSITION

The net assets of the consolidated group have decreased by $3.1m during the year ended 30 June 2014 due to:
Group net profit after tax of $0.4m, dividends paid of $0.7m and decrease in Asset revaluation reserve of $2.8m

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Other than as noted above, there were no significant changes in the state of affairs of the consolidated group during the financial year.

EVENTS SUBSEQUENT TO BALANCE DATE

No matters or circumstances have arisen since the end of the financial year other than those disclosed in note 32 to the financial report.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

Likely developments, future prospects and business strategies of the operations of the consolidated group and the expected results of those operations have not been included in this report as the directors believe, on reasonable grounds, that the inclusion of such information would be likely to result in unreasonable prejudice to the consolidated group.

ENVIRONMENTAL ISSUES

The consolidated group's operations are not subject to any significant environmental regulation under Commonwealth or State law.

INFORMATION ON DIRECTORS

JOHN McEVOY, Chairman and Managing Director
John has spent more than 35 years in the hospitality industry in Australia. He founded the Metro group in 1976 while in his twenties. He has served as chairman and managing director of Transmetro Corporation since it was incorporated in 1979. Additionally John has extensive experience in marketing and the media, having held a number of executive roles with Consolidated Press's then-radio network, and Channel 9 Sydney.

ALAN NOTLEY, FCPA ACA (NZ) FAIM, Non-Executive Director
Alan is a former Executive Director of Ansett Transport Industries Limited serving on the Ansett board from 1981 to 1992. Alan also served as Executive Chairman of Traveland International Pty Ltd, which operated 250 travel agencies, Chairman of Ansett Pioneer Bus Lines and Executive Chairman of Diners Club Australia. Alan is presently Chairman of ASP Ship Management Pty Ltd, a major ship management organization.

DAVID LLOYD, Non-Executive Director
David has widespread commercial experience with several chartered accounting firms in Adelaide, Brisbane and Sydney as a division manager and continues to act as a consultant specialising in corporate investigations, planning and reconstruction.

SUSAN NOTLEY (B.A. University of Sydney), Non-Executive Director
(Alternate director to Alan Notley)
Susan has had over 20 years experience in the tourism industry at the wholesale distribution level. She currently operates her own consultancy in tourism industry marketing.

DIRECTORS' REPORT

COMPANY SECRETARIES

- David Lloyd
- Jakin Agus

David Lloyd is also a director, and his qualifications and experience are shown above.

JAKIN AGUS, CPA, Company Secretary
Jakin Agus has a Bachelor of Commerce degree and has been in the hospitality industry for more than twenty years. He joined Transmetro Corporation Ltd in 2000 as Management Accountant based at the company's head office. A year later he was appointed Financial Controller of the company's Pubs division. In 2005 he was appointed Group Accountant of Metro Hospitality Group. In 2012 he was appointed Group Financial Controller of Metro Hospitality Group.

INDEMNIFYING OFFICERS OR AUDITOR

An insurance policy is in place to cover directors and officers, however the terms of the policy prohibit disclosure of the details of the insurance cover and the premiums paid.

The company has not otherwise, during or since the financial year, agreed to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as such an officer or auditor.

DIRECTORS' INTERESTS AND BENEFITS

Shares held by directors and director-elated entities at the date of the directors' report are:

	Number of shares held directly	Number of shares held indirectly
D Lloyd	-	-
JAC McEvoy	5,942,114	5,695,549
A Notley	9,000	-
S Notley	-	-

Since the end of the previous financial year, no director of the company has received or become entitled to receive any benefit by reason of a contract made by the company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial interest.

REMUNERATION REPORT

This report details the nature and amount of remuneration for each director and key management personnel (KMP) of Transmetro Corporation Limited.

Remuneration Policy

The remuneration policy of Transmetro Corporation Limited has been designed to align director and KMP objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Consolidated Entity's financial results. The board of Transmetro Corporation Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best KMP and directors to run and manage the Consolidated Entity, as well as create goal congruence between directors, KMPs and shareholders.

The following table shows the gross revenue and results for the last two years for the listed entity, as well as the share price at the end of the respective financial years.

	2014 $	2013 $
Revenue from continuing operations	$32,060,798	$34,144,422
Net profit	$445,515	$2,005,064
Share price at year end	$1.10	$0.86

DIRECTORS' REPORT

The board's policy for determining the nature and amount of remuneration for board members and KMP of the Consolidated Entity is as follows:

The remuneration policy, setting the terms and conditions for the KMP directors and other senior KMPs, was developed by the remuneration committee, which currently is the entire board. All KMPs receive a total remuneration package, which may include a base salary (commensurate with their expertise and experience), superannuation, fringe benefits and performance incentives. The remuneration committee reviews KMP packages annually by reference to the Consolidated Entity's performance, KMP performance and comparable information from industry sectors and other listed companies in similar industries.

The performance of KMPs is measured with each KMP and is based predominantly on the forecast growth of the company financial performance and shareholders' value. All bonuses and incentives must be linked to predetermined performance criteria. Any changes must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of KMPs and reward them for performance that results in long-term growth in shareholder wealth.

The company does not have a KMP share option scheme. Directors and KMP do not receive share options.

KMP receive a superannuation guarantee contribution required by the government, which is currently 9.25%. Some individuals, however, have chosen to sacrifice part of their salary to increase payments towards superannuation. KMP are paid employee benefit entitlements accrued to the date of retirement

All remuneration paid to directors and KMP is valued at the cost to the company and expensed.

The board policy is to remunerate non-KMP directors and employees at market rates for comparable companies for time, commitment and responsibilities. The remuneration committee determines payments to the non-KMP directors and employees and reviews their remuneration annually, based on market practice, duties and accountability. Fees for non-KMP directors and employees are not linked to the performance of the Consolidated Entity.

Performance Based Remuneration

As part of KMPs' remuneration packages there is a performance-based component, consisting of key performance indicators (KPIs). The intention of this program is to facilitate goal congruence between KMPs with that of the business and shareholders. The KPIs are set annually, with a certain level of consultation with KMPs. The measures are specifically tailored to the areas each KMP is involved in and has a level of control over. The KPIs target areas the board believes will improve the performance of the company, covering financial and non-financial as well as short- and long-term goals. The level set for each KPI is based on budgeted figures for the group.

DIRECTORS' REPORT

Performance in relation to the KPIs is assessed annually, with bonuses being awarded depending on the KPIs achieved. Following the assessment, the KPIs are reviewed by the Remuneration Committee in light of the desired and actual outcomes, and their efficiency is assessed in relation to the group's goals and shareholder wealth, before the KPIs are set for the following year.

In determining whether or not a KPI has been achieved, Transmetro Corporation Limited bases the assessment on audited figures where appropriate.

Company Performance, Shareholder Wealth and Directors' and KMPs' Remuneration

The remuneration policy has been tailored to increase goal congruence between shareholders and directors and KMPs. The company believes this policy should be effective in increasing shareholder wealth over the medium term.
The board will review its remuneration policy annually to ensure it is effective.

Performance Income as a proportion of Total Remuneration

KMP are paid performance based bonuses based on KPIs achieved. The remuneration committee has set these bonuses to encourage achievement of specific goals that have been given a high level of importance in relation to the future growth and financial performance of the Consolidated Entity. The remuneration committee will review the performance bonuses to gauge their effectiveness against achievement of the set goals, and adjust future years' incentives as they see fit, to ensure use of the most cost effective and efficient methods.

All KMPs' remuneration for the year ended 30 June 2014 had a fixed component and a variable component of their overall remuneration, with the variable part of their remuneration paid subject to a performance condition.

Employment Contracts of Directors and KMPs

The employment conditions of the chief KMP are formalised in contracts of employment. All KMPs are permanent employees of Transmetro Corporation Limited. No contract is for a fixed term. Each contract states it can be terminated by the company by giving up to three to six months notice and by paying a redundancy of between three to six months.

Key Management Personnel compensation

Names and positions held of economic and parent entity key management personnel in office at any time during the financial year are:

Key Management Person	Position
JAC McEvoy	Chairman & Managing Director - Executive
A Notley	Non-Executive Director
D Lloyd	Non-Executive Director
G Bedwani	Chief Operating Officer
J Agus	Company Secretary and Group Financial Controller
C Irvin	General Manager - Property
S Nemetz	General Manager - Property
D Robinson	General Manager - Property
E Muir	General Manager - Property
L King	Director of Sales & Marketing
M Tien (resigned October 2013)	International Sales Manager

DIRECTORS' REPORT

Directors' Remuneration

The following table discloses the remuneration of Directors of the company for the year ended 30 June 2014, as specified for disclosure by AASB 124. The information contained in this table is audited.

Directors	Salary, Fees & Commissions $	Superannuation Contribution $	Bonus $	Non-cash Benefits $	Total $
JAC McEvoy					
-2013	-	-	-	-	-
-2014	-	-	-	-	-
A Notley					
-2013	17,017	-	-	-	17,017
-2014	17,868	-	-	-	17,868
D Lloyd					
-2013	17,017	-	-	-	17,017
-2014	17,868	-	-	-	17,868
Total 2013	**34,034**	**-**	**-**	**-**	**34,034**
Total 2014	**35,736**	**-**	**-**	**-**	**35,736**

KMP Shareholdings

Number of shares held by Key Management Personnel

	Balance 1.7.13 $	Net Change $	Balance 30.6.14 $
JAC McEvoy	11,637,663	-	11,637,663
A Notley	9,000	-	9,000
D Lloyd	-	-	-
G Bedwani	-	-	-
J Agus	-	-	-
L King	-	-	-
D Robinson	500	-	500
E Muir	-	-	-
C Irvin	-	-	-
S Nemetz	1,000	-	1,000
M Tien	-	-	-
	11,648,163	**-**	**11,648,163**

DIRECTORS' REPORT

KMPs' remuneration

The following table discloses the remuneration of the KMP of the company and the consolidated entity for the year ended 30 June 2014, as specified for disclosure by AASB 124. The information in this table is audited.

KMP	Salary & Fees	Short-term Benefits		Post- Employment Benefits		Total	Percentage of Remuneration Performance Related
		Bonuses	Other	Superannuation	Termination Benefits		
	$	$	$	$	$	$	
G Bedwani							
-2013	245,308	-	9,415	24,999	-	279,722	-
-2014	247,988	-	9,750	22,938	-	280,676	-
J Agus							
-2013	130,444	-	-	11,740	-	142,184	-
-2014	135,564	-	-	12,539	-	148,103	-
D Robinson							
-2013	69,313	14,000	16,281	7,498	-	107,092	13%
-2014	71,040	-	14,047	6,571	-	91,658	-
C Irvin							
-2013	120,047	2,500	-	11,029	-	133,576	2%
-2014	118,400	-	-	10,952	-	129,352	-
S Nemetz							
-2013	77,212	-	15,780	6,184	-	99,176	-
-2014	68,644	-	15,639	6,349	-	90,632	-
E Muir							
-2013	24,865	-	-	2,237	-	27,102	-
-2014	108,000	3,500	-	10,313	-	121,813	3%
L King							
-2013	14,769	-	-	1,329	-	16,098	-
-2014	119,671	-	8,954	11,069	-	139,694	-
M Tien							
-2013	92,418	-	7,030	8,318	-	107,766	-
-2014	32,030	-	3,241	3,637	30,252	69,160	-
TOTAL 2013	**774,376**	**16,500**	**48,506**	**73,334**	**-**	**912,716**	**-**
TOTAL 2014	**901,337**	**3,500**	**51,631**	**84,368**	**30,252**	**1,071,088**	**-**

Bonuses are awarded as part of the Company's incentive scheme for the retention of key executives and are awarded as at year end. All bonuses have vested and the pre-requisites for the receipt of the award have been satisfied.
There were no other transactions with directors and KMP during the financial year ended 30 June 2014.

DIRECTORS' REPORT

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 as the nature of the services provided do not compromise the general principles relating to auditor independence set out in APES 110: Code of ethics for Professional Accountants set by Accounting Professional and Ethical Standards Board.

Fees of $6,700 were payable to the external auditors during the year ended 30 June 2014 for the preparation of income tax returns and fees of $7,500 were payable for ATO risk review.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2014 is attached to this report.

Signed at Sydney this 30th day of September 2014 in accordance with a resolution of the directors.

J McEvoy
Director

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The accompanying financial statements and notes are in accordance with the Corporations Act 2001 and:
   - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
   - (b) give a true and fair view of the financial position as at 30 June 2014 and of the performance for the year ended on that date of the company and consolidated group.
2. The Chief Operating Officer and the Group Financial Controller have each declared that:
   - (a) the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
   - (b) the financial statements and notes for the financial year comply with the Accounting Standards; and
   - (c) the financial statements and notes for the financial year give a true and fair view.
3. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

J McEvoy
Director

Signed at Sydney this 30th day of September 2014.

CORPORATE GOVERNANCE

This statement summarises the Board's governance practices that were in effect during the financial year, which complied with the ASX Corporate Governance Council Recommendations except where stated.

THE BOARD OF DIRECTORS

The skills, experience and expertise relevant to the position of each director who is in office at the date of the annual report are detailed in the directors' report.

The Board of directors is responsible for the leadership and direction of the company and more specifically establishing goals for management and monitoring the achievement of those goals; appointing and removing the Chief Operating Officer and Company Secretary; assessing management's proposals in regards to corporate strategy; approving major investment decisions; approving and monitoring financial and other reporting and risk management processes. This work is carried out primarily through regular board meetings and meetings with senior executives of the company.

The names of independent directors of the company are Alan Notley, David Lloyd and Susan Notley.

The consolidated group does not comply with ASX Principle 2.2 which recommends that the Chairman should be an independent director due to the Chairman being a substantial shareholder. The Board considers that the expertise and resources provided by the Chairman are directly relevant to the business. There are a majority of independent directors and procedures are in place for the disclosure and resolution of any matter which may give rise to an actual or potential conflict of interest.

Each director has the right, at the company's expense, to seek independent professional advice in relation to the execution of Board responsibilities. Written approval must be obtained from the Chairman prior to incurring any expense on behalf of the company.

As the company has a relatively small Board, the full Board is the Nomination Committee. The Constitution of the company requires one-third of the directors to retire from office at each Annual General Meeting. Directors cannot hold office for a period in excess of three years or later than the third Annual General Meeting without submitting themselves for re-election. Retiring directors are eligible for re-election by security holders.

ETHICAL STANDARDS

The company has adopted a Code of Conduct for employees. The Code of Conduct is aimed at ensuring that the highest ethical standards, corporate behaviour and accountability are maintained across the company.

SECURITIES TRADING

The company's policy regarding directors and employees trading in its securities, restricts directors and employees from acting on material information until it has been released to the market and adequate time has been given for this to be reflected in the security's prices.

AUDIT COMMITTEE

As the company has a relatively small Board, the full Board is the Audit Committee. The Board at each Board meeting focuses on issues relevant to verifying and safeguarding the integrity of the company's financial reporting and oversees the independence of the external auditors. The Group Financial Controller attends monthly meetings with the Board and makes presentations as considered appropriate and is available for questioning by directors.

CONTINUOUS DISCLOSURE

The company is committed to complying with the continuous disclosure obligations of the Corporations Act and the Australian Stock Exchange Listing Rules.

COMMUNICATION WITH SECURITY HOLDERS

Information is communicated to security holders through the distribution of the Annual Report which is distributed to all security holders (unless specifically requested otherwise). Information is not posted on the website however information is available and will be sent on request to any security holder.
The external auditor attends and is available to answer questions at the company's Annual General Meeting.

CORPORATE GOVERNANCE

RISK IDENTIFICATION AND MANAGEMENT

The Board uses various systems and controls to identify business risks, including:

A comprehensive insurance program including external risk management surveys; a well defined business structure with prescribed authority and expenditure limits; periodic budgeting and reporting systems to ensure monitoring of results against budgets and strategies and a formal due diligence procedure for the disposal and acquisition of material property assets including the use of external specialist professionals.

The company relies on its financial management team to perform internal audit functions, this being done with regular consultation with the external auditors but is independent of them.

PERFORMANCE EVALUATION

The Board undertakes an annual review of its performance together with an assessment of the company's executive management in line with recommendations of the guidelines.

The Board provides induction programs for new directors and complies with all the recommendations in relation to independent professional advice, access to the Company Secretary, the appointment and removal of the company Secretary, and the provision of information, including requests for additional information.

Induction and training programs for key executives are designed and implemented under the supervision of the Managing Director.

REMUNERATION

The remuneration policy of the company is to assess the appropriateness of the nature and amount of remuneration for directors and senior executives. This is achieved by reference to relevant employment market conditions with the overall objective of ensuring maximum benefit from the retention of high quality Board and staff members.

Details of the nature and amount of each element of the remuneration of each director of the company and each of the five executive officers of the company receiving the highest remuneration for the financial year are disclosed in the directors' report.

There are no schemes for retirement benefits for non-executive directors.

DIVERSITY

The company embraces diversity. The company recognises and values the diverse blend of skills, experiences and perspectives from individuals, irrespective of culture, gender or age. The company does not consider diversity just in a metric capacity and hence measurable objectives may be subjective depending upon the specific circumstance.
The company regularly reviews policies to ensure it is compliant with the ASX Diversity Recommendations.

Each year the Annual Report will contain organisation-wide gender statistics. The company's objective is to ensure that each year its diversity statistics are equal to or an improvement on those of the previous year. A copy of the Diversity Policy is available on the company's website.

As at 30 June 2014, the Board of Transmetro Corporation Limited comprises three males and one female alternate director. The company employs approximately 423 people across Australia, 47% of whom are female.

The company's commitment to creating a flexible working environment and to putting people with the appropriate skills in the correct jobs has resulted in a richly diverse workplace. For example, women comprise 21% of senior management roles.

STIRLING INTERNATIONAL
CHARTERED ACCOUNTANTS

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF TRANSMETRO CORPORATION LIMITED

REPORT ON THE FINANCIAL REPORT

We have audited the accompanying financial report of Transmetro Corporation Limited (the company) and the consolidated entity, which comprises the balance sheet as at 30 June 2014, and the profit or loss statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 2, 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.

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 about 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 judgement, 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 that gives a true and fair view 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 company'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 audit opinion.

INDEPENDENCE

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Transmetro Corporation Limited, would be in the same terms if provided to the directors as at the date of this auditor's report.

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF TRANSMETRO CORPORATION LIMITED

AUDITOR'S OPINION

In our opinion:

a. the financial report of Transmetro Corporation Limited is in accordance with the Corporations Act 2001, including:

i. giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2014 and of their performance for the year ended on that date; and

ii. complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.

REPORT ON THE REMUNERATION REPORT

We have audited the Remuneration Report included at pages 7 to 11 of the report of the directors for the year ended 30 June 2014. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with s 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with the Australian Auditing Standards.

AUDITOR'S OPINION

In our opinion the Remuneration Report of Transmetro Corporation Limited for the year ended 30 June 2014, complies with s 300A of the Corporations Act 2001.

Stirling International
Chartered Accountants

P. Turner

Peter Turner
Level 4, 283 Clarence St, Sydney 2000
30 September 2014
Liability limited by a scheme approved under Professional Standards Legislation

LEAD AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF TRANSMETRO CORPORATION LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2014 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Signed this 30th day of September 2014 at Sydney, New South Wales.

Stirling International
Chartered Accountants

P. Turner

Peter Turner
Partner

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 30 JUNE 2014

Consolidated Group	NOTE	30.06.2014 $	30.06.2013 $
CONTINUING OPERATIONS			
Sales Revenue	**5**	**31,747,071**	**33,630,438**
Interest income		81,820	157,908
Trust distribution		225,000	300,000
Other Revenue		6,907	56,076
Total Revenue		**32,060,798**	**34,144,422**
Cost of sales		(3,772,868)	(3,741,814)
Employee benefits expense		(9,432,753)	(9,280,947)
Other expenses		(14,253,143)	(15,009,614)
EBITDA		**4,602,034**	**6,112,047**
Revaluation decrement on freehold property		(817,122)	-
Depreciation and amortisation expense		(1,881,286)	(1,801,442)
Finance costs		(1,095,335)	(1,145,434)
Profit before income tax	**6**	**808,291**	**3,165,171**
Income tax expense	7	(362,776)	(949,116)
Profit from continuing operations		**445,515**	**2,216,055**
DISCONTINUED OPERATIONS			
Profit/(Loss) from discontinued operations attributable to:			
Members of the parent entity	**31**	**-**	**(210,991)**
Profit from operations attributable to:			
Members of the parent entity		**445,515**	**2,005,064**
EARNINGS PER SHARE			
Attributable to members of the parent entity:			
Basic and diluted earnings per share (cents)	**25**	**3.32**	**14.98**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2014

Consolidated Group	NOTE	30.06.2014 $	30.06.2013 $
Profit for the period		445,515	2,005,064
OTHER COMPREHENSIVE INCOME			
Revaluation decrement on freehold property	23	(4,106,665)	-
Income tax relating to component of other comprehensive income	23	1,232,000	-
Total comprehensive income for the period		**(2,429,150)**	**2,005,064**
Total comprehensive income attributable to:			
Members of the parent entity		**(2,429,150)**	**2,005,064**

The accompanying notes form part of this financial report.

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2014

Consolidated Group	NOTE	30.06.2014 $	30.06.2013 $
CURRENT ASSETS			
Cash and cash equivalents		3,371,098	3,384,344
Current tax receivable	20	304,436	173
Trade and other receivables	11	1,389,384	1,854,644
Inventories		264,206	250,464
TOTAL CURRENT ASSETS		**5,329,124**	**5,489,625**
NON-CURRENT ASSETS			
Property, plant and equipment	15	33,082,401	37,975,131
Deferred tax assets	20	3,898,704	3,718,171
Intangible assets	16	1,503,682	1,503,682
Other financial assets	13	155,506	155,506
Other non-current assets	17	250,000	250,000
TOTAL NON-CURRENT ASSSETS		**38,890,293**	**43,602,490**
TOTAL ASSETS		**44,219,417**	**49,092,115**
CURRENT LIABILITIES			
Trade and other payables	18	2,381,215	2,847,705
Borrowings	19	17,900,000	840,000
Current tax liabilities	20	-	-
Short-term provisions	21	1,613,555	862,960
TOTAL CURRENT LIABILITIES		**21,894,770**	**4,550,665**
NON-CURRENT LIABILITIES			
Borrowings	19	-	17,900,000
Deferred tax liabilities	20	3,216,227	4,434,741
TOTAL NON-CURRENT LIABILITIES		**3,216,227**	**22,334,741**
TOTAL LIABILITIES		**25,110,997**	**26,885,406**
NET ASSETS		**19,108,420**	**22,206,709**
EQUITY			
Issued capital	22	6,855,964	6,855,964
Reserves	23	8,503,425	11,378,089
Retained earnings		3,749,031	3,972,655
TOTAL EQUITY		**19,108,420**	**22,206,709**

The accompanying notes form part of this financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2014

	Issued Capital Ordinary $	Asset Revaluation Reserve $	Retained Earnings $	Total $
Balance at 1.7.2012	**6,855,964**	**11,378,089**	**2,636,729**	**20,870,782**
Profit for the period	-	-	2,005,065	2,005,065
Dividend paid to shareholders	-	-	(669,139)	(669,139)
Balance at 30.06.2013	**6,855,964**	**11,378,089**	**3,972,655**	**22,206,708**
Balance at 1.7.2013	**6,855,964**	**11,378,089**	**3,972,655**	**22,206,708**
Revaluation decrement- freehold property	-	(2,874,664)	-	(2,874,664)
Profit for the period	-	-	445,515	445,515
Dividend paid to shareholders	-	-	(669,139)	(669,139)
Balance at 30.06.2014	**6,855,964**	**8,503,425**	**3,749,031**	**19,108,420**

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2014

Consolidated Group	NOTE	30.06.2014 $	30.06.2013 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		32,110,953	34,075,299
Payments to suppliers and employees		(27,756,160)	(28,237,403)
Distributions and dividends received		231,907	356,076
Interest received		81,820	157,908
Interest paid		(1,095,335)	(1,145,434)
Income tax paid		**(834,087)**	**(1,792,448)**
Net cash provided by operating activities	**28**	**2,739,098**	**3,413,998**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of non-current assets		(1,912,344)	(2,414,432)
Net cash provided by/(used in) investing activities		**(1,912,344)**	**(2,414,432)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(840,000)	(840,000)
Dividends paid		-	(669,139)
Net cash (used in)/provided by financing activities		**(840,000)**	**(1,509,139)**
Net increase/(decrease) in cash held		(13,246)	(509,573)
Cash and cash equivalents at beginning of period		**3,384,344**	**3,893,917**
Cash and cash equivalents at end of period	**29**	**3,371,098**	**3,384,344**

The accompanying notes form part of this financial report.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

1. REPORTING ENTITY

Transmetro Corporation Limited is a company domiciled in Australia. The consolidated financial statements of the Company as at and for the year ended 30 June 2014 comprise the Company and its controlled entities (together referred to as the Consolidated Entity). The Consolidated Entity is primarily involved in the hospitality sector.

2. BASIS OF PREPARATION

a. Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board and the Corporations Act 2001. The financial report of the Consolidated Entity and the financial report of the Company comply with International Financial Reporting Standards and Interpretations adopted by the International Accounting Standards Board.

b. Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis.

c. Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency.

d. Use of judgments and estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is described in the following areas:

- Provisions and Employee benefits
- Fair value measurement

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements and have been applied consistently by all entities in the Consolidated Entity.

a. Basis of Consolidation

CONTROLLED ENTITIES

Controlled entities are entities controlled by the Company. Control exists when the Company has power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of controlled entities are included in the consolidated financial statements from the date that control commences until the date that control ceases. Investments in controlled entities are carried at their cost of acquisition in the Company's financial statements.

TRANSACTIONS ELIMINATED ON CONSOLIDATION

Intra-group balances and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

b. Income Recognition

Revenue from the rendering of a service is recognised upon the delivery of the service to the customer.
All revenue is stated net of the amount of goods and services tax (GST).

SALES REVENUE

Sales revenue comprises revenue earned (net of returns, discounts and allowances) from the provision of service.
Revenue from the sale of goods is recognised upon dispatch of goods to customers.

OTHER INCOME

Other income is recognised on a systematic basis over the periods necessary to match it with the related costs for which it is intended to compensate or, if the costs have already been incurred, in the period in which it becomes receivable. The income is deemed to be receivable when the entitlement is confirmed. Income from subsidiaries and associates are recognised by the parent when the distributions are declared.

c. Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the relevant taxation authority is included as a current asset or liability in the balance sheet. Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the relevant taxation authority are classified as operating cash flows.

d. Foreign Currency

FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are translated to the respective functional currencies of controlled entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary transactions denominated in foreign currencies that are stated at historical cost are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to the functional currency at the foreign exchange rates ruling at the date the fair value was determined. Foreign exchange differences arising on translation are recognised in the income statement.

e. Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with an original maturity of three months or less.

f. Provisions

A provision is recognised in the balance sheet when the Consolidated Entity has a present legal or constructive obligation as a result of a past event that can be measured reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

AMORTISATION

Amortisation is recognised in the income statement on a straight-line basis over the estimated useful lives of the intangible assets from the date they are available for use unless such lives are indefinite. Intangible assets with an indefinite useful life are systematically tested for impairment annually.

g. Impairment

The carrying amounts of the Consolidated Entity's assets, other than inventories (see accounting policy (m)) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated (see below). An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement unless the asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through the income statement. Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash generating unit or a group of units and then, to reduce the carrying amount of the other assets in the unit or a group of units on a pro-rata basis.

CALCULATION OF RECOVERABLE AMOUNT

RECEIVABLES

The recoverable amount of the Consolidated Entity's investments in receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e. the effective interest rate computed at initial recognition of these financial assets).

Receivables with a short duration are not discounted. Impairment of receivables is not recognised until objective evidence is available that a loss event has occurred. Significant receivables are individually assessed for impairment. Impairment testing of significant receivables that are not assessed as impaired individually is performed by placing them into portfolios of significant receivables with similar risk profiles and undertaking a collective assessment of impairment. Non-significant receivables are not individually assessed. Instead, impairment testing is performed by placing non-significant receivables in portfolios of similar risk profiles, based on objective evidence from historical experience adjusted for any effects of conditions existing at each balance date. The allowance for impairment is calculated with reference to the profile of debtors in the Consolidated Entity's sales and marketing regions.

OTHER ASSETS

The recoverable amount of other assets is the greater of their fair value less costs to sell, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generate cash flows from continuing use that are largely independent of the cash flows of other assets or groups of assets (cash generating units). The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to the cash generating units that are expected to benefit from the synergies of the combination. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

REVERSALS OF IMPAIRMENT

An impairment loss in respect of a receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised. An impairment loss in respect of goodwill is not reversed. In respect of other assets, an impairment loss is reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

h. Property, Plant and Equipment

OWNED ASSETS

Items of property, plant and equipment are stated at cost less accumulated depreciation (see below) and impairment losses (see accounting policy (g)).

Freehold land and buildings are shown at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation for buildings.

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation reserve in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the income statement.

LEASED ASSETS - OPERATING LEASES

Payments made under operating leases are expensed on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property.

Minimum lease payments include fixed rate increases.

DEPRECIATION

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Buildings	50 years
Leasehold improvements, office equipment, furniture, fittings, plant and equipment	3 to 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

i. Investments in Associates

Investments in associate companies are recognised in the consolidated financial statements by applying the equity method of accounting. The equity method of accounting recognised the group's share of post-acquisition reserves of its associates. The parent entity's investment in associates are classified as available-for-sale financial assets and brought to account using the cost method.

j. Interests in joint ventures

The economic entity's interests in joint venture entities are brought to account using the equity method of accounting in the consolidated financial statements. The parent entity's interests in joint ventures are brought to account using the cost method.

k. Goodwill

Goodwill and goodwill on consolidation are recorded initially at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net assets at date of acquisition. The balances are reviewed annually for impairment

l. Theme Pubs Acquisition Costs

Theme pubs acquisition costs are stated at cost. Carrying values are reviewed annually and an asset's carrying value is written down immediately to its recoverable amount if the asset's carrying amount is greater than the estimated recoverable amount.

m. Inventories

Inventories comprise food, beverages, linen and consumables, all of which are valued at cost.
Cost includes expenditure incurred in acquiring the inventories and bringing them to their existing condition and location.

n. Employee Benefits

Provision is made for the company's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries and annual leave which will be settled after one year have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements.
Contributions made by the economic entity to employee superannuation funds are charged as expenses when incurred.

o. Receivables

Trade and other receivables are stated at amortised cost less impairment losses (see accounting policy (g).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

p. Taxation

Income tax expense in the income statement for the periods presented comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is calculated using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences are not provided for the initial recognition of goodwill and other assets or liabilities in a transaction that affects neither accounting nor taxable profit, or differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based upon the laws that have been enacted at reporting date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised. Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity or on a different tax entity but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

q. Payables

Trade and other payables are stated at amortised cost.

r. Financial Instruments

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of 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 stated at amortised cost using the effective interest rate method.

AVAILABLE-FOR-SALE FINANCIAL ASSETS

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

FINANCIAL LIABILITIES

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal repayments.

s. Finance income and expense

Interest income is recognised as it accrues in the income statement using the effective interest method.

t. Earnings per share

The Consolidated Entity presents basic earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the net profit attributable to equity holders of the parent for the financial period, after excluding any costs of servicing equity (other than ordinary shares) by the weighted average number of ordinary shares of the Company.

u. Segment Reporting

The Consolidated Entity determines and presents operating segments based on the information that internally is provided to the Board of Directors, who are the Consolidated Entity's chief operating decision maker.

An operating segment is a component of the Consolidated Entity that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Consolidated Entity's other components if separately reported and monitored. An operating segment's operating results are reviewed regularly by the Board of Directors to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Board of Directors include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate head office results.

v. Share Capital

ORDINARY SHARES

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any income tax benefit.

w. New standards and interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2014. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

Certain new accounting standards, amendments to accounting standards and interpretations are effective for the financial years beginning after 1 July 2013, and have not been applied in preparing these consolidated financial statements. None of these are expected to have a significant effect on the consolidated financial statements of the Consolidated Entity except for AASB 9 Financial Instruments, which becomes mandatory for the Consolidated Entity's 2016 consolidated financial statements. The Consolidated Entity does not plan to adopt this standard early and the extent of the impact has not been determined.

<u>Annual Improvements to IFRSs 2010-2012 Cycle</u>

These amendments are applicable to annual reporting periods beginning on or after 1 July 2014 and affects several Accounting Standards as follows: Amends the definition of 'vesting conditions' and 'market condition' and adds definitions for 'performance condition' and 'service condition' in AASB 2 'Share-based Payment'; Amends AASB 3 'Business Combinations' to clarify that contingent consideration that is classified as an asset or liability shall be measured at fair value at each reporting date; Amends AASB 8 'Operating Segments' to require entities to disclose the judgements made by management in applying the aggregation criteria; Clarifies that AASB 8 only requires a reconciliation of the total reportable segments assets to the entity's assets, if the segment assets are reported regularly; Clarifies that the issuance of AASB 13 'Fair Value Measurement' and the amending of AASB 139 'Financial Instruments: Recognition and Measurement' and AASB 9 'Financial Instruments' did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amount, if the effect of discounting is immaterial; Clarifies that in AASB 116 'Property, Plant and Equipment' and AASB 138 'Intangible Assets', when an asset is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount (i.e. proportional restatement of accumulated amortisation); and Amends AASB 124 'Related Party Disclosures' to clarify that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a 'related party' of the reporting entity. The adoption of these amendments from 1 July 2014 will not have a material impact on the consolidated entity.

x. New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Any significant impact on the accounting policies of the consolidated entity from the adoption of these Accounting Standards and Interpretations are disclosed below.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.
The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 10 Consolidated Financial Statements

The consolidated entity has applied AASB 10 from 1 July 2013, which has a new definition of ‘control’. Control exists when the reporting entity is exposed, or has the rights, to variable returns from its involvement with another entity and has the ability to affect those returns through its ‘power’ over that other entity. A reporting entity has power when it has rights that give it the current ability to direct the activities that significantly affect the investee’s returns. The consolidated entity not only has to consider its holdings and rights but also the holdings and rights of other shareholders in order to determine whether it has the necessary power for consolidation purposes.

AASB 12 Disclosure of Interests in Other Entities

The consolidated entity has applied AASB 12 from 1 July 2013. The standard contains the entire disclosure requirement associated with other entities, being subsidiaries, associates, joint arrangements (joint operations and joint ventures) and unconsolidated structured entities. The disclosure requirements have been significantly enhanced when compared to the disclosures previously located in AASB 127 ‘Consolidated and Separate Financial Statements’, AASB 128 ‘Investments in Associates’, AASB 131 ‘Interests in Joint Ventures’ and Interpretation 112 ‘Consolidation - Special Purpose Entities’.

AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13

The consolidated entity has applied AASB 13 and its consequential amendments from 1 July 2013. The standard provides a single robust measurement framework, with clear measurement objectives, for measuring fair value using the ‘exit price’ and provides guidance on measuring fair value when a market becomes less active. The ‘highest and best use’ approach is used to measure non-financial assets whereas liabilities are based on transfer value. The standard requires increased disclosures where fair value is used.

AASB 119 Employee Benefits (September 2011) and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)

The consolidated entity has applied AASB 119 and its consequential amendments from 1 July 2013. The standard changed the definition of short-term employee benefits, from ‘due to’ to ‘expected to’ be settled within 12 months. Annual leave that is not expected to be wholly settled within 12 months is now discounted allowing for expected salary levels in the future period when the leave is expected to be taken.

AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirement

The consolidated entity has applied 2011-4 from 1 July 2013, which amends AASB 124 ‘Related Party Disclosures’ by removing the disclosure requirements for individual key management personnel (‘KMP’). Corporations and Related Legislation Amendment Regulations 2013 and Corporations and Australian Securities and Investments Commission Amendment Regulation 2013 (No.1) now specify the KMP disclosure requirements to be included within the directors’ report.

4. FINANCIAL RISK MANAGEMENT

OVERVIEW

The Company and Consolidated Entity have exposure to the following risks from the use of financial instruments:

• Credit risk • Liquidity risk • Market risk

This note presents information about the Company’s and the Consolidated Entity’s exposure to each of above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout these consolidated financial statements. The Board of directors has overall responsibility for the establishment and oversight of the risk management and monitors operational and financial risk management throughout the Consolidated Entity. Monitoring risk management includes ensuring appropriate policies and procedures are published and adhered to. The Management reports to the Board of directors.

The Board aims to manage the impact of short-term fluctuations on the Company’s and the Consolidated Entity’s earnings. Over the longer term, permanent changes in market rates will have an impact on earnings.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

The Company and the Consolidated Entity are exposed to risks from movements in exchange rates and interest rates that affect revenues, expenses, assets, liabilities and forecast transactions. Financial risk management aims to limit these market risks through ongoing operational and finance activities.

Exposure to credit, foreign exchange and interest rate risks arises in the normal course of the Company's and the Consolidated Entity's business. Derivative financial instruments are not used to hedge exposure to fluctuations in foreign exchange rates.

The Board of directors oversees the adequacy of the company's risk management framework in relation to the risks faced by the Company and the Consolidated Entity.

CREDIT RISK

Credit risk is the risk of financial loss to the Company or the Consolidated Entity if a customer, controlled entity or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's and the Consolidated Entity's receivables from customers.

TRADE AND OTHER RECEIVABLES

The Company's and Consolidated Entity's exposure to credit risk is influenced mainly by the characteristics of individual customers. The Consolidated Entity does not have a significant concentration of credit risk with a single customer.

Policies and procedures of credit management and administration of receivables are established and executed at a regional level. Individual regions deliver reports to management and the Board on debtor ageing and collection activities on a monthly basis.

In monitoring customer credit risk, the ageing profile of total receivables balances is reviewed by management by region on a monthly basis. Regional management are responsible for identifying high risk customers and placing restrictions on future trading, including suspending future services and administering service on a prepayment basis.

The Company and the Consolidated Entity have established an allowance for impairment that represents their estimate of incurred losses in respect of trade and other receivables.

LIQUIDITY RISK

Liquidity risk is the risk that the Consolidated Entity will not be able to meet its financial obligations as they fall due. The Consolidated Entity's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Consolidated Entity's reputation.

The Consolidated Entity monitors cash flow requirements and produces cash flow projections for the short and long term with a view to optimising return on investments. Typically, the Consolidated Entity ensures that it has sufficient cash on demand to meet expected operational net cash flows for a period of at least 30 days, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

MARKET RISK

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Company's and the Consolidated Entity's net profit or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

CURRENCY RISK

The Consolidated Entity is not exposed to currency risk on financial instruments that are denominated in a currency other than the respective functional currencies of the controlled entities, Australian dollars (AUD). Risk resulting from the translation of these financial instruments into the Consolidated Entity's reporting currency is not hedged.

INTEREST RATE RISK

The Consolidated Entity is exposed to interest rate risks in Australia.

CAPITAL MANAGEMENT

The Consolidated Entity's objectives when managing capital are to safeguard its ability to continue as a going concern, to provide returns to shareholders, to provide benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

The Board aims to maintain and develop a capital base appropriate to the Consolidated Entity. In order to maintain or adjust the capital structure, the Consolidated Entity can issue new shares. The Board of directors undertakes periodic reviews of the Consolidated Entity's capital management position to assess whether the capital management structure is appropriate to meet the Consolidated Entity's medium and long-term strategic requirements. Neither the Company nor any of its controlled entities are subject to externally imposed capital requirements. There were no significant changes in the Consolidated Entity's approach to capital management during the year.

5. REVENUE

CONSOLIDATED	Note	2014 $	2013 $
Sales revenue – continuing operations		31,747,071	33,630,438
Interest received	5a	81,820	157,908
Distributions	5b	225,000	300,000
Other revenue		6,907	56,076
Total Revenue – continuing operations		**32,060,798**	**34,144,422**
a. Interest revenue from: - other corporations		81,820	157,908
Total interest revenue		**81,820**	**157,908**
b. Distributions revenue from: - other trust		225,000	300,000
Total distributions revenue		**225,000**	**300,000**

6. PROFIT FOR THE YEAR

CONSOLIDATED	2014	2013
Profit before income tax is after: Expenses		
Finance costs - external	1,095,335	1,145,434
Foreign exchange loss	-	4,416
Rental expense on operating leases	4,066,448	4,510,756

7. INCOME TAX

CONSOLIDATED	2014	2013
The components of tax expense comprise:		
Current tax	529,823	863,660
Deferred tax	(167,047)	7,998
Adjustment for prior years	-	-
Income tax expense/(benefit)	**362,776**	**871,658**
Income tax expense/(benefit) - continuing operations	362,776	949,116
Income tax expense/(benefit) - discontinued operations	-	(77,458)
Total	**362,776**	**871,658**
The prima facie tax on profit before income tax is reconciled to the income tax expense as follows:		
Prima facie tax expense/(benefit) on profit at 30%:	242,487	863,017
Add (deduct) tax effect of: Other items	120,829	8,641
Income tax expense/(benefit)	**362,776**	**871,658**

8. KEY MANAGEMENT PERSONNEL COMPENSATION

Key management personnel compensation and the Consolidated Entity's remuneration policy is disclosed in the Remuneration Report section of the Directors Report.

9. OPERATING SEGMENTS

The Consolidated group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group is managed primarily on the basis of service offerings and operating segments are therefore determined on the same basis.
Transmetro Corporation Limited's operation during the year related to operation of Hotels, Serviced Apartments, Inns and Theme Pubs.

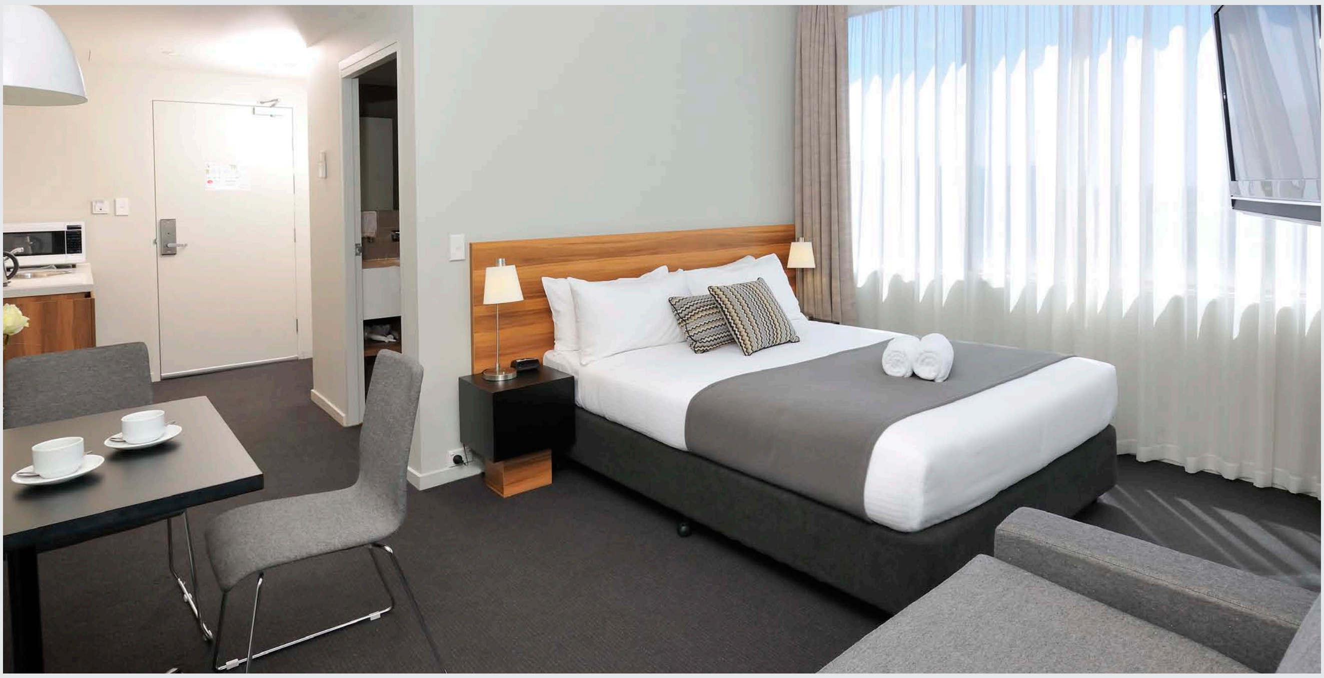
Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics.

Basis of accounting for purposes of reporting by operating segments

ACCOUNTING POLICIES ADOPTED
Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision maker with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

UNALLOCATED ITEMS
The following items of income and expense are not allocated to operating segments as they are not considered part of the core operations of any segment:

- Distribution from trust;
- Depreciation and amortisation;
- Finance costs; and
- Income tax expense.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

SEGMENT PERFORMANCE (CONTINUING OPERATIONS)

YEAR ENDED 30.06.2014			
	Hotels, Inns & Apartments $	**Theme Pubs $**	**Total $**
Revenue			
External sales	22,442,301	9,304,770	31,747,071
Inter-segment sales	300,701	-	300,701
Interest and other revenue	88,693	34	88,727
Total segment revenue	**22,831,695**	**9,304,804**	**32,136,499**
Reconciliation of segment revenue to group revenue			
Inter-segment elimination	(300,701)	-	(300,701)
Unallocated Items: Trust Distribution		225,000	225,000
Total group revenue	**22,530,994**	**9,529,804**	**32,060,798**
Segment net profit before tax	**4,197,286**	**404,748**	**4,602,034**
Reconciliation of segment result to group net profit/(loss) before tax			
Amounts not included in segment result but reviewed by the Board:			
• Revaluation Decrement			(817,122)
Unallocated items: • Depreciation and amortisation			(1,881,286)
• Finance costs			(1,095,335)
• Income tax expense			(362,776)
Net profit after tax from continuing operations			**445,515**
YEAR ENDED 30.06.2013			
	Hotels, Inns & Apartments	**Theme Pubs**	**Total**
Revenue			
External sales	25,228,852	8,401,586	33,630,438
Inter-segment sales	341,597	-	341,597
Interest and other revenue	213,950	34	213,984
Total segment revenue	**25,784,399**	**8,401,620**	**34,186,019**
Reconciliation of segment revenue to group revenue			
Inter-segment elimination	(341,597)	-	(341,597)
Unallocated Items: Trust Distribution		300,000	300,000
Total group revenue	**25,442,802**	**8,701,620**	**34,144,422**
Segment net profit before tax	**6,170,564**	**(58,517)**	**6,112,047**
Reconciliation of segment result to group net profit/(loss) before tax			
Amounts not included in segment result but reviewed by the Board:			
Unallocated items: • Depreciation and amortisation			(1,801,442)
• Finance costs			(1,145,434)
• Income tax expense			(949,116)
Net profit after tax from continuing operations			**2,216,055**

10. AUDITORS' REMUNERATION

CONSOLIDATED	2014 $	2013 $
Remuneration of auditors of the entity for:		
• auditing or reviewing the accounts and consolidated accounts	85,000	83,500
• taxation and secretarial services	14,200	6,700
	99,200	90,200

11. TRADE AND OTHER RECEIVABLES

	Note	2014 $	2013 $
CURRENT			
Trade receivables		892,681	1,217,266
Provision for impairment of receivables	11a	(27,323)	(27,418)
		865,358	**1,189,849**
Other receivables		218,762	335,415
Prepayments		305,264	329,380
		1,389,384	**1,854,644**

a. Provision For Impairment of Receivables

Current trade receivables are non-interest bearing and generally on 30 day terms. A provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired. These amounts have been included in the other expenses item.

Movement in the provision for impairment of receivables is as follows:

	Opening Balance 1 July 2012	Charge for the Year	Amounts Written Off	Closing Balance 30 June 2013
Consolidated	$	$	$	$
Current trade receivables	(27,418)	-	-	(27,418)
	(27,418)	**-**	**-**	**(27,418)**
	Opening Balance 1 July 2013	**Charge for the Year**	**Amounts Written Off**	**Closing Balance 30 June 2014**
Consolidated	$	$	$	$
Current trade receivables	(27,418)	-	95	(27,323)
	(27,418)	**-**	**95**	**(27,323)**

There are no balances within trade and other receivables that contain assets that are not impaired and are past due. It is expected these balances will be received when due. Impaired assets are provided for in full.

12. FAIR VALUE MEASUREMENT

The Consolidated Entity measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:

- available-for-sale financial assets; and
- freehold properties.

Fair Value Hierarchy

AASB 13 Fair Value Measurements requires the disclosure of fair value measurements by level of the fair value hierarchy that reflects the significance of the inputs used in determining their fair value.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

The fair value hierarchy is made up of the following three levels:
Level 1 – quoted prices (unadjusted) in active markets for identical assets and liabilities that the entity can access at measurement date;
Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
Level 3 - unobservable inputs for the asset or liability (not based on observable market data).

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques
The Consolidated Entity 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 Consolidated Entity 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 Consolidated Entity 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.

The following tables provide the fair values of the Consolidated Entity's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation within the fair value hierarchy:

Fair Value Measurement

30 June 2014 Consolidated	Note	Level	$
Shares in listed corporations	13	Level 1	506
Freehold Properties	15	Level 3	21,835,287

Valuation techniques used to derive level 3 fair values

Asset Category	Fair Value $	Valuation Technique	Significant Unobservable Inputs	Range	Relationship of Unobservable Inputs to Fair Value
Freehold Properties	21,835,287	Income Approach using discounted cashflow methodology and capitalisation approach.	Adopted capitalisation rate Adopted terminal yield Adopted discount rate	9.0% - 9.5% 9.25% - 9.50% 12.00% - 12.50%	A significant increase or decrease in the adjustment would result in a significantly lower (higher) fair value.

Note: These category input levels are considered consistent with prior year.

Term	Definition
Discounted Cash Flow (DCF) method present value.	A method in which a discount rate is applied to future expected income streams to estimate the present value.
Income capitalisation method	A valuation approach that provides an indication of value by converting future cash flows to a method single current capital value.
Capitalisation rate	The return represented by the income produced by an investment, expressed as a percentage.
Terminal yield	A percentage return applied to the expected net income following a hypothetical sale at the end of the cash flow period.
Discount rate	A rate of return used to convert a future monetary sum or cash flow into present value.

Valuation process

The Board reviews the freehold property valuation process on a semi-annual basis. All valuations are performed by independent professionally qualified external valuers. If the external valuation is more than three years old then the property is externally valued. For those with an external valuation less than three year old an assessment is made as to which properties are likely to have had material movements in the book value reported at the last reporting period to determine whether they should be revalued externally. At each reporting date the management will perform initial desktop assessment of current value through a capitalisation of income and discounted cashflow approach. If the result is materially different external independent valuation is conducted.

Sensitivity of Inputs

Asset Category	Valuation technique	Significant unobservable inputs	Sensitivity of fair value measurement to changes in significant unobservable inputs
Freehold Properties	Income Approach using discounted cashflow methodology and capitalisation approach.	Adopted capitalisation rate Adopted terminal yield Adopted discount rate	A significant increase or decrease in the adjustment would result in a significantly lower/higher fair value.

Reconciliation from opening balances to closing balances for recurring Level 3 fair value measurements

CONSOLIDATED	2014 $
Freehold Properties	
Opening Balance	26,908,154
Transfer into Level 3	-
Transfer out of Level 3	-
Additions by purchase	-
Net revaluation adjustment June 2014	(4,923,787)
Depreciation	(149,080)
Closing Balance	**21,835,287**

13. OTHER FINANCIAL ASSETS

CONSOLIDATED	Note	2014 $	2013 $
Available-for-sale financial assets	13a	155,506	155,506
Less non-current portion		(155,506)	(155,506)
Current portion		-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

a. Available-for-sale Financial Assets Comprise

CONSOLIDATED	2014 $	2013 $
Listed investments, at fair value - shares in listed corporations	506	506
Unlisted investments, at cost - units in unit trusts	155,000	155,000
Total available-for-sale financial assets	155,506	155,506

Available-for-sale financial assets comprise investments in the ordinary issued capital of various entities. There are no fixed returns or fixed maturity date attached to these investments.

The fair value of unlisted available-for-sale financial assets cannot be reliably measured as variability in the range of reasonable fair value estimates is significant. As a result, all unlisted investments are reflected at cost. Unlisted available-for-sale financial assets exist within active markets and could be disposed of if required.

The consolidated group owns 25% of the units of The Brockwell Tavern Trust that trades as a theme pub called The Elephant and Wheelbarrow at Northbridge, Western Australia. The carrying amount of this investment is $155,000.

14. CONTROLLED ENTITIES

	Country of Incorporation	Owned %	Owned %
Controlled Entities of Transmetro Corporation Limited:		**2014**	**2013**
Metro Inns Trust	Australia	100	100
M.H.G. Albany Pty Limited	Australia	100	100
Metro Hotel Sydney Pty Limited	Australia	100	100
Bank Place Apartments Pty Limited	Australia	100	100
RHS Hospitality Pty Limited	Australia	100	100
MHG Brisbane Pty Limited	Australia	100	100
MHG Operations Pty Limited	Australia	100	100
MHG Karratha Pty Ltd	Australia	100	100
MHG Ipswich Pty Ltd	Australia	100	100
Ipswich International Trust	Australia	100	100
M.H.G Unit Trust	Australia	100	100
Gladstone Hotel Trust	Australia	100	100
Karratha Hotel Trust	Australia	100	100
Melbourne Hotel Trust	Australia	100	100
Brisbane Hotel Trust	Australia	100	100
Controlled Entities of Metro Inns Trust:			
The Irish Pub Unit Trust	Australia	100	100
The Sydney Unit Trust	Australia	100	100
The Duck Inn Unit Trust	Australia	100	100
The Palace Hotel Unit Trust	Australia	100	100
The Rundle Adelaide Trust	Australia	100	100

15. PROPERTY, PLANT& EQUIPMENT

CONSOLIDATED	2014 $	2013 $
FREEHOLD PROPERTIES		
At Independent valuation June 2011	-	27,130,752
At Independent valuation June 2014	21,847,711	-
Less: accumulated depreciation	(12,424)	(222,598)
	21,835,287	**26,908,154**
BUILDINGS		
At cost	4,314,471	3,997,252
Less: accumulated depreciation	(277,203)	(227,637)
	4,037,268	**3,769,615**
LEASEHOLD IMPROVEMENTS, PLANT & EQUIPMENT, OFFICE FURNITURE AND FITTINGS		
At cost	23,546,149	21,951,025
Less: accumulated depreciation	(16,336,302)	(14,653,663)
	7,209,847	**7,297,362**
TOTAL PROPERTY, PLANT AND EQUIPMENT (NON CURRENT)	**33,082,401**	**37,975,131**
Historical Cost If the freehold properties were carried at historical cost, amounts would be as follows:		
At cost	20,058,520	20,058,520
Less: accumulated depreciation	(1,318,813)	(1,096,997)
	18,739,707	**18,961,523**

Freehold property at South Perth was valued by an independent valuer on 01 June 2014 and Freehold property at Ipswich was valued by an independent valuer on 01 June 2014.

Consolidated	Freehold Properties $	Buildings $	Leasehold Improvements, Plant & Equipment, Office Furniture and Fittings $	Total $
Balance at the beginning of the year	26,908,154	3,769,615	7,297,362	37,975,131
Additions	-	317,219	1,595,125	1,912,344
Disposals	-	-	-	-
Depreciation	(149,080)	(49,566)	(1,682,640)	(1,881,286)
Revaluation	(4,923,787)	-	-	(4,923,787)
Carrying amount at the end of the year	**21,835,287**	**4,037,268**	**7,209,847**	**33,082,401**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

16. INTANGIBLE ASSETS

CONSOLIDATED	2014 $	2013 $
Goodwill on consolidation	1,064,000	1,064,000
Goodwill	348,867	348,867
Theme pubs acquisition costs	90,815	90,815
	1,503,682	**1,503,682**
Intangible assets have an indefinite useful life. Intangibles are allocated to cash generating units, which are based on the Group's reporting segments.		
Theme Pubs	**1,503,682**	**1,503,682**

For goodwill and intangible assets that have indefinite useful lives, the recoverable amount is estimated at each balance sheet date. The recoverable amount of the cash-generating unit above is determined based on value-in-use calculations. Value-in-use is calculated based on the present value of cashflow projections over a 10 year period, using a conservative estimated growth rate of 4% per annum for revenues generated, which is consistent with prior years. The pre-tax cash flows are discounted at the pre-tax discount rate of 15%. The recoverable amount of each CGU is in excess of their carrying amount and therefore no impairment charge was required. The excess of recoverable amount over carrying amount is such that a reasonably possible change in assumptions is unlikely to reduce the recoverable amount below the carrying amount.

17. OTHER NON CURRENT ASSETS

CONSOLIDATED	2014	2013
Gaming machine licences, at cost	250,000	250,000
	250,000	**250,000**

18. TRADE AND OTHER PAYABLES

CURRENT	2014	2013
Trade payables	1,232,648	1,741,864
Other payables and accruals	1,148,567	1,105,841
	2,381,215	**2,847,705**

All amounts due for current payables are not interest bearing and generally on 30 day terms.

19. FINANCIAL LIABILITIES

CURRENT	2014	2013
Secured loans - banks	17,900,000	840,000
	17,900,000	**840,000**
NON CURRENT		
Secured loans - banks	-	17,900,000
	-	**17,900,000**

Security on the secured bank loans is over assets of the parent entity and the subsidiaries.

The covenants within the bank borrowing require the interest cover ratio (the ratio of EBITDA to Gross interest) not to be less than 2.5 times, which is tested quarterly and not to be less than 3 times from 02 July 2012 to date on which the Facilites are repaid in full.

20. TAX

	Assets		Liabilities		Net	
	2014	2013	2014	2013	2014	2013
	$	$	$	$	$	$
(a) Deferred tax assets and liabilities - Recognised deferred tax assets and liabilities						
Property, plant and equipment	515,810	481,139	22,976	9,490	492,835	471,649
Revaluation adjustments – income statement	2,864,468	2,619,332	-	-	2,864,468	2,619,332
Revaluation adjustments – equity	-	-	3,193,252	4,425,251	(3,193,252)	(4,425,251)
Investment in associates and joint venture	-	84,288	-	-	-	84,288
Intangible Assets	6,000	6,000	-	-	6,000	6,000
Provisions	318,008	491,679	-	-	318,008	491,679
Capital losses	194,418	35,733	-	-	194,418	35,733
Deferred tax assets/(liabilities)	3,898,704	3,718,171	3,216,227	4,434,741	682,477	(716,570)

(b) Reconciliations

CONSOLIDATED	2014 $	2013 $
(i) Gross Movements The overall movement in deferred tax accounts is as follows:		
Opening balance (Charge)/credit to income statement	(716,570)	(708,572)
- continuing operations	167,047	22,292
- discontinued operations	-	(30,290)
Charge/(credit) to equity	1,232,000	-
Closing balance	**682,477**	**(716,570)**
(ii) Amounts recognised in income statement		
<u>Continuing operations</u> Deferred tax (charged) / credited to the income statement relates to:		
Equity accounted investments	(84,288)	-
Temporary differences for depreciation of property, plant and equipment	21,185	18,683
Provisions	(173,672)	3,609
Capital loss deferred	158,685	-
Revaluation adjustment	245,137	-
	167,047	**22,292**
<u>Discontinued operations</u> Deferred tax (charged) / credited to the income statement relates to:		
Temporary differences for depreciation of property, plant and equipment	-	1,479
Provisions	-	(31,769)
	-	**(30,290)**
(c) Liabilities		
CURRENT		
Income tax	(304,436)	(173)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

21. PROVISIONS

CONSOLIDATED	2014 $	2013 $
Annual leave	605,971	542,876
Long service leave	338,445	320,084
Provision for dividend	669,139	-
	1,613,555	862,960

22. ISSUED CAPITAL

CONSOLIDATED	2014	2013
13,382,778 (2013: 13,382,778) ordinary shares fully paid	6,855,964	6,855,964

The company has authorised share capital amounting to 50,000,000 ordinary shares of no par value.
Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held.
At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

a. Capital Management
Management controls the capital of the group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the group can fund its operations and continue as a going concern.
The group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.
There are no externally imposed capital requirements.
Management effectively manages the group's capital by assessing the group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.
There have been no changes in the strategy adopted by management to control the capital of the group since the prior year. This strategy is to ensure that the group's gearing ratio remains between 30% and 60%. The gearing ratios for the year ended 30 June 2014 and 30 June 2013 are as follows:

CONSOLIDATED	2014	2013
Total borrowings	17,900,000	18,740,000
Less cash and cash equivalents	3,371,098	3,384,344
Net debt	14,528,902	15,355,656
Total equity	19,108,420	22,206,709
Total capital	33,637,322	37,562,365
Gearing ratio	43.19%	40.88%

23. ASSET REVALUATION RESERVE

CONSOLIDATED	2014	2013
Balance at the beginning of the year	11,378,089	11,378,089
Revaluation of freehold property	(4,106,664)	-
Movement in deferred tax liability relating to revaluations	1,232,000	-
Balance at the end of the year	8,503,425	11,378,089

The asset revaluation reserve records revaluations of non current assets.

24. DIVIDENDS

CONSOLIDATED	2014 $	2013 $
Fully franked final dividend of 5 cents (2013: 5 cents) per share	669,139	669,139
Franking credits available at the end of the year adjusted for franking credits arising from income tax payable and franking debits arising from payment of proposed dividends	**7,671,587**	**7,124,27**

25. EARNINGS PER SHARE

CONSOLIDATED	2014	2013
Profit from continuing operations	445,515	2,216,055
(Loss) from discontinued operations	-	(210,991)
Profit attributable to members of the parent entity	445,515	2,005,064
Weighted average number of ordinary shares outstanding during the year used in calculation of basic earnings per share	13,382,778	13,382,778
Basic and diluted earnings per share from continuing operations	3.32	16.56
Basic and diluted earnings per share from discontinued operations	-	(1.58)
Basic and diluted earnings per share attributable to members of the parent entity	3.32	14.98

26. CONTINGENT LIABILITIES

As at 30 June 2014 no contingent liabilities existed, except that various bank guarantees have been given in the ordinary course of business. It is not expected that these guarantees will be called upon.

27. LEASING COMMITMENTS

CONSOLIDATED	2014	2013
Total commitments for future property, plant and equipment operating lease rentals:		
- Not later than one year	4,161,505	3,680,949
- Later than one year and not later than five years	11,659,327	11,189,056
- Later than five years	-	-
	15,820,832	14,870,005

Property leases entered into by the consolidated group are generally fixed-term non-cancellable leases with options for renewal, with lease payments adjusted annually by CPI and periodic adjustment of lease payments to market rental.

28. RECONCILIATION OF CASH FLOW FROM OPERATIONS WITH PROFIT AFTER INCOME TAX

CONSOLIDATED	2014	2013
Profit after income tax	445,515	2,005,064
Revaluation loss on freehold property	817,122	-
Loss on disposal of assets	-	193,107
Depreciation, amortisation and diminution	1,881,286	1,836,216
Movement in deferred tax accounts	(167,048)	7,999
Increase/(decrease) in income tax payable	(304,263)	(928,788)
Increase/(decrease) in provisions	81,456	(87,048)
(Increase)/decrease in receivables and prepayments	465,262	226,313
(Increase)/decrease in inventories	(13,742)	3,944
Increase/(decrease) in creditors	(466,490)	157,191
Net cash provided/(used) by operating activities	2,739,098	3,413,998

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

29. RECONCILIATION OF CASH

CONSOLIDATED	2014 $	2013 $
Cash at the end of the year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:		
Cash at bank and on hand	3,371,098	3,384,344
Bank overdraft	-	-
	3,371,098	**3,384,344**

30. FINANCING FACILITIES

Firmly committed fully drawn financing facilities of $17,900,000 were available to the group at the end of the financial year.
Loan facilities available to the parent entity:
(a) bank overdraft
(b) fixed advances

31. DISCONTINUED OPERATIONS

Financial information relating to the discontinued operations is set out below.
The financial performance of the discontinued operation to the date of sale which is included in loss from discontinued operations per the statement of comprehensive income is as follows:

CONSOLIDATED	2014 $	2013 $
Revenue	-	562,981
Expenses	**-**	**851,430**
Profit/(Loss) before income tax	-	(288,449)
Income tax (expense)/benefit	-	77,458
Profit/(Loss) attributable to members of the parent entity	**-**	**(210,991)**
The net cash flows of the discontinuing operations which have been incorporated into the statement of cash flows are as follows:		
Net cash inflow/(outflow) from operating activities	-	(17,989)
Net cash inflow from investing activities	-	-
Net cash inflow/(outflow) from financing activities	-	-
Net cash inflow/(outflow) generated by the discontinuing operations	**-**	**(17,989)**

32. EVENTS SUBSEQUENT TO BALANCE DATE

No matter or circumstance has arisen since the end of the financial year.

33. FINANCIAL INSTRUMENTS

Financial instrument composition and maturity analysis:

The tables below reflect the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments. As such, the amounts may not reconcile to the balance sheet.

	Effective Interest Rate		Carrying Amount		Within 1 Year		1 to 5 Years		Over 5 Years	
Consolidated	2014 %	2013 %	2014 $	2013 $	2014 $	2013 $	2014 $	2013 $	2014 $	2013 $
Financial Assets										
Cash and Cash Equivalents	3.00	4.39	3,371,098	3,384,344	3,371,098	3,384,344	-	-	-	-
Receivables			1,389,384	1,854,644	1,389,384	1,854,644	-	-	-	-
Investments			155,506	155,506	-	-	-	-	155,506	155,506
Total Financial Assets			**4,915,988**	**5,394,494**	**4,760,482**	**5,238,988**	**-**	**-**	**155,506**	**155,506**
Financial Liabilities										
Bank Loans	5.96	5.96	17,900,000	18,740,000	17,900,000	840,000	-	17,900,000	-	-
Trade and Other Payables			2,381,215	2,847,705	2,381,215	2,847,705	-	-	-	-
Total Financial Liabilities			**20,281,215**	**21,587,705**	**20,281,215**	**3,687,705**	**-**	**17,900,000**	**-**	**-**

CREDIT RISK

Exposure to Credit Risk: The carrying amount of financial assets represents the maximum credit exposure.

The maximum exposure to credit risk at the reporting date was:

CONSOLIDATED	**2014 $**	**2013 $**
Cash and equivalents	3,371,098	3,384,344
Trade receivables	865,358	1,189,849
Other receivables	218,761	335,415
	4,455,217	**4,909,608**

IMPAIRMENT LOSSES

The aging of the trade receivables at the reporting date was:

CONSOLIDATED		**2014**	**2013**
Gross receivables	Not past due date	778,437	1,110,941
	Past due 0 – 30	76,164	68,801
	Past due 31 – 60	33,813	30,070
	Past due 60 – 90	4,267	7,455
	Past due 90 days and over	**-**	**-**
		892,681	**1,217,268**
Impairment		(27,323)	(27,418)
Trade receivables net of impairment loss		**865,358**	**1,189,849**

The movement in the allowance for impairment in respect of trade receivables during the year is shown at note 11a.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

Impairment losses recognised in the year relate to significant individual customers, which have been assessed as impaired under the consolidated group's accounting policy as detailed on Note 1(g).
Based upon past experience, the consolidated group believes that no impairment allowance other than as provided in these accounts is necessary in respect of trade receivables not past due.
The allowance accounts used in respect of trade receivables are used to record impairment losses unless the consolidated group is satisfied that no recovery of the amount owing is possible; at that point, the amount considered non-recoverable is written off against the financial asset directly.

Foreign Currency Risk
The company is not exposed to foreign currency risk.

Interest Rate Risk
Profile; At the reporting date, the interest rate profile of the company's and consolidated group's interest bearing financial instruments was:

CONSOLIDATED	2014 $	2013 $
Carrying Amount Variable rate instruments		
Financial assets	2,809,153	2,754,205
Financial liabilities*1	17,900,000	18,740,000

*1 - Interest rate on the financial liabilities is fixed until December 2014.

Other Price Risk
The consolidated group invests surplus cash in publicly traded listed securities and in doing so it exposes itself to the fluctuations in price that are inherent in such a market. The Board makes investment decisions on advice from professional advisors.
The consolidated group's exposure to equity price risk is as follows:

CONSOLIDATED	2014	2013
Carrying amount		
Listed securities (ASX)	506	506

Sensitivity Analysis
Interest Rate Risk, Foreign Currency Risk and Price Risk
The group has performed sensitivity analysis relating to its exposure to interest rate risk, foreign currency risk and price risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks.

Interest Rate Sensitivity Analysis
At 30 June 2014, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

CONSOLIDATED	2014	2013
Change in profit		
- Increase in interest rate by 2%	(254,973)	(322,599)
- Decrease in interest rate by 2%	254,973	322,599
Change in Equity		
- Increase in interest rate by 2%	(254,973)	(322,599)
- Decrease in interest rate by 2%	254,973	322,599

FOREIGN CURRENCY RISK SENSITIVITY ANALYSIS

The group is not exposed to fluctuations in foreign currencies.

PRICE RISK SENSITIVITY ANALYSIS

At 30 June 2014, the effect on profit and equity as a result of changes in the price risk, with all other variables remaining constant would be as follows:

CONSOLIDATED	2014 $	2013 $
Change in profit		
- Increase in price of ASX listed securities by 5%	-	-
- Decrease in price of ASX listed securities by 5%	-	-
- Increase in price of other listed securities by 5%	-	-
- Decrease in price of other listed securities by 5%	-	-
Change in Equity		
- Increase in price of ASX listed securities by 5%	25	25
- Decrease in price of ASX listed securities by 5%	(25)	(25)
- Increase in price of other listed securities by 5%	-	-
- Decrease in price of other listed securities by 5%	-	-

The above interest rate and foreign exchange rate and price risk sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

In managing interest rate risks, the consolidated group aims to reduce the impact of short-term fluctuations on the consolidated group's earnings. Over the longer term however, permanent changes in interest rates will have an impact on the result.

FAIR VALUES

The fair values of financial assets and liabilities, together with carrying amounts shown in the balance sheet are as follows:

CONSOLIDATED	2014		2013	
	Carrying amount $	Fair value $	Carrying amount $	Fair value $
Cash and equivalents	3,371,098	3,371,098	3,384,344	3,384,344
Trade and other receivables – current	1,389,384	1,389,384	1,854,644	1,854,644
Trade and other payables	(2,381,215)	(2,381,215)	(2,847,705)	(2,847,705)
Investments	155,506	155,506	155,506	155,506
Loans	(17,900,000)	(17,900,000)	(18,740,000)	(18,740,000)
Total	**(15,365,227)**	**(15,365,227)**	**(16,193,211)**	**(16,193,211)**

Basis for determining fair values

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments reflected in the table above.

Non-derivate financial assets and liabilities

The fair value of cash, receivables, payables and short-term borrowings is considered to approximate their carrying amount because of their short maturity.

The directors consider the carrying amount of long term borrowings recorded in the financial statements approximated their fair value.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

34. PARENT ENTITY DISCLOSURES

At and throughout the financial year ended 30 June 2014, the parent company was Transmetro Corporation Limited.

	Company	
Result of the parent entity	**30 June 2014 $**	**30 June 2013 $**
Net profit	152,512	2,398,399
Other comprehensive income	-	-
Total comprehensive income	**152,512**	**2,398,399**
Financial position of the parent entity at year end		
Current assets	3,944,553	4,295,523
Total assets	48,901,059	54,564,057
Current liabilities	19,783,703	2,765,929
Total liabilities	**22,999,930**	**25,100,670**
Total equity of the parent entity comprising of:		
Issued capital	6,855,964	6,855,964
Asset revaluation reserve	8,503,425	11,378,090
Retained earnings	10,541,740	11,229,333
Total Equity	**25,901,129**	**29,463,387**

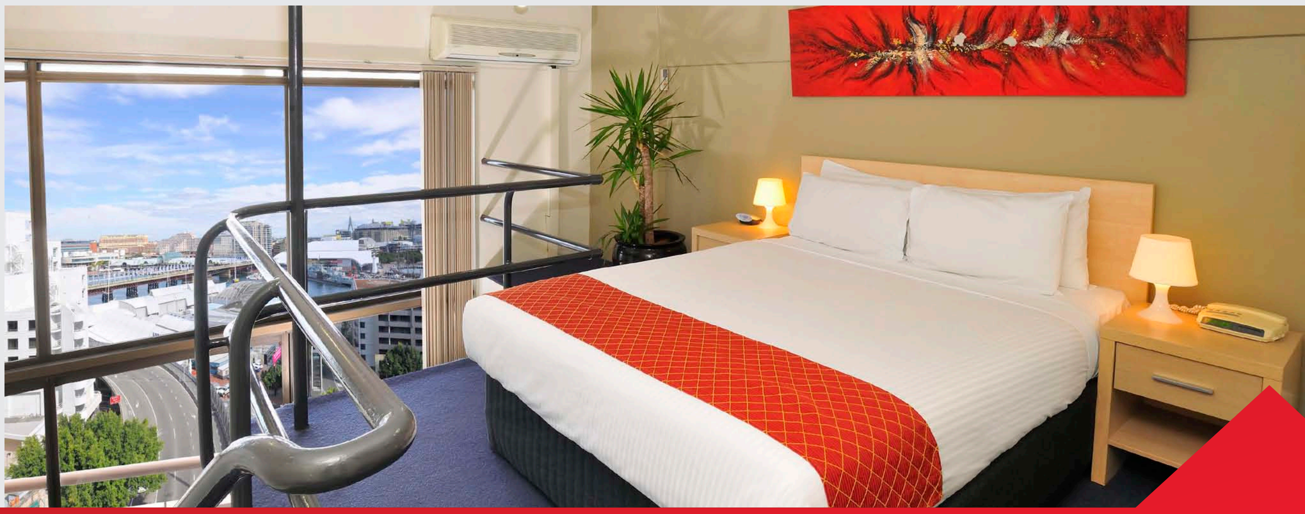
Parent entity contingencies

There are no other contingent liabilities and future commitments in respect to the Parent Entity except for:

Leasing commitments

Total commitments for future property, plant and equipment operating lease rentals:

	30 June 2014 $	**30 June 2013 $**
- Not later than one year	937,383	841,115
- Later than one year and not later than five years	1,924,939	2,793,368
- Later than five years	-	-
	2,862,322	**3,634,483**



ADDITIONAL STOCK EXCHANGE INFORMATION

At 16 September 2014 the issued capital was 13,382,778 ordinary shares held by 525 shareholders.

Range of holdings	No. of Shareholders
1 - 1,000	330
1,001 - 5,000	152
5,001 - 10,000	15
10,001 - 100,000	24
100,001 - 9,999,999,999	4
	525
Holding less than a marketable parcel	26

The Register of Substantial shareholders discloses the following:

Mr John McEvoy	5,942,114
Taweva Pty Ltd	3,553,500
National Australia Trustees Ltd	2,010,000

TWENTY LARGEST EQUITY SECURITY HOLDERS

The names of the 20 largest holders of ordinary shares at 16 September 2014

	Shareholder	Unit	% of Issued Capital
1	Mr John McEvoy	5,942,114	44.40%
2	Taweva Pty Ltd	3,553,500	26.55%
3	National Australia Trustees Ltd	2,010,000	15.02%
4	HSBC Custody Nominees (Australia) Ltd	660,000	4.93%
5	Lasano Pty Ltd	100,000	0.75%
6	Shamwari Pty Ltd	60,000	0.45%
7	Garrison Securities Pty Ltd	49,010	0.37%
8	Mr David Scicluna + Mr Anthony Scicluna	45,200	0.34%
9	Mr Geoffrey Marr	40,000	0.30%
10	Midwest Radio Pty Ltd	30,000	0.22%
11	Mrs Marianne Brockwell	28,000	0.21%
12	Mr Andrew Hendrik Grove	25,000	0.19%
13	Guritali Pty Ltd	22,500	0.17%
14	Estate Late Beryl McEvoy	22,500	0.17%
15	Mainstream Pty Ltd	20,500	0.15%
16	Mr Neil Patrick McEvoy	20,000	0.15%
17	Western Plaza Hotel Corporation Pty Ltd	20,000	0.15%
18	Midwest Radio Ltd	16,500	0.12%
19	Ms Linda Rossi	16,200	0.12%
20	Mainstream EC	15,250	0.11%
		12,696,274	94.87%

ADDITIONAL STOCK EXCHANGE INFORMATION

The address of the principal registered office is :
Suite 53, Level 3, 330 Wattle Street, Ultimo, Sydney New South Wales 2007

A Registry of Shareholders is also held by:
Share Registrar - Computershare Investor Services Pty Ltd, Level 3, 60 Carrington Street Sydney NSW 2000

Voting Rights
Ordinary shareholders are entitled to one vote for each share held. On a show hands every member present in person or by proxy shall have one vote and upon a poll, every member so present shall have one vote for every share held.

CORPORATE DIRECTORY

REGISTERED OFFICE	Suite 53, Level 3, 330 Wattle Street, Ultimo Sydney NSW 2007
METRO HOSPITALITY GROUP OFFICE	Suite 53, level 3, 330 Wattle Street, Ultimo Sydney NSW 2007 T: 61 2 8217 3333 F: 61 2 8217 3300
DIRECTORS	John McEvoy, Alan Notley and David Lloyd
COMPANY SECRETARIES	David Lloyd and Jakin Agus
CHIEF OPERATING OFFICER	George Bedwani
GROUP FINANCIAL CONTROLLER	Jakin Agus
SHARE REGISTRY	**Computershare Investor Services Pty Ltd** Level 4, 60 Carrington Street, Sydney NSW 2000
BANKERS	**Bank of Western Australia Ltd** Level 11, 45 Clarence Street, Sydney NSW 2000 **Commonwealth Bank of Australia** 48 Martin Place, Sydney NSW 2000 **ANZ Banking Group Limited** 665-669 George Street Haymarket, Sydney NSW 2000
AUDITORS	**Stirling International** Level 4, 283 Clarence Street, Sydney NSW 2000
SOLICITORS	**Staunton & Thompson** Level 5 Manly National Building, 22 Central Avenue, Manly NSW 2095
STOCK EXCHANGE LISTING	**Australian Securities Exchange (ASX)** 20 Bridge Street, Sydney NSW 2000 Listing Code: TCO Market Call code 2898
CONTACT DETAILS	www.metrohotels.com.au Toll Free Reservations: 1800 00 4321 or Reservations@MetroHG.com
ANNUAL GENERAL MEETING	Thursday 27th November 2014 at 10:00 am **To be held at:** Suite 53, Level 3, 330 Wattle Street, Ultimo Sydney NSW 2007