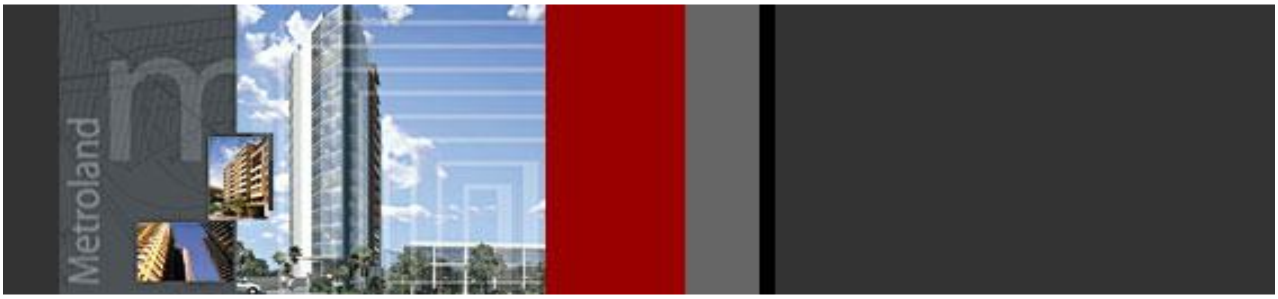
METROLAND AUSTRALIA LIMITED



Appendix 4E

Preliminary Final Report

For the year ended 30 June 2015

METROLAND AUSTRALIA LIMITED

ABN 81 009 138 149
ASX CODE: (MTD)

Appendix 4E
Preliminary final report for the year ended 30 June 2015
Previous corresponding period: 30 June 2014
Results for announcement to the market

The following information is given to ASX under listing rule 4.3A.

				$A'000
Revenues from ordinary activities	up	6.3%	to	131, 367
(Loss) from ordinary activities after tax attributable to members	down	51.3%	to	(104,224)
Net (loss) for the period attributable to members Adjust percentages for changes in disclosure	down	51.3%	to	(104,224)

Dividends (distributions)	Amount per security	Franked amount per security
Final dividend	The company does not propose to pay dividends for FY2015	n/a
Previous corresponding period	Nil	Nil

Record date for determining entitlements to the dividend	n/a

<u>Earnings per security (EPS)</u>	Current period	Previous corresponding Period
Basic EPS	(0.06) cents	(0.15) cents
Diluted EPS	(0.06) cents	(0.15) cents

Net Tangible Assets Per Security	Current period	Previous corresponding Period
Net Tangible Assets/(Deficiency)	(0.33) cents	(0.27) cents

Dividends

Date the dividend is payable	n/a
+Record date to determine entitlements to the dividend (distribution) (ie, on the basis of proper instruments of transfer received by 5.00 pm if +securities are not +CHESS approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if +securities are +CHESS approved)	n/a
If it is a final dividend, has it been declared? *(Preliminary final report only)*	No

Commentary on Full Year Results

PRINCIPAL ACTIVITIES

The consolidated entity was not actively engaged in any business activity during the financial year.

CONSOLIDATED RESULTS

The consolidated loss after income tax attributable to members of Metroland Australia Limited was $104,223 (2014: loss of $213,925).

REVIEW OF OPERATIONS

The consolidated entity was not engaged in any significant business operations during the financial year. The Company remains listed on the Exchange, but its share trading is suspended until such time as it is re-capitalised and conducting a business.
The Board is now actively negotiating with a number of investors for the re-capitalisation and it is anticipated that the re-capitalisation will happen in the near future. Being a property company, it is looking at a number of development opportunities where it is hoped that when re-capitalisation happens, it will carry out those developments.

Review of Financial Condition

FINANCIAL HIGHLIGHTS

RESULTS	2015	2014
	$'000	$'000
Revenue from sale of property & construction services	-	-
Rental and management revenue	-	-
Other revenue	131	124
Group Turnover	131	124
Net profit /(loss)after tax and minority interests	(104)	(214)
Total assets	88	36
Total liabilities	576	419
Contributed equity	15,213	15,213
Retained profit/(losses)	(15,700)	(15,596)
Total equity	(487)	(383)
Dividend paid	-	-
Income tax expense/(benefit)	-	-
PER SHARE		
Earning (cents)	(0.06)	(0.15)
Dividend (cents) -fully franked	-	-
Net tangible assets per share (cents)	(0.33)	(0.27)
STATISTICS		
Return on equity	-	-
Net tangible assets per share (cents)	(0.33)	(0.27)
Number of shareholders	610	614
Employees	1	1
Group turnover per employee	131,000	124,000

DIVIDENDS

There were no dividends paid or declared by the company to members since the end of the previous financial year.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The following significant changes in the state of affairs of the consolidated entity occurred during the financial year:-

The consolidated entity did not operate during the financial year. Total assets increased by $52,093, due mainly to loans received from related parties and the recovery of GST. Total liabilities increased by $156,317 due to an increase in trade creditors and unsecured and interest-free loans from directors.

The Company continues to be suspended from ASX trading, pending the Directors' successful re-capitalisation of the Company with new investment opportunities.

In February 2015, the company entered into a Binding Heads of Agreement ("**HOA**") with L L International Pty Ltd (A.C.N 074 347 667) ("**Investor**") in respect to a proposal to re-capitalise the Company and recommence its business ("**Proposal**") through the acquisition of a property in New Zealand ("**Property**"). That acquisition is proposed to be funded by placement to the Investor (or its nominee) and a general offer for the issue of new shares at a price to be agreed.

The Proposal also includes an issue of convertible bonds to the Investor (or its nominee) to fund the repayment of certain debts of the Company and costs of implementing the Proposal by the Company. It is proposed that the investor will become a majority shareholder in the company and the board of directors at completion of the property acquisition will comprise a majority of directors nominated by the Investor. The HOA, which is subject to due diligence, also provides the parties with 3 months exclusivity to advance the Proposal with due diligence to be completed within 45 days. The parties have since extended the due diligence period, and the due diligence is expected to be completed shortly.

EVENTS SUBSEQUENT TO REPORTING DATE

No matters or circumstances have arisen since 30 June 2015 that have significantly affected, or may significantly affect:
(a) the consolidated entity's operations in future financial years, or
(b) the results of those operations in future financial years, or
(c) the consolidated entity's state of affairs in future financial years.

LIKELY DEVELOPMENTS

As set out above, the consolidated entity plans to raise equity funding to pursue new property investment opportunities during the next financial year.

Further information as to likely developments in the operations of the consolidated entity and the expected results of those operations in subsequent financial years has not been included in this report because, the directors believe, on reasonable grounds, that to include such information would be likely to result in unreasonable prejudice to the company.

AUDIT COMMITTEE

Due to the limitation of size, the Directors have not constituted a separate Audit Committee.

ENVIRONMENTAL REGULATIONS

The consolidated entity's operations are not subject to any significant environmental regulation under either Commonwealth or State legislation in relation to its property development activities. The directors are not aware of any significant breaches during the period covered by this report.

SHARE OPTIONS

Unissued shares under Option
At the date of this report, there are no unissued ordinary shares of the company under option.

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

Since the end of the previous financial year, Metroland Australia Limited did not hold insurance for the directors and officers of the company and its controlled entities.

No indemnities have been given for the auditor of the company during or since the end of the financial year.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings.

COMPLIANCE STATEMENT

The financial statements have been audited and are not subject to dispute or qualification.

This preliminary report has been prepared in accordance with Australian Accounting Standards, Australian equivalents to International Financial Reports Standards (AIFRS) and International Financial Reporting Standards (IFRS). The preliminary report is also in accordance with other AASB authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to ASX.

This preliminary report, and the accounts upon which the report is based (if separate), use the same accounting policies.

This preliminary report does give a true and fair view of the matters disclosed.

Signed in accordance with a resolution of the directors.

Dated at Sydney this 11th day of August 2015.

Xuejun He
Chairman

	Note	Consolidated 2015 $	2014 $
Revenue:			
Other revenues	2,3	**131,367**	123,556
Total Revenue	2	**131,367**	123,556
Directors fees		-	(20,974)
Professional and consultancy fees		**(155,364)**	(128,068)
Gain on liabilities forgiven		-	5,307
Administration and operating		**(80,227)**	(193,746)
(Loss) before income tax		**(104,224)**	(213,925)
Income tax (expense)/benefit	4(a)	-	-
(Loss) for the year		**(104,224)**	(213,925)
Other comprehensive income		-	-
Total comprehensive (loss) for the year		**(104,224)**	(213,925)
Total comprehensive (loss) attributable to:			
Owners of the company		**(104,224)**	(213,925)

The accompanying notes form part of these Financial Statements.

METROLAND AUSTRALIA LIMITED AND ITS CONTROLLED ENTITIES
ABN 81 009 138 149

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

	Note	Consolidated 2015 $	Consolidated 2014 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	**11,076**	**515**
Trade and other receivables	9	**60,581**	**15,273**
Total Current Assets		**71,657**	**15,788**
NON-CURRENT ASSETS			
Property, plant & equipment	10	**16,373**	**20,149**
Total Non-Current Assets		**16,373**	**20,149**
TOTAL ASSETS		**88,030**	**35,937**
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	**200,002**	**138,996**
Financial liabilities	12	**375,512**	**280,201**
Total Current Liabilities		**575,514**	**419,197**
TOTAL LIABILITIES		**575,514**	**419,197**
NET ASSETS (DEFICIENCY)		**(487,484)**	**(383,260)**
EQUITY			
Contributed equity	14	**15,212,773**	**15,212,773**
Accumulated losses		**(15,700,257)**	**(15,596,033)**
TOTAL EQUITY (DEFICIENCY)		**(487,484)**	**(383,260)**

The accompanying notes form part of these Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

	Contributed equity $	Accumulated Losses $	Total equity (deficiency) $
Balance at 1 July 2013	**15,212,773**	**(15,382,108)**	**(169,335)**
Comprehensive income for the year			
Profit/(loss) for the year	-	(213,925)	(213,925)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	**-**	**(213,925)**	**(213,925)**
Balance at 30 June 2014	**15,212,773**	**(15,596,033)**	**(383,260)**
Balance at 1 July 2014	**15,212,773**	**(15,596,033)**	**(382,260)**
Comprehensive income for the year			
Profit/(loss) for the year	-	(104,224)	(104,224)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	**-**	**(104,224)**	**(104,224)**
Balance at 30 June 2015	**15,212,773**	**(15,700,257)**	**(487,484)**

The accompanying notes form part of these Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

		Consolidated	
	Note	**2015**	**2014**
		$	**$**
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts in the course of operations		**86,056**	123,550
Cash payments in the course of operations		**(170,810)**	(300,824)
Interest received		**3**	6
Net cash (used in) operating activities	7(a)	**(84,751)**	(177,268)
CASH FLOWS FROM INVESTING ACTIVITIES			
Net cash provided by/(used in) investing activities		**-**	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Loans from related entities		**111,295**	168,011
Repayment of borrowings		**-**	(3,000)
Net cash provided by financing activities		**111,295**	165,011
Net increase/(decrease) in cash held		**26,544**	(12,257)
Cash at beginning of the financial year		**(20,203)**	(7,946)
Cash at the end of the financial year	7(b)	**6,341**	(20,203)

The accompanying notes form part of these Financial Statements.

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The significant policies which have been adopted in the preparation of these financial statements are:

(a) **Basis of Preparation**

Reporting Basis and Conventions

These general purpose financial statements have been prepared in accordance with the requirements of the Corporations Act 2001 and applicable Accounting Standards.

The consolidated financial statements of the company comprise the parent entity, Metroland Australia Limited and its controlled entities. Metroland Australia Limited is a listed (but currently suspended) public company, incorporated and domiciled in Australia.

The financial statements of Metroland Australia Limited comply with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

The group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The consolidated financial statements are presented in Australian dollars.

(b) **Principles of Consolidation**

Controlled Entities
The consolidated financial statements are those of the consolidated entity, comprising Metroland Australia Limited (the parent entity) and the entities which Metroland Australia Limited controlled from time to time during the year. A list of controlled entities is contained in Note 16 to the financial statements.

All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered.

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered or left the economic entity during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

Changes in Ownership Interest

Loss of control, joint control or significant influence retained
When control ceases but significant influence or joint control is retained, the carrying amount at the date of change in status of the investment is determined as if it had been an associate/joint venture entity since the acquisition date, opening equity amounts are restated and any remaining effect of the change in status is recognised as a revenue or expense.

(c) **Going Concern**

The consolidated entity had a loss before tax for the year ended 30 June 2015 of $104,224, and a net outflow in cash flows from operations of $84,751 (2014 outflow of $177,268), and at that date had a net asset deficiency of $487,484 (2014: $383,260). Its current liabilities also exceeded its current assets by $503,857 (2014: $403,409).

The loss for the year was principally incurred for expenses in maintaining the Company's listing on the ASX, although suspended from trading; and also for costs incurred in seeking to recapitalise the company and investigate new development opportunities.

Subsequent to the Company's emergence out of the administration process in October 2012, the controlled entity has not engaged in any significant trading activities. At 30 June 2015, the consolidated entity has no trading or investment assets. The financing of the consolidated entity's working capital requirements is being funded by loans from director related entities.

The Directors are seeking new investment opportunities for the Group, and the lifting of the Company's trading suspension from the ASX.

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

The ongoing operation of the consolidated entity is dependent upon the ability of the Directors to raise further capital, to generate positive cash flows from the Company's operations and the continued financial support of the former Chairman of the entity, Mr Frank Shien and current Chairman and Executive Director, Mr Xuejun He who have each undertaken not to require repayment of the outstanding balance of their respective loans made to the Group prior to or since the reporting period, until at least August 2016.

These conditions give rise to significant uncertainty which may cast doubt upon the consolidated entity's ability to continue as a going concern and whether it will be able to realise its assets and extinguish its liabilities in the ordinary course of operations and at the amounts stated in the financial statements.

The financial statements do not include any adjustments relating to the recoverability or classification of recorded asset amounts or to the amounts or classification of liabilities, which might be necessary should the consolidated entity not be able to continue as a going concern.

(d) **Taxation**

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the statement of comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Capital gains tax, if applicable, is provided for in establishing period income tax expense when an asset is sold.

Tax Consolidation
Metroland Australia Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. Each entity in the group recognises its own current and deferred tax liabilities, except for any deferred tax liabilities resulting from unused tax losses and tax credits, which are immediately assumed by the parent entity. The current tax liability of each group entity is then subsequently assumed by the parent entity. The group notified the Australian Tax Office that it had formed an income tax consolidated group to apply from 1 July 2002. The tax consolidated group has entered a tax sharing agreement whereby each company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

(e) **Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(f) **Plant and Equipment**

Plant and equipment are measured on the cost basis, less accumulated depreciation.

All assets have limited useful lives and are depreciated using the straight line or diminishing value method over their estimated useful lives taking into account estimated residual values. Assets are depreciated from the date of acquisition. Depreciation rates and methods are reviewed annually for appropriateness. When changes are made, adjustments are reflected prospectively in current and future periods only. Depreciation is expensed.

The depreciation rates used for each class of asset is as follows:

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

	2015	2014
Leasehold Improvements	20%	20%
Plant and Equipment	17 – 40%	17 – 40%

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

(g) **Impairment of Assets**

At each reporting date, the Group assesses the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of those assets, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(h) **Trade and Other Payables**

Trade and other payables are carried at amortised cost using the effective interest rate method. Payables are recognised for amounts to be paid in the future for goods or services received. Trade accounts payable are normally settled within 90 days.

(i) **Interest Bearing Liabilities**

Interest bearing bank loans and borrowings are non-derivative financial liabilities and are initially recognised at the fair value of the consideration received. After initial recognition, interest bearing loans and borrowings are measured at amortised cost using the effective interest method. Interest expense is accrued at the contracted rate and is included in "Other creditors and accruals".

(j) **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of 12 months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(k) **Loans and Receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired.

(l) **Revenue Recognition**

Revenues are recognised at fair value of the consideration received net of the amount of goods and services tax (GST) payable to the taxation authority. The following specific recognition criteria must be met before revenue is recognised:-

Rendering of Services
Revenue from the rendering of property management and project services is recognised when the service is rendered and the revenue is receivable.

Interest Income
Interest income is recognised as it accrues, taking into account the effective yield on the financial asset.

(m) **Goods & 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 Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

The net amount of GST receivable from or payable to the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

NOTE 1 - STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

(n) **Earnings per share**

Basic earnings per share ("EPS") is calculated as net profit, adjusted to exclude any costs of servicing equity, divided by the weighted average number of ordinary shares, adjusted for any bonus issue.

Diluted EPS is calculated by dividing the basic EPS earnings, adjusted by the after tax effect of financing costs associated with dilutive potential ordinary shares and the effect on revenues and expenses of conversion to ordinary shares associated with dilutive potential ordinary shares, by the weighted average number of ordinary shares and dilutive ordinary shares adjusted for any bonus issue.

(o) **Provisions**

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(p) **Trade and Other Receivables**

The collectability of debts is assessed at reporting date and specific provision is made for any impairment.

(q) **Operating Segments**

An operating segment is a component of an entity that engages in business activities from which it may earn revenue and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes start up operations which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the level of segment information presented to the board of directors.

Operating segments have been identified based on the information provided to the chief operating decision makers – being the executive management team.

The group aggregates two or more operating segments when they have similar economic characteristics, and the segments are similar in each of the following respects:

- nature of the products and services,
- type or class of customer for the products and services.

(r) **Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(s) **Significant Accounting Judgement, Estimates and Assumptions**

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key Estimates

(i) *Estimation of useful lives of assets*
The estimation of the useful lives of assets has been based on historical experience as well as manufacturers' warranties (for plant and equipment), lease terms (for leased equipment) and turnover polices (for motor vehicles). In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

The financial statements were authorised for issue on 11 August 2015 by the board of directors.

	Consolidated	
	2015	**2014**
	$	**$**

NOTE 2 - REVENUE

From Continuing Operations:		
Consultancy Revenue	**18,000**	123,550
Recovery of legal costs	**113,364**	-
Other revenues: - interest from other parties	**3**	6
	131,367	123,556
Total Revenue	**131,367**	123,556

NOTE 3 - PROFIT BEFORE INCOME TAX

Individually significant (expense)/revenue included in profit before income tax:

Recovery of legal costs	**113,364**	-

NOTE 4– TAXATION

(a) Income Tax Expense

Prima facie tax payable on profit/(loss) from continuing operations before income tax at 30% (2014– 30%)	**(31,267)**	(64,177)
Increase/(decrease) in income tax expense due to:		
Deferred tax assets not recognised	**31,267**	64,177
Income tax expense reported in the Statement of Profit or Loss	**-**	-

(b) Deferred tax assets

The amount of deductible temporary differences and unused tax losses for which no deferred tax assets have been brought to account:

Temporary differences	**10,000**	4,127
Revenue tax losses	**2,417,025**	2,175,262
Capital tax losses	**3,511,230**	4,583,244

These amounts have no expiry date.

	Consolidated 2015 $	Consolidated 2014 $

NOTE 5– EARNINGS PER SHARE

	2015 $	2014 $
Reconciliation of earnings to profit or loss:		
Profit	**(104,224)**	**(213,925)**
Earnings used to calculated basic and dilutive EPS	**(104,224)**	**(213,925)**
Weighted average number of shares used as the denominator for the Calculation of basic and diluted earnings per share:	**Number**	**Number**
Ordinary shares	**140,568,958**	**140,568,958**

NOTE 6 – AUDITORS REMUNERATION

Auditors of the Company:

	2015 $	2014 $
Audit services		
Audit and review of financial statements	**20,000**	38,766
Other services		
Share registry services	**13,144**	11,800
Taxation services	**5,220**	-
	38,364	50,566

NOTE 7 – NOTES TO THE CASH FLOW STATEMENT

(a) Reconciliation of Cash Flows from Operating Activities with Profit (Loss) after Income Tax

	2015 $	2014 $
Operating profit/(loss) after income tax	**(104,224)**	**(213,925)**
Non-cash items		
Gain on loans forgiven	**-**	**(6,211)**
Depreciation	**3,776**	**6,321**
Changes in assets and liabilities:		
(Increase)/decrease in receivables	**(45,308)**	**17,941**
Increase/(decrease) in payables	**61,005**	**16,231**
(Increase)/decrease in prepayments	**-**	**2,375**
Net cash (used in) operating activities	**(84,751)**	**(177,268)**

(b) Reconciliation of Cash

	2015 $	2014 $
Cash	**11,076**	**515**
Bank overdraft	**(4,735)**	**(20,718)**
	6,341	**(20,203)**

	Consolidated 2015 $	Consolidated 2014 $
NOTE 8 – CASH AND CASH EQUIVALENT ASSETS		
Current		
Cash at bank and in hand	**11,076**	**515**
	11,076	**515**

The effective interest rate on short-term bank deposits was Nil (2014: Nil)

	Consolidated 2015 $	Consolidated 2014 $
NOTE 9 – TRADE AND OTHER RECEIVABLES		
Current		
GST receivable	**34,321**	**14,013**
Other receivables	**26,260**	**1,260**
	60,581	**15,273**
NOTE 10 – PROPERTY, PLANT & EQUIPMENT		
Plant and equipment – at cost	**92,877**	**92,877**
Accumulated depreciation	**(76,504)**	**(72,728)**
	16,373	**20,149**
Movements in Carrying Amounts		
Plant and equipment		
Carrying amount at beginning of year	**20,149**	**26,470**
Depreciation	**(3,776)**	**(6,321)**
Carrying amount at end of year	**16,373**	**20,149**
NOTE 11 – TRADE AND OTHER PAYABLES		
Current		
Trade creditors	**166,402**	**113,594**
Other creditors and accruals	**33,600**	**25,402**
	200,002	**138,996**
NOTE 12 – FINANCIAL LIABILITIES		
Current		
Bank overdraft	**4,735**	**20,718**
Loans from director related and other entities-unsecured	**370,777**	**259,483**
	375,512	**280,201**

(a) Loans from director related and other entities are unsecured and interest-free.

		Consolidated	
		2015 $	2014 $

NOTE 13 - FINANCING ARRANGEMENTS

The consolidated entity has no access to any lines of credit, and is dependent on the continued financial support of the Chairman and former Chairman of the Company until re-capitalisation of the Company.

NOTE 14 – CONTRIBUTED EQUITY

	2015 $	2014 $
(a) *Share capital*		
140,568,958 (2014: 140,568,958) ordinary shares fully paid	**15,212,773**	15,212,773
Movements during the year:		
Balance at beginning of the year: 140,568,958 shares (2014: 140,568,958)	**15,212,773**	15,212,773
	-	-
Balance at end of the year: 140,568,958 shares	**15,212,773**	15,212,773

The Company does not have authorised capital nor par value in respect of its issued shares.

Terms and Conditions
Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. In the event of winding up of the company, ordinary shareholders rank after creditors and are fully entitled to any proceeds of liquidation.

(b) *Options*
The company has no options over unissued shares at year end.

(c) *Capital Management*
Management's control over the capital of the group is to procure a level of capital in order to maintain an adequate debt to equity ratio; provide the shareholders with satisfactory returns and to ensure that the group can fund its operations and continue as a going concern. Following the favourable emergence of the Company out of voluntary administration, and with the Group currently having no trading assets and operations, the Directors are considering various opportunities to re-capitalise the Company and move the Group forward with the intention of restoring shareholders' value.

The group's debt and capital includes ordinary share capital and minimal financial liabilities. There are no externally imposed capital requirements.

In managing the group's capital, management assess the group's financial risks to determine the requirement of adjusting its capital structure in response to changes in these risks and in the market. The group's attempts to raise additional capital in the current market is not readily available, and management is conscious of the need to closely monitor and manage the group's debt levels.

There have been no changes in the strategy adopted by management to control the capital of the group since the prior year, although the focus is now placed on a total re-capitalisation of the Group with new investment opportunities. The gearing ratio for the years ended 30 June 2015 and 30 June 2014 are as follows:

	Note	2015 $	2014 $
Total borrowings	11,12	**575,514**	419,197
Less: cash and cash equivalents	8	**(11,076)**	(515)
Net Debt		**564,438**	418,682
Total Equity		**(487,484)**	(383,260)
Total Capital		**76,954**	35,422
Gearing Ratio		**733%**	1182%

	Note	Consolidated 2015 $	2014 $
NOTE 15 – DIVIDENDS			
No dividends were declared by the company in the current year.			
Dividend Franking Account			
30% franking credits available to shareholders of Metroland Australia Limited for subsequent financial years		**1,529,219**	1,529,219

The above available credit amounts are based on the balance of the dividend franking account at year-end adjusted for:
(a) franking credits that will arise from the payment of the current tax liability;
(b) franking credits that will arise from the receipt of dividends recognised as receivables by the tax-consolidated entity at year-end;
(c) franking credits that the entity may be prevented from distributing in subsequent years.

The ability to utilise the franking credits is dependent upon there being sufficient available profits to declare dividends.

NOTE 16 – CONTROLLED ENTITIES

(a) Particulars in relation to controlled entities

NAME	EQUITY INTEREST 2015 %	2014 %
Parent entity		
Metroland Australia Limited		
Controlled entities		
Metroland Management Services Pty Limited (i)	**-**	-
Metroland Funds Management Limited	**100**	**100**

All controlled entities are incorporated and carry on business in Australia.

(b) *Acquisition and Disposal of controlled entities*

No controlled entities were acquired in the current or previous financial year. The following entity was disposed of during the prior year:

(i) Metroland Management Services Pty Limited was voluntarily de-registered with the Australian Securities and Investments Commissions on 1 January 2014.

NOTE 17 - CAPITAL AND LEASING COMMITMENTS

Operating Lease Commitments
There were no operating or capital commitments contracted for by the consolidated entity.

NOTE 18 – CONTINGENT LIABILITIES
The directors are not aware of any potential contingent liability which may become payable.

NOTE 19 - SEGMENT REPORTING

The Group ceased all significant active operating activity in the December 2012 quarter. Apart from a small-scale Investment & Financial Services operating segment, no other operating segments were identified by the management team during the years ended 30 June 2015 or 2014.

The income and expenses during the current year were otherwise in the nature of corporate administrative and overhead types. Assets and liabilities mainly comprise corporate assets and liabilities.

Business Segments

During the years ended 30 June 2015 and 2014, the consolidated entity did not have any significant business segments.

NOTE 19 - SEGMENT REPORTING (cont'd)

	Investment & Financial Services		Consolidation	
	2015 $	2014 $	2015 $	2014 $
External segment revenue	131,367	123,556	131,367	123,556
Total Group Revenue	131,367	123,556	131,367	123,556
Segment result before finance costs	(104,224)	(213,925)	(104,224)	(213,925)
Finance costs	-	-	-	-
Segment result after finance costs	(104,224)	(213,925)	(104,224)	(213,925)
(Loss) from ordinary activities before tax			(104,224)	(213,925)
Income tax (expense)/benefit			-	-
Net (loss) for the year			(104,224)	(213,925)
Depreciation	3,776	6,321	3,776	6,321
Assets				
Segment assets	-	337	-	337
Unallocated corporate assets			88,030	35,600
Consolidated total assets			88,030	35,937
Liabilities				
Segment liabilities	-	300	-	300
Unallocated corporate liabilities			575,514	418,897
Consolidated total liabilities			575,514	419,197

Secondary Reporting
Geographical Segments

The company operates in the Sydney Region of New South Wales, Australia.

NOTE 20 – NEW AND AMENDED ACCOUNTING POLICIES ADOPTED BY THE GROUP

The Group adopted the following Australian Accounting Standards and Interpretation from the mandatory application date of 1 January 2014:

AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities

AASB 2013-3 Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets

AASB 2013-5 Amendments to Australian Accounting Standards – Investment Entities

AASB Interpretation 21 Levies

The adoption of these new accounting standards and interpretation has not had a significant impact on the Group's financial statements.

The Group adopted the following Australian Accounting Standards from the mandatory application date of 1 July 2014:

AASB 2014-1: Amendments to Australian Accounting Standards (Parts A, B and C)

Part A of this Standard is applicable to annual reporting periods beginning on or after 1 July 2014 and makes the following significant amendments:

- revises/adds the definitions of the terms "market condition", "performance condition" and "service condition" in AASB 2*: Share-based Payment;*

- clarifies that contingent considerations arising in a business combination should be accounted for as items of equity or liability and not as provisions in accordance with AASB 137: *Provisions, Contingent Liabilities and Contingent Assets;*

- requires additional disclosures when an entity aggregates its operating segments into one reportable segment in accordance with AASB 8: *Operating Segments*; and

- includes an entity that provides key management personnel services (a "management entity") to a reporting entity (or a parent of the reporting entity) within the definition of a "related party" in AASB 124: *Related Party Disclosures.*

This part also makes other editorial corrections to various Australian Accounting Standards; however, it is not expected to have a significant impact on the Group's financial statements.

Part B of this Standard is applicable to annual reporting periods beginning on or after 1 July 2014 and permits an entity to recognise the amount of contributions from employees or third parties in a defined benefit plan as a reduction in service cost for the period in which the related service is rendered, if the amount of contributions is independent of the number of years of service. This part is not expected to have a significant impact on the Group's financial statements.

Part C of this Standard is applicable to annual reporting periods beginning on or after 1 July 2014 and deletes the reference to AASB 1031: *Materiality* in particular Australian Accounting Standards. This part is not expected to have a significant impact on the Group's financial statements.