Strathfield Group Limited

A.C.N. 053 687 728

Financial statements for the financial year ended 30 June 2015

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Directors' Report

The directors of Strathfield Group Limited submit herewith this financial report of the Strathfield Group Limited Consolidated Entity for the financial year ended 30 June 2015. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Information about the directors

The names and particulars of the directors of the company during and since the end of the financial year, except as otherwise noted, are:

Vaz Hovanessian - Executive Chairman and Company Secretary - Appointed on 12 December 2008.

Vaz Hovanessian (B. Bus, M. App. Fin, CPA, FCSA) has over 30 years of business experience and has run a corporate advisory services organisation for over 25 years. He has served on the Boards of several junior and emerging companies in the Resources and Technology sectors. He has interests in tourism and property and substantial experience in resurrecting companies in difficulty. He is currently a Director of Broad Investments Limited.

Zac Karlaftis – Executive Director – Appointed on 5 July 2010.

Zac Karlaftis (B. Eng, B. Bus) has 17 years' experience in the Information Communication Technology ("ICT") Industry with specific skills in product management, sales, business development and planning and strategy development. Mr. Karlaftis has had several senior positions in ICT enterprises including over 10 years at senior levels in Telstra until 2003 where he was General Manager of Managed Services with executive accountability for P&L, strategic planning, staffing and accounts management for in excess of $300M in annual Managed Services business. On 19 May 2011 Mr Karlaftis assumed the role of General Manager of the Group's Electronic Retail division.

Neil Gibson – Non-executive Director – Appointed on 1 December 2010.

Neil Gibson is a qualified accountant and experienced company director with over 28 years working knowledge in the telecommunication industry and who led the sales team that sold the first mobile phones marketed in Queensland 26 years ago. He has also acted a distributor and agent for telecommunication companies and specialised in servicing outback country areas and country towns in regional NSW and Queensland as well as servicing major national accounts. In the past Mr Gibson has also served as a senior operator with one of Queensland's largest stockbrokers and has managed various family businesses, including rural properties.

Directorships of other listed companies

Directorships of other listed companies held by directors in the 3 years immediately before the end of the financial year are as follows:

Name	Company	Period of directorship
Vaz Hovanessian	Broad Investments Limited	Since January 2004
Vaz Hovanessian	Mandalong Resources Limited	Since March 2012

Board Structure

There have been no changes to the structure of composition of the board since the last annual report. The dates of appointment, or resignation, of the relevant director are provided earlier in the section named "Information about Directors".

Principal activities

Strathfield Group Limited's principal activities involve the development and sale of property development activities.

Review of Operations and Activities

Operational Review

Strathfield Group Limited (Strathfield) advises that EBITDA before significant items ("Underlying EBITDA") for the full year is a loss of $3.607 million versus an EBITDA result in the prior period of a loss of $1.259 million. The loss after tax for the full year ended 30 June 2015 is $3.607 million versus a loss of $1.259 million for the prior period.

Financial Position Review

The financial position of the Consolidated Entity has been impacted by impairment charges in the sum of $3.766 million relating to investments during the year.

Significant events during the year

On 18 January 2015, Strathfield Equipment Group Pty Limited was deregistered. Strathfield Equipment Group Pty Limited was the accounting acquirer for the business combination effected in December 2008 when Clear Communications (EURAUST) AB was deemed to have acquired Strathfield Group Limited. As a result of the deregistration the acquisition accounting required by accounting standards has been reversed reverting to that expected by the legal form of the Consolidated Entity. Details of the differences are provided with the notes to the financial statements for any statement of financial position item impacted.

Subsequent Events

Since the end of the Full Year the Consolidated Entity has disposed of an investment property located in Gladesville. Whilst the contract was exchanged on 30 May 2015 settlement occurred subsequent to year end. The net gain on disposal of the property was $250 thousand.

Changes in state of affairs

There have been no significant changes in the state of affairs since the last financial report other than those detailed above under the notes "Significant events during the year" and "Subsequent events".

Future developments

Disclosure of information regarding likely developments in the operations of the Consolidated Entity in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Consolidated Entity. Accordingly, this information has not been disclosed in this report.

Environmental regulations

The Consolidated Entity's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a State or Territory.

Dividends

No dividend has been paid or declared and the directors do not recommend the payment or declaration of a dividend in respect of the current or previous financial years.

Indemnification of officers and auditors

As provided under the constitution, the company indemnifies directors and senior officers for any loss arising from any claim by reason of any wrongful act committed by them in their capacity as a director or officer of the company. During the year, the company has paid a premium in respect of a contract, insuring its directors and senior employees against any liability of this nature. In accordance with normal commercial practices, under the terms of the insurance contract, the nature of the liabilities insured against and the amount of the premiums paid are confidential.

The company has not otherwise, during or since the financial year, indemnified or 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' meetings

The table below sets out the number of directors' meetings (including meetings of committees of directors) held during the financial year and the number of meetings attended by each director (while they were a director or committee member). During the financial year ten board meetings were held.

	Board of directors	
Directors	**Eligible to attend**	**Attended**
Vaz Hovanessian	1	1
Neil Gibson	1	0
Zac Karlaftis	1	1

Directors' shareholdings

The following table sets out each director's relevant interest in shares, debentures, and rights or options in shares or debentures of the company or a related body corporate as at the date of this report.

Directors	Shares	Options
Vaz Hovanessian*	97,000,000	-
Zac Karlaftis	-	-
Neil Gibson	-	-

*Vaz Hovanessian's shares are indirectly owned though his director related entity Raxigi Pty Limited.

Share options

No share options were issued or exercised during the year.

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The company was not a party to any such proceedings during the year.

Non-Audit Services

The Board of Directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- No non-audit services were performed.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2015 has been received and can be found on page 7 and forms part of the Directors' Report.

This Report of the Directors is signed in accordance with a resolution of the Board of Directors.

Vaz Hovanessian
Chairman
Sydney, Friday, 18 December 15

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Auditor's Independence Declaration
To the Directors of Strathfield Group Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Strathfield Group Limited for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

P J Woodley
Partner - Audit & Assurance

Sydney, 18 December 2015

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Independent Auditor's Report
To the Members of Strathfield Group Limited

Report on the financial report

We have audited the accompanying financial report of Strathfield Group Limited (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information 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. The Directors' responsibility also includes 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. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, 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 us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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.

Auditor's opinion

In our opinion:

a the financial report of Strathfield Group Limited is in accordance with the Corporations Act 2001, including:

   i giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

   ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and

b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

P J Woodley
Partner - Audit & Assurance

Sydney, 18 December 2015

Directors' Declaration

The Directors of the Company declare that:

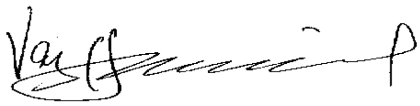
1. The financial statements and notes, as set out on pages 11 to 42, are in accordance with the Corporations Act 2001 and:

(a) comply with International Financial Reporting Standards and the Corporations Regulations 2001; and

(b) give a true and fair view of the financial position as at 30 June 2015 and of the performance for the year ended on that date of the Consolidated Entity.

2. In the Directors' opinion there are reasonable grounds to believe that the Consolidated Entity 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.



Vaz Hovanessian
Chairman
Sydney, Friday, 18 December 15

Statement of Profit or Loss and Comprehensive Income for the year ended 30 June 2015

		Consolidated	
		30 June 2015	**30 June 2014**
		$'s	**$'s**
Sales revenue	2(a)	23,735	-
Cost of sales	2(b)	-	-
Gross profit		23,735	-
Other revenue	2(a)	300,000	8,771
Selling and distribution expense		-	-
Marketing expense		-	-
Occupancy expense		-	-
Administrative expenses		(69,390)	(152)
Impairment expenses	2(b)	(3,766,327)	(1,268,239)
Finance costs	2(b)	(94,981)	(45)
Profit before income taxes		(3,606,963)	(1,259,665)
Income tax expense	3	-	-
Profit after income taxes		(3,606,963)	(1,259,665)
Profit attributable to the members of Strathfield Group Limited		(3,606,963)	(1,259,665)
Other comprehensive income for the year, net of tax		-	-
Total Comprehensive income for the year		(3,606,963)	(1,259,665)

These financial statements should be read in conjunction with the accompanying notes.

Statement of Financial Position as at 30 June 2015

		Consolidated	
	Note	30 June 2015 $'s	30 June 2014 $'s
Current assets			
Cash and cash equivalents	20(a)	20	944
Other assets	5	604	262,205
Investments	6	-	-
Total current assets		624	263,149
Available for sale assets			
Investment property	7	1,200,000	-
Total available for sale assets		1,200,000	-
Total assets		1,200,624	263,149
Current liabilities			
Trade and other payables	8	16,742,149	13,157,711
Interest bearing liabilities	9	960,000	-
Total current liabilities		17,702,149	13,157,711
Non-current liabilities			
Total non-current liabilities		-	-
Total liabilities		17,702,149	13,157,711
Net assets (liabilities)		(16,501,525)	(12,894,562)
Equity			
Issued capital	10	115,912,800	18,890,475
Reserves	11	-	910,782
Accumulated losses	12	(132,414,325)	(32,695,819)
Total equity		(16,501,525)	(12,894,562)

These financial statements should be read in conjunction with the accompanying notes.

Statement of Changes in Equity for the year ended 30 June 2015

	Note	Issued capital	Accumulated losses	Reserves	Total
		$000's	$000's	$000's	$000's
Balance at 30 June 2013		**18,890,475**	**(31,436,154)**	**910,782**	**(11,634,897)**
Profit attributable to members of the parent entity		-	(1,259,665)	-	(1,259,665)
Other comprehensive income		**-**	-	-	-
Subtotal		-	**(1,259,665)**	-	**(1,259,665)**
Balance at 30 June 2014		**18,890,475**	**(32,695,819)**	**910,782**	**(12,894,562)**
Profit attributable to members of the parent entity		-	(3,606,963)	-	(3,606,963)
Other comprehensive income		-	-	-	-
Subtotal		**-**	**(3,606,963)**	-	**(3,606,963)**
Reverse acquisition adjustment	**12**	97,022,325	(97,022,325)		
Common control reserve	**12**	-	910,782	(910,782)	-
Balance at 30 June 2015		**115,912,800**	**(132,414,325)**	**-**	**(16,501,525)**

These financial statements should be read in conjunction with the accompanying notes.

Statement of Cash Flows for the year ended 30 June 2015

	Note	Consolidated 30-Jun-15 $'s	Consolidated 30-Jun-14 $'s
Cash flows from operating activities			
Receipts from customers		23,130	-
Payments to suppliers and employees		(116,757)	(89,029)
Interest received		-	8,770
Interest and other costs of finance paid		(94,981)	(45)
Net cash (used in)/provided by operating activities	20(b)	(188,608)	(80,304)
Cash flows from investing activities			
Proceeds from disposal of investment property		1,470,000	-
Payment for property, plant and equipment		(2,347,000)	(1,268,239)
Net cash used in investing activities		(900,000)	(1,268,239)
Cash flows from financing activities			
Proceeds from external borrowings		2,047,684	-
Repayment of external borrowings		(1,087,684)	-
Net proceeds/(repayment) for related party loans borrowings/loans granted		127,684	1,349,487
Net cash provided by/(used in) financing activities		1,087,684	1,349,487
Net (decrease)/increase in cash and cash equivalents		(924)	944
Cash and cash equivalents at the beginning of the reporting period		944	-
Cash and cash equivalents at the end of the reporting period	20(a)	20	944

These financial statements should be read in conjunction with the accompanying notes.

Notes to the Financial Statements for the year ended 30 June 2015

1. Summary of accounting policies

Statement of compliance

The financial report includes the separate financial statements of Strathfield Group Limited and its controlled entities ("Consolidated Entity"). Accounting Standards include Australian equivalents to International Financial Reporting Standards ('A-IFRS'). Compliance with the A-IFRS ensures that the consolidated financial statements and notes of the Consolidated Entity comply with International Financial Reporting Standards ('IFRS'). This report was authorised for issue by the directors on 18 December 2015.

Basis of preparation

The preliminary financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

Liquidation basis of accounting

As a result of the Consolidated Entity's decision to close stores as a result of Optus terminating the MDA the liquidation basis of accounting has been adopted for the financial statements of the Consolidated Entity for the year ended 30 June 2011, and subsequent years as deemed necessary.

Under the liquidation basis of accounting, assets are stated at their estimated net realisable value, and liabilities are stated at their estimated settlement amounts, and the relevant estimates will be periodically reviewed and adjusted as appropriate. Assets and liabilities included in the financial statements of the EU Group are stated on the following bases;

- Items of property, plant and equipment and inventories are reflected at net realisable values which are based on the expected net sales proceeds to be received from the scrap sales of these assets,
- Trade receivables and other receivables are stated at their recoverable amounts, which are the estimated net cash proceeds to be received from the debtors,
- Cash and bank balances are presented at face value, and
- Trade payables, other payables, accruals and provisions are stated at estimated settlement amounts.

Accounting Standards and Interpretations issued but not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the Group for the annual period ended 30 June 2015 are outlined below:

New / revised pronouncement	Superseded pronouncement	Nature of change	Effective date (annual reporting periods beginning on or after...)	Likely impact on initial application
ASB 9 *Financial Instruments (December 2014)*	*AASB 139 Financial Instruments: Recognition and Measurement*	AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are: a Financial assets that are debt instruments will be classified based on: (i) the objective of the entity's business model for managing the financial assets; and (ii) the characteristics of the contractual cash flows. b Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income (instead of in profit or loss). Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument. c Introduces a 'fair value through other comprehensive income' measurement category for particular simple debt instruments. d Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.	1 January 2018	*When this standard is first adopted for the year ending 30 June 2019, there will be no material impact on the transactions and balances recognised in the financial statements.*

New / revised pronouncement	**Superseded pronouncement**	**Nature of change**	**Effective date (annual reporting periods beginning on or after…)**	**Likely impact on initial application**
		e Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows: • the change attributable to changes in credit risk are presented in Other Comprehensive Income ('OCI')the remaining change is presented in profit or loss If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss. Otherwise, the following requirements have generally been carried forward unchanged from AASB 139 into AASB 9: • classification and measurement of financial liabilities; and de-recognition requirements for financial assets and liabilities.		
AASB 9 *Financial Instruments (December 2014)* continued	(As above)	AASB 9 requirements regarding hedge accounting represent a substantial overhaul of hedge accounting that enable entities to better reflect their risk management activities in the financial statements. Furthermore, AASB 9 introduces a new impairment model based on expected credit losses. This model makes use of more forward-looking information and applies to all financial instruments that are subject to impairment accounting.		
AASB 14 *Regulatory Deferral Accounts*	None	AASB 14 permits first-time adopters of Australian Accounting Standards who conduct rate-regulated activities to continue to account for amounts related to rate regulation in accordance with their previous GAAP. Accordingly, an entity that applies AASB 14 may continue to apply its previous GAAP accounting policies for the recognition, measurement, impairment and derecognition of its regulatory deferral account balances. This exemption is not available to entities who already apply Australian Accounting Standards.	1 January 2016	*When AASB 14 becomes effective for the first time for the year ending 30 June 2017, it will not have any impact on the entity.*

New / revised pronouncement	Superseded pronouncement	Nature of change	Effective date (annual reporting periods beginning on or after...)	Likely impact on initial application
AASB 15 *Revenue from Contracts with Customers*	AASB 118 *Revenue* AASB 111 *Construction Contracts* Int. 113 *Customer Loyalty Programmes* Int. 115 *Agreements for the Construction of Real Estate* Int. 118 *Transfer of Assets from Customers*	AASB 15: • replaces AASB 118 *Revenue*, AASB 111 *Construction Contracts* and some revenue-related Interpretations: - establishes a new revenue recognition model - changes the basis for deciding whether revenue is to be recognised over time or at a point in time - provides new and more detailed guidance on specific topics (e.g., multiple element arrangements, variable pricing, rights of return, warranties and licensing) - expands and improves disclosures about revenue In May 2015, the AASB issued ED 260 *Income of Not-for-Profit Entities*, proposing to replace the income recognition requirements of AASB 1004 *Contributions* and provide guidance to assist not-for-profit entities to apply the principles of AASB 15. The ED is open for comment until 14 August 2015.	1 January 2017 (*however note that both the IASB & AASB have recently issued Exposure Drafts, proposing to defer the effective date to 1 January 2018*)	*When this Standard is first adopted for the year ending 30 June 2018, there will be no material impact on the transactions and balances recognised in the financial statements.*
AASB 2014-1 *Amendments to Australian Accounting Standards (Part D: Consequential*	None	Part D of AASB 2014-1 makes consequential amendments arising from the issuance of AASB 14.	1 January 2016	*When these amendments become effective for the first time for the year ending 30 June 2017, they will not have any impact on the entity.*
AASB 2014-1 *Amendments to Australian Accounting Standards (Part E: Financial Instruments)*	None	Part E of AASB 2014-1 makes amendments to Australian Accounting Standards to reflect the AASB's decision to defer the mandatory application date of AASB 9 *Financial Instruments* to annual reporting periods beginning on or after 1 January 2018. Part E also makes amendments to numerous Australian Accounting Standards as a consequence of the introduction of Chapter 6 *Hedge Accounting* into AASB 9 and to amend reduced disclosure requirements for AASB 7 *Financial Instruments: Disclosures* and AASB 101 *Presentation of Financial Statements*.	1 January 2015	*Refer to the section on AASB 9 above.*

New / revised pronouncement	Superseded pronouncement	Nature of change	Effective date (annual reporting periods beginning on or after...)	Likely impact on initial application
AASB 2014-3 *Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations*	None	The amendments to AASB 11 state that an acquirer of an interest in a joint operation in which the activity of the joint operation constitutes a 'business', as defined in AASB 3 *Business Combinations*, should: • apply all of the principles on business combinations accounting in AASB 3 and other Australian Accounting Standards except principles that conflict with the guidance of AASB 11. This requirement also applies to the acquisition of additional interests in an existing joint operation that results in the acquirer retaining joint control of the joint operation (note that this requirement applies to the additional interest only, i.e., the existing interest is not remeasured) and to the formation of a joint operation when an existing business is contributed to the joint operation by one of the parties that participate in the joint operation; and • provide disclosures for business combinations as required by AASB 3 and other Australian Accounting Standards.	1 January 2016	*When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the transactions and balances recognised in the financial statements.*

New / revised pronouncement	Superseded pronouncement	Nature of change	Effective date (annual reporting periods beginning on or after...)	Likely impact on initial application
AASB 2014-4 *Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation*	None	The amendments to AASB 116 prohibit the use of a revenue-based depreciation method for property, plant and equipment. Additionally, the amendments provide guidance in the application of the diminishing balance method for property, plant and equipment. The amendments to AASB 138 present a rebuttable presumption that a revenue-based amortisation method for intangible assets is inappropriate. This rebuttable presumption can be overcome (i.e., a revenue-based amortisation method might be appropriate) only in two (2) limited circumstances: i The intangible asset is expressed as a measure of revenue, for example when the predominant limiting factor inherent in an intangible asset is the achievement of a revenue threshold (for instance, the right to operate a toll road could be based on a fixed total amount of revenue to be generated from cumulative tolls charged); or ii When it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated.	1 January 2016	*When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the transactions and balances recognised in the financial statements.*
AASB 2014-5 *Amendments to Australian Accounting Standards arising*	None	AASB 2014-5 incorporates the consequential amendments arising from the issuance of AASB 15.	1 January 2017	*Refer to the section on AASB 15 above.*
AASB 2014-6 *Amendments to Australian Accounting Standards – Agriculture:*	None	AASB 2014-6 defines bearer plants and requires bearer plants to be accounted for as property, plant and equipment within the scope of AASB 116 *Property, Plant and Equipment* instead of AASB 141 *Agriculture.*	1 January 2016	*When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the financial statements.*
AASB 2014-7 *Amendments to Australian Accounting Standards arising from AASB 9*	None	AASB 2014-7 incorporates the consequential amendments arising from the issuance of AASB 9.	1 January 2018	*Refer to the section on AASB 9 above.*

New / revised pronouncement	Superseded pronouncement	Nature of change	Effective date (annual reporting periods beginning on or after...)	Likely impact on initial application
AASB 2014-8 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) – Application of AASB 9*	None	AASB 2014-8 limits the application of the existing versions of AASB 9 (AASB 9 [December 2009] and AASB 9 [December 2010]) from 1 February 2015.	1 January 2015	*Refer to the section on AASB 9 above.*
AASB 2014-9 *Amendments to Australian Accounting Standards – Equity Method in*	None	The amendments introduce the equity method of accounting as one of the options to account for an entity's investments in subsidiaries, joint ventures and associates in the entity's separate financial statements.	1 January 2016	*When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the financial statements.*
AASB 2014-10 *Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	None	The amendments address a current inconsistency between AASB 10 *Consolidated Financial Statements* and AASB 128 Investments in Associates and Joint Ventures (2011). The amendments clarify that, on a sale or contribution of assets to a joint venture or associate or on a loss of control when joint control or significant influence is retained in a transaction involving an associate or a joint venture, any gain or loss recognised will depend on whether the assets or subsidiary constitute a business, as defined in AASB 3 *Business Combinations*. Full gain or loss is recognised when the assets or subsidiary constitute a business, whereas gain or loss attributable to other investors' interests is recognised when the assets or subsidiary do not constitute a business. This amendment effectively introduces an exception to the general requirement in AASB 10 to recognise full gain or loss on the loss of control over a subsidiary. The exception only applies to the loss of control over a subsidiary that does not contain a business, if the loss of control is the result of a transaction involving an associate or a joint venture that is accounted for using the equity method. Corresponding amendments have also been made to AASB 128 (2011).	1 January 2016	*When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the financial statements.*

New / revised pronouncement	**Superseded pronouncement**	**Nature of change**	**Effective date (annual reporting periods beginning on or after...)**	**Likely impact on initial application**
AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle	None	These amendments arise from the issuance of *Annual Improvements to IFRSs 2012-2014 Cycle* in September 2014 by the IASB. Among other improvements, the amendments clarify that when an entity reclassifies an asset (or disposal group) directly from being held for sale to being held for distribution (or vice-versa), the accounting guidance in paragraphs 27-29 of AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* does not apply. The amendments also state that when an entity determines that the asset (or disposal group) is no longer available for immediate distribution or that the distribution is no longer highly probable, it should cease held-for-distribution accounting and apply the guidance in paragraphs 27-29 of AASB 5.	1 January 2016	*When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the financial statements.*
AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101	None	The amendments: • clarify the materiality requirements in AASB 101, including an emphasis on the potentially detrimental effect of obscuring useful information with immaterial information • clarify that AASB 101's specified line items in the statement(s) of profit or loss and other comprehensive income and the statement of financial position can be disaggregated • add requirements for how an entity should present subtotals in the statement(s) of profit and loss and other comprehensive income and the statement of financial position • clarify that entities have flexibility as to the order in which they present the notes, but also emphasise that understandability and comparability should be considered by an entity when deciding that order • remove potentially unhelpful guidance in IAS 1 for identifying a significant accounting policy.	1 January 2016	*When these amendments are first adopted for the year ending 30 June 2017, there will be no material impact on the financial statements.*

New / revised pronouncement	Superseded pronouncement	Nature of change	Effective date (annual reporting periods beginning on or after...)	Likely impact on initial application
AASB 2015-3 Amendments to Australian Accounting Standards arising from the	None	The Standard completes the AASB's project to remove Australian guidance on materiality from Australian Accounting Standards.	1 July 2015	*When this Standard is first adopted for the year ending 30 June 2016, there will be no impact on the financial statements.*

Summary of Accounting Policies

The following significant accounting policies have been adopted in the preparation and presentation of the financial statements:

(a) Principles of Consolidation

A subsidiary is any entity over which Strathfield Group Limited has the power to govern the financial and operating policies so as to obtain benefits from its activities. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered. The effect of the application of AASB 3, Business Combinations, is explained below.

A list of subsidiaries is contained in Note 14 to the financial statements.

As at reporting date, the assets and liabilities of all subsidiaries have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where subsidiaries have entered the consolidated group during the year, their operating results have been included from the date control was obtained.

All inter-group balances and transactions between entities in the consolidated group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

Investments in subsidiaries are accounted for at cost in the individual statements of Strathfield Group Limited.

Business Combinations

Business combinations occur where control over another business is obtained and results in the consolidation of its assets and liabilities. All business combinations, including those involving entities under common control, are accounted for by applying the purchase method.

The purchase method requires an acquirer of the business to be identified and for the cost of the acquisition and fair values of identifiable assets, liabilities and contingent liabilities to be determined as at acquisition date, being the date that control is obtained. Cost is determined as the aggregate of fair values of assets given, equity issued and liabilities assumed in exchange for control together with costs directly attributable to the business combination. Where equity instruments are issued in an acquisition the fair value of the instruments is the published market price at the date of exchange. Transaction costs arising from the issue of equity instruments are recognised directly in equity. Any deferred consideration payable is discounted to present value using the entity's incremental borrowing rate.

Goodwill is recognised initially at the excess of cost over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If the fair value of the acquirer's interest is greater than cost, the surplus is immediately recognised in profit or loss.

(b) Goods and services tax Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(c) Impairment of assets

At each reporting date, the Consolidated Entity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Consolidated Entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Goodwill, intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired. An impairment of goodwill is not subsequently reversed.

Recoverable amount is the higher of 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 pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

(d) Income Tax

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit. Furthermore, a deferred tax liability is not recognised in relation to taxable temporary differences arising from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries except where the Consolidated Entity is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with these investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Consolidated Entity expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the company/Consolidated Entity intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax is recognised as an expense or income in the income statement, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

Tax consolidation

Strathfield Group Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under tax consolidation legislation. Each entity in the Group recognises its own current and deferred tax assets and liabilities. Such taxes are measured using the 'stand-alone taxpayer' approach to allocation. Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the head entity. The Group notified the Tax Office that it had formed an income tax consolidated group to apply from 7 March 2009. The tax consolidated group has entered a tax funding arrangement whereby each company in the Group contributes to the income tax payable by the Group in proportion to their contribution to the Group's taxable income. Differences between the amounts of net tax assets and liabilities derecognised and the net amounts recognised pursuant to the funding arrangement are recognised as either a contribution by, or distribution to the head entity. The head entity of the consolidated tax group is Strathfield Group Limited.

(e) Leased assets

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

(f) Payables

Trade payables and other accounts payable are recognised when the Consolidated Entity becomes obliged to make future payments resulting from the purchase of goods and services.

(g) Provisions

Provisions are recognised when the Consolidated Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that the Consolidated Entity will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.
When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

(h) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Rental income

Rental income from operating leases is recognised on a straight-line basis over the lease term. When the Group provides incentives to its tenants, the cost of incentives is recognised over the lease term, on a straight-line basis, as a reduction of rental income.

Interest revenue

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(i) Receivables

Trade receivables are recognised and carried at the original invoice amount which approximates net fair value. Recoverability is reviewed on an ongoing basis and debts that are known to be uncollectible are written off. A provision for doubtful debts is raised when collection of the full amount is no longer probable.

Receivables from related parties are recognised and carried at the nominal amount due and no interest is charged on outstanding balances.

(j) Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

(k) Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave and long service leave.

Liabilities arising in respect of wages and salaries, annual leave, sick leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on expected remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cash outflows, the market yield as at the reporting date on national government bonds, which have terms to maturity approximating the terms of the related liability, are used.

Employee benefits expenses and revenues arising in respect of the following categories:

- Wages and salaries, non-monetary benefits, annual leave, long service leave, sick leave and other leave benefits; and
- Other types of employee benefits are recognised against profits on a net basis in their respective categories.

The Consolidated Entity participates in a number of externally managed superannuation plans under which employees or their dependents are entitled to benefits on retirement, disability or death. The Consolidated Entity makes contributions as specified in the rules of the fund which are at least equal to those required under the Superannuation Guarantee Charge legislation.

(l) Contributed equity

Issued and paid up capital is recognised at the fair value of the consideration received by the company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

On 18 January 2015, Strathfield Equipment Group Pty Limited was deregistered. Strathfield Equipment Group Pty Limited was the accounting acquirer for the business combination effected in December 2008 when Clear Communications (EURAUST) AB was deemed to have acquired Strathfield Group Limited. As a result of the deregistration the acquisition accounting required by accounting standards has been reversed reverting to that expected by the legal form of the Consolidated Entity. Details of the differences are provided with the notes to the financial statements for any statement of financial position item impacted.

(m) Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(n) Dividends

Dividends payable are recognised when a legal or constructive obligation to pay the dividend arises, typically when the dividend is declared by the directors. The carrying amount of dividends payable approximates net fair value.

(o) Investments and other financial assets

Financial assets in the scope of AASB 139 Financial Instruments: Recognition and Measurement are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets.

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Finance instruments are subsequently measured at either of fair value, amortised cost using the effective interest rate method, or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

a. the amount at which the financial asset or financial liability is measured at initial recognition;

b. less principal repayments;

c. plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and

d. less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at 'fair value through profit or loss' when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a Group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

(ii) 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 subsequently measured at amortised cost.

Loans and receivables are included in current assets, except for those, which are not expected to mature within 12 months after the end of the reporting period. (All other loans and receivables are classified as non-current assets.)

(iii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those that are expected to mature within 12 months after the end of the reporting period. (All other financial assets are classified as current assets.)

(iv) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

(p) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Consolidated Entity, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

After initial recognition, investment property is carried at cost. Investment property under construction is measured at fair value if the fair value is considered to be reliably determinable.

Investment properties under construction for which the fair value cannot be determined reliably, but for which the company expects that the fair value of the property will be reliably determinable when construction is completed, are measured at cost less impairment until the fair value becomes reliably determinable or construction is completed - whichever is earlier. Fair value is based on active market prices, adjusted, if necessary, for differences in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections. Valuations are performed as of the financial position date by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations form the basis for the carrying amounts in the consolidated financial statements. Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value.

It may sometimes be difficult to determine reliably the fair value of the investment property under construction. In order to evaluate whether the fair value of an investment property under construction can be determined reliably, management considers the following factors, among others:

- The provisions of the construction contract.
- The stage of completion.
- Whether the project/property is standard (typical for the market) or non-standard.
- The level of reliability of cash inflows after completion.
- The development risk specific to the property.
- Past experience with similar constructions.
- Status of construction permits.

Changes in fair values are recognised in the income statement. Investment properties are derecognised when they have been disposed. Where the Group disposes of a property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in the income statement within net gain from fair value adjustment on investment property.**(v) Critical Accounting Judgements and Key Sources of Estimation Uncertainly**

Critical Judgements in Applying the Group's accounting policies

The following are the critical judgements (apart from those involving estimations, which are dealt with below), that management has made in the process of applying the Group's accounting policies and have the most significant effect on the amounts recognised in the financial statements:

Key estimates –*Recovery of deferred tax assets*

Deferred tax assets are recognised for deductible temporary differences, and previously unrecognised tax losses, as management considers that it is probable that future taxable profits will be available to utilise those temporary differences. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits over the next two years together with future tax planning strategies.

Key estimates –*Taxation*

The Consolidated Entity's accounting policy for taxation requires management's judgement as to the types of arrangements considered to be a tax on income in contrast to an operating cost. Judgement is also required in assessing whether deferred tax assets and certain deferred tax liabilities are recognised on the statement of financial position. Deferred tax assets, including those arising from un-recouped tax losses, capital losses and temporary differences, are recognised only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits. Deferred tax liabilities arising from temporary differences in investments, caused principally by retained earnings held in foreign tax jurisdictions, are recognised unless repatriation of retained earnings can be controlled and are not expected to occur in the foreseeable future.

Assumptions about the generation of future taxable profits and repatriation of retained earnings depend on management's estimates of future cash flows. These depend on estimates of future production and sales volumes, operating costs, restoration costs, capital expenditure, dividends and other capital management transactions. Judgements are also required about the application of income tax legislation. These judgements and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognised on the statement of financial position and the amount of other tax losses and temporary differences not yet recognised. In such circumstances, some or all of the carrying amounts of recognised deferred tax assets and liabilities may require adjustment, resulting in a corresponding credit or charge to the statement of comprehensive income.

Key estimates –*Liquidation Basis of Accounting*

The preparation of the financial statements of the Consolidated Entity using the liquidation basis of accounting requires the Consolidated Entity to make assumptions, judgements and estimates that can have a significant impact on the assets and liabilities of the Consolidated Entity. Management bases its assumptions, judgements and estimates on the most recent information available and various other factors believed to be reasonable under the circumstances. Actual results could differ materially from these estimates under different assumptions or conditions. On a regular basis, management evaluates its assumptions, judgements and estimates and makes changes accordingly.

2. Profit/(loss) from operations

	Consolidated	
	30 June 2015 $'s	**30 June 2014 $'s**
(a) Revenue		
Revenue from the rental of property	23,735	-
	23,735	-
Other income	300,000	8,771
	323,735	8,771

	Consolidated	
	30 June 2015 $'s	**30 June 2014 $'s**
(b) Profit/(loss) before income tax		
Finance cost:		
Interest expense	94,981	45
Impairment expenses:		
Other assets	3,766,327	1,267,989
	3,766,327	1,267,989

3. Income tax

	30 June 2015 $'s	30 June 2014 $'s
(a) Tax expense comprises:		
Current tax income in respect of current year	1,082,089	377,815
Effect of non-temporary differences	-	-
Effect of temporary differences	(1,079,102)	(375,234)
Current income tax	-	-
Effect of tax losses utilised	(2,987)	(2,581)
Total tax expense	-	-
Unrecognised deferred tax balances		
The following deferred tax assets have not been brought to account as assets:		
Tax losses – revenue	19,666,840	19,669,827
Temporary differences	-	32,850,000
Tax losses – capital	32,775,000	-
	52,441,840	52,519,827

	30 June 2015 $'s	30 June 2014 $'s
(b) the prima facie income tax expense on pre-tax accounting profit reconciles to the income tax expense as follows;		
Total accounting profit before income tax	(3,606,963)	(1,259,385)
Income tax calculated at 30%	1,082,089	377,815
Add/less		
Effect of tax losses utilised	(2,987)	(2,581)
Effect of other non-temporary differences	-	-
Effect of temporary differences	(1,079,102)	(375,234)
Current income tax	-	-
	-	-

3. Income tax (cont'd)

(c) Tax consolidation

Strathfield Group Limited and its wholly owned Australian subsidiaries have formed an income tax consolidated group under tax consolidation legislation. Each entity in the Group recognises its own current and deferred tax assets and liabilities. Such taxes are measured using the 'stand-alone taxpayer' approach to allocation. Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the head entity. The Group notified the Tax Office that it had formed an income tax consolidated group to apply from 7 March 2009. The tax-consolidated group has entered a tax funding arrangement whereby each company in the Group contributes to the income tax payable by the Group in proportion to their contribution to the Group's taxable income. Differences between the amounts of net tax assets and liabilities derecognised and the net amounts recognised pursuant to the funding arrangement are recognised as either a contribution by, or distribution to the head entity. The head entity of the consolidated tax group is Strathfield Group Limited.

(d) Tax losses

Any benefit from tax losses, as documented in the note on the preceding page, will only be obtained if:

(i) The Consolidated Entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;

(ii) The Consolidated Entity continues to comply with the conditions for deductibility imposed by tax legislation;

(iii) No changes for tax legislation adversely affect the Consolidated Entity in realising the benefit from the deductions for the losses;

(iv) The Consolidated Entity does not foresee probability of deriving sufficient assessable income to enable the benefit carry forward losses to be realised and to that end has derecognised its Deferred Tax Assets.

4. Remuneration of auditors

	Consolidated	
	30 June 2015 $'s	30 June 2014 $'s
Auditor of the parent entity		
Grant Thornton Audit Pty Ltd		
Audit or review of the financial report*	15,000	35,000
Other services	-	-
	15,000	35,000

**Note – the audit fees have been paid for by the major shareholder and creditor*

5. Other assets

	Consolidated	
	30 June 2015 $'s	30 June 2014 $'s
Other asset	604	-
Creditor's trusts arising under DOCA	-	262,205
	604	262,205

6. Investments

	Consolidated	
	30 June 2015	**30 June 2014**
	$'s	**$'s**
Other assets	4,737,249	1,118,239
All 4 Tradies	250,000	250,000
Impairment	(4,987,249)	(1,268,239)
	-	-

The investment in All4Tradies is not beneficially owned by the Consolidated Entity.

7. Investment property

	Leasehold improvements at cost	**Plant and equipment at cost**	**Total**
	$'s	**$'s**	**$'s**
Gross carrying amount			
Balance at 30 June 2014	**-**	**-**	**-**
Additions, cash	-	2,370,000	2,370,000
Disposals	-	(1,170,000)	(1,170,000)
Balance at 30 June 2015	**-**	**1,200,000**	**1,200,000**

There are no restrictions on the realisability of investment property or the remittance of income and proceeds of disposal. There are no contractual obligations to purchase, construct or develop investment property for repairs, maintenance or enhancements.

8. Trade and other payables

	30 Jun 15	**30 Jun 14**
	$'s	**$'s**
Trade payables (i)	-	220,308
Accruals	150,000	150,000
Loans from related party	16,592,149	12,787,403
	16,472,149	**13,157,711**

9. Interest Bearing Liabilities

	Consolidated	
	30 Jun 15	**30 Jun 14**
	$'s	**$'s**
Bank loans	960,000	-
	960,000	**-**

Bank loans are secured by a charge, held by the lender, over the property.

10. Issued capital

	Consolidated 30 June 2015 $'s	Consolidated 30 June 2014 $'s
The company has 3,324,503,874 fully paid ordinary shares (2014: 3,324,503,874)	115,912,800	18,890,475
	115,912,800	**18,890,475**

As a result of the deregistration of Strathfield Equipment Group Pty Ltd the methodology employed to account for that business combination is no longer valid. Accordingly eliminations of equity, retained losses and reserves are no longer used and the Consolidated Entity has reverted to its legal form.

	Consolidated 2015 No. '000	Consolidated 2015 $'s
Fully paid ordinary shares of the company		
Balance at beginning of financial year	18,677,675	18,677,675
Cancellation of reverse acquisition shares	(18,677,675)	-
Recognition of historical, legal form, equity	3,324,503,874	-
Balance at end of financial year	**3,324,503,874**	18,890,475

Fully paid ordinary shares carry one vote per share and carry the right to dividends. Reverse acquisition shares refer to the deemed capital issued to account for the reverse acquisition of Strathfield Group Limited by Strathfield Equipment Group Pty Limited. The deregistration of Strathfield Equipment Group Pty Limited sees these shares effectively cancelled and the Consolidated Entity's issued capital reverts to the legal form shares issued.

(a) Capital risk management

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the group consisted of debt, which includes the borrowings, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in notes 9 and 10 respectively. The Group operates nationally, primarily through retail outlets in the markets, which the group trades. None of the group's entities are subject to externally imposed capital requirements.

Operating cash flows are used to maintain and expand the group's retail assets, as well as to make the routine outflows of tax, dividends and repayment of maturing debt.

11. Reserves

	Consolidated	
	30 June 2015 $'s	**30 June 2014 $'s**
Common control reserve	-	910,782
	-	**910,782**

As a result of the deregistration of Strathfield Equipment Group Pty Ltd the methodology employed to account for that business combination is no longer valid. Accordingly eliminations of equity, retained losses and reserves are no longer used and the Consolidated Entity has reverted to its legal form.

12. Accumulated losses

	Consolidated	
	30 June 2015 $'s	**30 June 2014 $'s**
Balance at beginning of financial year	(32,695,819)	(31,436,154)
Recognition of historical retained losses of legal parent	(97,022,325)	-
Transfer of common control reserve	910,782	
Net profit attributable to members of the parent entity	(3,606,963)	(1,259,665)
Balance at end of financial year	**(132,414,325)**	**(32,695,819)**

13. Dividends

No dividend has been paid or proposed and the directors do not recommend the payment of a dividend in respect of the current or previous financial years.

14. Subsidiaries `

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy set out in note 1 (a).

		Ownership Interest		Deregistered
Name of entity	**Country of incorporation**	**2015 %**	**2014 %**	
Legal parent entity				
Strathfield Group Limited	Australia			
Subsidiaries				
Hereford Group Pty Limited	Australia	100	100	
Strathfield Equipment Group Pty Limited	Australia	100	100	18/01/2015

15. Segment Information

The Consolidated operates in a single segment that of property development. Geographically, the group operates in one segment, being Australia.

The Consolidated Entity's chief operating decision maker has been identified as the Executive Chairman.

The Executive Chairman reviews the financial and operating performance of the business primarily from an 'end user type' perspective. On this basis management has identified one reportable segment that does not differ from the Consolidated Entity's results.

The Executive Chairman monitors the performance of these segments separately. The Executive Chairman assesses the performance of the operating segments based on a measure of revenue, gross margin, EBITDA and profit before tax.

Basis of accounting for purposes of reporting by operating segments.

(a) Accounting policies adopted

Unless stated otherwise, all amounts reported to the Board of Directors, being 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.

(b) Major customers

The Consolidated Entity has no customers to whom it provides both products and services.

16. Related party disclosures

(a) Parent entity

Strathfield Group Limited is the parent entity of the Consolidated Entity.

(b) Equity interests in subsidiaries

Details of the percentage of ordinary shares held in subsidiaries are disclosed in note 14 to the financial statements.

(c) Key management personnel remuneration

There was no remuneration paid to key management personnel during the year (2014$nil)

(d) Transactions between the Group and its related parties

Tony Hakim

At balance date the Consolidated Entity has total outstanding loans from Mr Hakim to the value of $16.592 million up from $12.787 million in 2014.

Taste Imports Pty Limited

At balance date the Consolidated Entity has total receivable loans to Taste Imports Pty Limited to the value of $300 thousand. This balance has been impaired as at 30 June 2015.

3 Premier St Pty Limited

At balance date the Consolidated Entity has total receivable loans to 3 Premier St Pty Limited to the value of $864 thousand. This balance has been impaired as at 30 June 2015.

2 - 4 Junction St Pty Limited

At balance date the Consolidated Entity has total receivable loans to 2 - 4 Junction St Pty Limited to the value of $824 thousand. This balance has been impaired as at 30 June 2015.

Premier One Estate Pty Limited

At balance date the Consolidated Entity has total receivable loans to Taste Imports to the value of $858 thousand. This balance has been impaired as at 30 June 2015.

Geotone Pty Limited

At balance date the Consolidated Entity has total receivable loans to Taste Imports to the value of $151 thousand. This balance has been impaired as at 30 June 2015.

Glebe Point Holdings Pty Limited

At balance date the Consolidated Entity has total receivable loans to Glebe Point Holdings Pty Limited to the value of $65 thousand. This balance has been impaired as at 30 June 2015.

106 Pittwater Pty Limited

At balance date the Consolidated Entity has total receivable loans to 106 Pittwater Pty Limited to the value of $67 thousand. This balance has been impaired as at 30 June 2015.

NTG Investment Group Pty Limited

At balance date the Consolidated Entity has total receivable loans to NTG Investment Group Pty Limited to the value of $21 thousand. This balance has been impaired as at 30 June 2015.

Michael Nehme

At balance date the Consolidated Entity has total receivable loans to Michael Nehme to the value of $200 thousand. This balance has been impaired as at 30 June 2015.

Jason Khoury

At balance date the Consolidated Entity has total receivable loans to Jason Khoury to the value of $103 thousand. This balance has been impaired as at 30 June 2015.

17. Subsequent events

Since the end of the Full Year the Consolidated Entity has disposed of an investment property located in Gladesville. Whilst the contract was exchanged on 30 May 2015 settlement occurred subsequent to year end. The net gain on disposal of the property was $250 thousand.

18. Contingent assets and contingent liabilities

There are no contingent assets or liabilities. In the prior year the Consolidated Entity had, in the event of termination of a supplier agreement, a possible contingent liability arising from the termination of said agreement. Should the agreement be terminated prior to its term a currently indeterminable amount of revenue previously received will be repayable to the supplier. The directors felt that an event of termination is remote and as a result no further disclosure was required.

Claims and possible claims, indeterminable in amount, have arisen in the course of business against entities in the Consolidated Entity. The directors of the Consolidated Entity believe that any resultant liability will not materially affect the financial position of the Consolidated Entity.

18. Notes to the cash flow statement

(a) Reconciliation of cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

	Consolidated	
	30 June 2015 $'s	30 June 2014 $'s
Cash and cash equivalents	20	944
	20	944

	Consolidated	
	30 June 2015 $'s	30 June 2014 $'s
(b) Reconciliation of profit for the period to net cash flows from operating activities		
Profit for the year	(3,606,963)	(1,259,385)
Impairment of other assets	3,718,960	1,268,239
Gain on sale of investment property	(300,000)	-
(Increase)/decrease in assets:		
Other assets	(604)	46,198
Increase/(decrease) in liabilities:	-	-
Payables	(232,205)	(135,355)
Net cash (used in) provided from operating activities	(188,608)	(80,304)

19. Parent entity information

(a) Financial information

	30 June 2015 $'s	30 June 2014 $'s
Assets		
Current assets	263,149	263,149
Non-current assets	-	-
Total assets	263,149	263,149
Liabilities		
Current Liabilities	13,157,711	13,157,711
Non-current Liabilities	-	-
Total liabilities	13,157,711	13,157,711
Net assets (liabilities)	(12,894,562)	(12,894,562)
Equity		
Issued capital	115,912,800	115,912,800
Retained earnings	(128,807,362)	(128,807,362)
Reserves		
Total reserves	-	-
Total equity	(12,894,562)	(12,894,562)
Financial Performance		
Profit (loss) for the year	(1,259,665)	(1,259,665)
Other comprehensive income	-	-
Total comprehensive income	(1,259,665)	(1,259,665)

20. Financial instruments

(a) Financial risk management objectives

The Consolidated Entity's activities expose it to a variety of financial risks including market risks, liquidity risk and credit risk. The Consolidated Entity's activities differ from those the legal parent undertook under the auspices of previous management where market risks included foreign currency, due to its overseas purchasing, and interest rate risk owing to its external borrowings.

The Consolidated Entity's principal financial instruments comprise receivables, payables, and loans bearing no interest, finance leases and cash.

The Consolidated Entity does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The use of financial derivatives is governed by the Consolidated Entity's policies approved by the board of directors, which provide written principles on the use of financial derivatives. There have been no changes to the Consolidated Entity's exposure to financial risks or the manner in which it manages and measures these risks from the previous period.

(b) Gearing Ratio

The Consolidated Entity's audit committee reviews the capital structure on a semi-annual basis. As a part of this review the committee considers the cost of capital and risks associated with each class of capital. Based on recommendations of the committee the Consolidated Entity will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

The gearing ratio at year end was as follows:

	Consolidated	
	30 June 2015 $'s	**30 June 2014 $'s**
Financial assets		
Debt (i)	16,592,149	12,639,454
Debt (ii)	960,000	-
Cash assets	(20)	(944)
Net debt	16,592,129	12,638,509
Equity (iii)	112,912,800	18,890,475
Net debt to equity ratio	0.14	0.67

(i) Defined as debt from related parties, as detailed in note 8.

(ii) Defined as external debt, as detailed in note 9.

(iii) Equity includes all capital and reserves.

On or about 6 February 2009, the largest shareholder of the Consolidated Entity at the time, Clear Communications (Euraust) AB, entered into an agreement with GE Commercial Corporation (Australia) Pty Limited (GE) to acquire from GE the GE debt outstanding under the Facility Agreement between GE and the Company at that time. This paved the path for and provided certainty to the success of the proposed Deed of Company Arrangement for Creditors when the Company was placed into Voluntary Administration on 27 January 2009. The GE facility is now replaced with a non-current loan owing to a related party, the largest shareholder or its associate.

The Consolidated Entity holds the following financial assets and liabilities at the reporting date:

	Consolidated	
	30 June 15	**30 June 14**
	$'s	**$'s**
Financial Assets		
Cash	20	944
Other assets	604	-
Financial Liabilities		
Trade and Other Payables	-	220,308
Accruals	150,000	150,000
Bank Loan	960,000	-
Related party loan	16,592,149	12,787,483

(c) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 1 to the financial statements.

(d) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Consolidated Entity. The Consolidated Entity has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Consolidated Entity's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the audit committee annually. The Consolidated Entity measures credit risk on a fair value basis.

The Consolidated Entity does not have any material credit risk exposure to any other single counterpart or any group of counterparties having similar characteristics.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for impairments, represents the Consolidated Entity's maximum exposure to credit risk.

The carrying amount of investments recorded in the financial statements have been fully impaired owing to uncertainty in the recoverability of the investments and uncertainty as to the future cash flows expected to be derived from the investment.

(e) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, who have built an appropriate liquidity risk management framework for the management of the consolidated entities short, medium and long-term funding and liquidity management requirements. The Consolidated Entity manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching maturity profiles of financial assets and liabilities.

Maturity profile of financial assets and liabilities

The following table details the company and Group's contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both principal and estimated interest cash flows. Cash flows for financial liabilities without fixed amount of timing are based on the conditions existing at the reporting date.

(g) Fair value of financial instruments

	2015		2014	
	Net carrying value	Net fair value	Net carrying value	Net fair value
	$'s	$'s	$'s	$'s
Financial assets				
Cash and cash equivalents	20	20	944	944
Other assets	604	604	-	-
Investments	-	-	-	-
Other financial assets	-	-	262,205	262,205
Total financial assets	**624**	**624**	**263,149**	**263,149**
Financial liabilities				
Trade and other payables	-	-	220,308	220,308
Accruals	150,000	150,000	-	-
Related party loans	16,592,149	16,592,149	12,787,403	12,787,403
Bank loans	960,000	960,000	-	-
Trade and other payables, non-current	-	-	-	-
Total financial liabilities	**17,702,149**	**17,702,149**	**13,007,711**	**13,007,711**

The fair values disclosed in the above table have been determined based on the following methodologies:

(i) Cash and cash equivalents, trade and other receivables, other assets and trade and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for annual leave, which is not considered a financial instrument.

(ii) Discounted cash flow models are used to determine the fair values of loans and advances. Discount rates used on the calculations are based on interest rates existing at the end of the reporting period for similar types of loans and advances. Differences between fair values and carrying values largely represent movements in the effective interest rate determined on initial recognition and current market rates.

(iii) Quoted market prices at the end of the reporting period are used as well as valuation techniques incorporating observable market data relevant to the hedged position.

(iv) Discounted cash flows models are used that incorporate a yield curve appropriate to the remaining maturity of the debenture, bill or promissory note.

Financial Instruments Measured at Fair Value

The financial instruments are analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

- quoted prices in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The Consolidated Entity currently has no financial instruments, which are subject to the fair value hierarchy described above.

21. Additional company information

Strathfield Group Limited is a listed public company, incorporated and operating in Australia.

Registered office	**Principal place of business**
64 Parramatta Rd Glebe NSW 2037	64 Parramatta Rd Glebe NSW 2037