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Request Number 9018756.

Extracted from ASIC's Database on 13/09/16 at 14:14.

Name: METRO TRAINS MELBOURNE PTY. LTD.
ACN : 136 429 948

Document ID	*No. of Pages*	*Date Lodged*
029467716	30	27/10/15

If this request is for financial accounts it may contain an XBRL version of the accounts in addition to the usual PDF version. To analyse the version of the accounts in XBRL format you will need to use XBRL reader software.
Please refer to www.asic.gov.au/SBR for more information.

The total number of pages including this cover page is 31.

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Australian Securities & Investments Commission

Australian Securities & Investments Commission
029467716

Form 388
Corporations Act 2001
294, 294B, 295, 298-301, 307, 308, 319, 321, 322
Corporations Regulations
1 0 08, 2M 3 01, 2M 3 03

Copy of financial statements and reports

If there is insufficient space in any section of the form, you may photocopy the relevant page(s) and submit as part of this lodgement

Company/scheme details

Company/scheme name
METRO TRAINS MELBOURNE PTY LTD

ACN/ARSN/PIN/ABN
136 429 948

Lodgement details

An image of this form will be available as part of the public register

Who should ASIC contact if there is a query about this form?

ASIC registered agent number (if applicable)

Firm/organisation
METRO TRAINS MELBOURNE PTY LTD

Contact name/position description
CATHERINE SPEERS / SECRETARY

Telephone number (during business hours)
(03) 0402 253206

Email address (optional)
Catherine.Speers@Metrotrains.Com.au

Postal address
LEVEL 17, 700 COLLINS STEET

Suburb/City
DOCKLANDS

State/Territory
VIC

Postcode
3008

TRA
27 OCT 2015
DG

1 Reason for lodgement of statement and reports

Tick appropriate box

[ ]	A public company or a disclosing entity which is not a registered scheme or prescribed interest undertaking	(A)
[ ]	A Tier 2 public company limited by guarantee (See Guide for definition of Tier 2 public company limited by guarantee)	(L)
[ ]	A registered scheme	(B)
[ ]	Amendment of financial statements or directors' report (company)	(C)
[ ]	Amendment of financial statements or directors' report (registered scheme)	(D)
[X]	A large proprietary company that is not a disclosing entity (See Guide for definition of large proprietary company)	(H)
[ ]	A small proprietary company that is controlled by a foreign company for all or part of the period and where the company's profit or loss for the period is not covered by the statements lodged with ASIC by a registered foreign company, company, registered scheme, or disclosing entity (See Guide for definition of small proprietary company)	(I)
[ ]	A small proprietary company, or a small company limited by guarantee that is requested by ASIC to prepare and lodge statements and reports	(J)
[ ]	A prescribed interest undertaking that is a disclosing entity	(K)

Dates on which financial year begins and ends

Financial year begins 01/07/14 [D D] [M M] [Y Y] to Financial year ends 30/06/15 [D D] [M M] [Y Y]

2 Details of large proprietary company

See Guide for definition of large and small proprietary companies

If the company is a large proprietary company that is not a disclosing entity, please complete the following information as at the end of the financial year for which the financial statements relate

A What is the consolidated revenue of the large proprietary company and the entities that it controls?

1,288,760,000

B What is the value of the consolidated gross assets of the large proprietary company and the entities that it controls?

588,955,000

C How many employees are employed by the large proprietary company and the entities that it controls?

4,644 (4,201 FULL TIME)

D How many members does the large proprietary company have?

3 MEMBERS (SHAREHOLDERS)

3 Auditor's or reviewer's report

Were the financial statements audited or reviewed?

Tick one box and complete relevant section(s)

[X] Audited - complete B only

[ ] Reviewed - complete A and B

[ ] No

If no, is there a class or other order exemption current for audit/review relief?

[ ] Yes

[ ] No

A Reviewed

Is the reviewer a registered company auditor, or member of The Institute of Chartered Accountants in Australia, CPA Australia Limited, or Institute of Public Accountants and holds a practising certificate issued by one of those bodies?

[ ] Yes

[ ] No

B Audited or Reviewed

Is the opinion/conclusion in the report

Modified? (The opinion/conclusion in the report is qualified, adverse or disclaimed)

[ ] Yes

[X] No

Does the report contain an Emphasis of Matter and/or Other Matter paragraph?

[ ] Yes

[X] No

4 Details of current auditor or auditors

Notes

- Registered schemes must advise ASIC of the appointment of an auditor on a Form 5137 *Appointment of scheme auditor* within 14 days of the appointment of the auditor
- A public company limited by guarantee may in some circumstances, have their accounts reviewed These companies are still required to have an auditor and these details must be provided

Auditor registration number *(for individual auditor or authorised audit company)*

Family name

Given name

or

Company name

ACN/ABN

or

Firm name (if applicable)

DELOITTE TOUCHE TOHMATSU (ABN. 74490121060)

Office, unit, level

Street number and Street name

550 BOURKE STREET

Suburb/City

MELBOURNE

State/Territory

VIC

Postcode

3000

Country (if not Australia)

Date of appointment

18/12/09

[D D] [M M] [Y Y]

A company may have two appointed auditors, provided that both auditors were appointed on the same date Otherwise, an appointed auditor must resign, be removed or otherwise ceased before a subsequent appointment may be made

Auditor registration number *(for individual auditor or authorised audit company)*

Family name

Given name

or

Company name

ACN/ABN

or

Firm name (if applicable)

Office, unit, level

Street number and Street name

Suburb/City

State/Territory

Postcode

Country (if not Australia

5 Statements and reports to be attached to this form

Financial statements for the year (as required by s295(2) and accounting standards)

- Statement of comprehensive income, may also include a separate income statement for the year
- Statement of financial position as at the end of the year
- Statement of cash flows for the year
- Statement of changes in equity

OR

If required by accounting standards — the consolidated statements of comprehensive income/income statement, financial position, cash flows and changes in equity

Notes to financial statements (see s295(3))

- Disclosures required by the regulations
- Notes required by the accounting standards
- Any other information necessary to give a true and fair view (see s297)

The signed directors' declaration about the statements and notes (see s295(4))

The signed directors' report for the year, including the copy of the auditor's or reviewer's independence declaration (see s298 to s300A)

Signed auditor's report or, where applicable, reviewer's report (see s301, s307 to s308)

Concise report (if any) (see s319)

Signature

See Guide for details of signatory

I certify that the attached documents marked ( ) are a true copy of the original reports required to be lodged under s319 of the *Corporations Act 2001*

Name

CATHERINE SPEERS

Signature

CKSpeers

Capacity

☐ Director

☒ Company secretary

Date signed

2 6 / 1 0 / 1 5
[D D] [M M] [Y Y]

Lodgement

Send completed and signed forms to
Australian Securities and Investments Commission,
PO Box 4000, Gippsland Mail Centre VIC 3841

Or lodge the form electronically by

- visiting the ASIC website www asic gov au
- using Standard Business Reporting enabled software See www sbr gov au for more details

For more information

Web www asic gov au
Need help? www asic gov au/question
Telephone 1300 300 630

Consolidated Annual Report

Metro Trains Melbourne Pty Ltd

ACN 136 429 948

30 June 2015

Contents

Directors' report
For the year ended 30 June 2015

The directors of Metro Trains Melbourne Pty Ltd ("the Company") submit herewith the financial report of the Company for the financial year ended 30 June 2015 In order to comply with the provisions of the Corporations Act 2001, the directors report is as follows

Directors
The directors of the Company who served during or since the end of the financial year are
Lincoln Leong Kwok Kuen
Andrew McCusker
Karl Heinz Mociak
Andrew Peter Lezala
Jacob Chak Pui Kam
Phillip Neil Johns

The above named directors held office during the whole of the financial year and since the end of the financial year

Principal activities
The principal activities of the Company during the course of the financial year were the provision of urban rail passenger transportation, and maintenance of the infrastructure and rolling stock of the Melbourne metropolitan rail network In August 2009, the Company entered into a franchise agreement with Public Transport Victoria (formerly known as the Director of Public Transport) (the "Franchise Agreement") under which the Company inherited responsibility for the delivery of all metropolitan train services and infrastructure and rolling stock maintenance in Melbourne The Franchise Agreement commenced on 30 November 2009 for an initial 8 year period

Operating and financial review
The Company made a profit after income tax of $57,034 thousand (2014 $46,227 thousand)

Significant changes in the state of affairs
In the opinion of the directors there were no significant changes in the state of affairs of the Company that occurred during the financial year under review

Subsequent events
There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the Company, the results of the Company, or the state of affairs of the Company, in future financial years

Future developments
Information about likely developments in the operations of the Company and the expected results of the operation in future financial years has not been included in the report because disclosure of the information would be likely to result in unreasonable prejudice to the Company Accordingly, further information has not been disclosed in this Financial Report

Environmental regulation
The Company's operations are subject to significant environmental regulation under both Commonwealth and State Legislation The Company continually develops its environmental management and procedures policy to ensure these standards are met and exceeded Occupational health and safety standards are monitored by the Company's Safety Management System which is subject to an annual external audit

Directors' report
For the year ended 30 June 2015

Dividends
During the financial year ended 30 June 2015, the Company paid dividends of $48,873 thousand in respect of that year (2014 $39,297 thousand), being 100% franked at the company tax rate of 30% All of these dividends were recognised in the 2015 financial year

Indemnification and insurance of officers and auditors
During the financial year the Company paid a premium in respect of a contract insuring the directors of the Company (as named above), the Company Secretary, C A Speers, and all executive officers of the Company and of any related body corporate against a liability incurred as such by a director, secretary or executive officer to the extent permitted by the Corporations Act 2001 The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such by an officer or auditor.

Rounding off of amounts
The Company is a company of the kind referred to in ASIC Class Order 98/100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the financial statements are rounded off to the nearest thousand dollars, unless otherwise stated

Auditor's independence declaration
The auditor's independence declaration is set out on page 5

This directors' report is signed in accordance with a resolution of the directors made pursuant to C 298(2) of the Corporations Act 2001

On behalf of the directors

Lincoln Leong
Director

Dated at Hong Kong this 19th day of August 2015

Deloitte.

Deloitte Touche Tohmatsu
A B N 74 490 121 060

550 Bourke Street
Melbourne VIC 3000
PO Box 78
Melbourne VIC 3001 Australia

Tel +61 (0) 3 9671 7000
Fax +61 (0) 3 9671 7001
www deloitte com au

19 August 2015

The Board of Directors
Metro Trains Melbourne Pty Ltd
Level 16, 700 Collins Street
MELBOURNE VIC 3008

Dear Board Members

Metro Trains Melbourne Pty Ltd

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Metro Trains Melbourne Pty Ltd

As lead audit partner for the audit of the financial statements of Metro Trains Melbourne Pty Ltd for the financial year ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit, and

(ii) any applicable code of professional conduct in relation to the audit

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Chris Biermann
Partner
Chartered Accountants

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

550 Bourke Street
Melbourne VIC 3000
PO Box 78
Melbourne VIC 3001 Australia

Tel +61 (0) 3 9616 7000
Fax. +61 (0) 9671 7001
www deloitte com au

Independent Auditor's Report to the members of Metro Trains Melbourne Pty Ltd

We have audited the accompanying financial report, being a special purpose financial report, of Metro Trains Melbourne Pty Ltd, which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity, comprising Metro Trains Melbourne Pty Ltd and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 8 to 26

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 and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members 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

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 entity'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 entity'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

Deloitte

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001* We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Metro Trains Melbourne Pty Ltd would be in the same terms if given to the directors as at the time of this auditor's report

Opinion

In our opinion, the financial report of Metro Trains Melbourne Pty Ltd is in accordance with the *Corporations Act 2001*, including

(a) 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

(b) complying with Australian Accounting Standards to the extent described in Note 1, and the *Corporations Regulations 2001*

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001* As a result, the financial report may not be suitable for another purpose

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Chris Biermann
Partner
Chartered Accountants
Melbourne, 19 August 2015

Directors' declaration

As detailed in note 1 to the financial statements, the Company is not a reporting entity because in the opinion of the directors there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of the information needs Accordingly, this 'special purpose financial report' has been prepared to satisfy the directors' reporting requirements under the Corporations Act 2001

The directors declare that

(a) in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable, and

(b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Company

Signed in accordance with a resolution of the directors made pursuant to s 295(5) of the Corporations Act 2001

On behalf of the Directors

Lincoln Leong
Director

Hong Kong, 19 August 2015

Metro Trains Melbourne Pty Ltd
Consolidated statement of proft or loss & other comprehensive income
For the year ended 30 June 2015

	Notes	Year ended 30 June 2015 $'000	Year ended 30 June 2014 $'000
Revenue	2	1,288,760	1,188,855
Service delivery costs		(302,992)	(275,716)
Employee benefits expense	4 4	(573,682)	(530,108)
Project costs		(239,638)	(248,485)
Operational performance regime benefits/(penalties)		11,760	11,274
Collision costs		(1,811)	(273)
Interest income	3	2,960	3,341
Interest expense	3	(3,658)	(3,840)
Other expenses		(99,332)	(79,708)
Profit before tax	4	82,367	65,340
Income tax expense		(25,333)	(19,113)
Profit for the year		57,034	46,227
Other comprehensive income			
Other comprehensive income for the year (net of tax)		-	-
Total comprehensive income for the year		57,034	46,227
Profit attributable to			
Owners of the Company		57,034	46,227

The above statement should be read in conjunction with the accompanying notes to the financial statements set out on pages 13 to 26

Metro Trains Melbourne Pty Ltd
Consolidated statement of financial position
As at 30 June 2015

	Notes	30 June 2015 $'000	30 June 2014 $'000
Assets			
Cash and cash equivalents	19 1	87,193	119,242
Trade and other receivables	5	167,411	107,173
Recoverable employee benefits	6	233,481	177,937
Inventories	7	40,077	34,955
Other assets	6	6,143	6,522
Total current assets		534,305	445,829
Recoverable employee benefits	6	20,675	28,010
Property, plant and equipment	8	32,669	23,095
Intangible assets	9	1,306	2,220
Total non-current assets		54,650	53,325
Total assets		588,955	499,154
Liabilities			
Trade and other payables	10	157,757	125,454
Borrowings	11	-	214
Current tax payables		10,923	5,901
Provisions	12	233,586	177,937
Other liabilities		43,915	44,282
Total current liabilities		446,181	353,788
Borrowings	11	48,750	48,750
Deferred tax liabilities	13	2,711	6,129
Provisions	12	20,675	28,010
Total non-current liabilities		72,136	82,889
Total liabilities		518,317	436,677
Net assets		70,638	62,477
Equity			
Issued capital	15	16,250	16,250
Retained earnings		54,388	46,227
Total equity		70,638	62,477

The above statement should be read in conjunction with the accompanying notes to the financial statements set out on pages 13 to 26

Metro Trains Melbourne Pty Ltd
Consolidated statement of changes in equity
For the year ended 30 June 2015

	Notes	Fully paid ordinary shares $'000	Retained earnings $'000	Total $'000
Balance at 1 July 2013		**16,250**	**39,297**	**55,547**
Payment and provision of dividends		-	(39,297)	(39,297)
Profit for the year		-	46,227	46,227
Other comprehensive income for the year		-	-	-
Total comprehensive income for the year		**-**	**46,227**	**46,227**
Balance at 30 June 2014		**16,250**	**46,227**	**62,477**
Payment and provision of dividends	16	-	(48,873)	(48,873)
Profit for the year		-	57,034	57,034
Other comprehensive income for the year		-	-	-
Total comprehensive income for the year		-	**57,034**	**57,034**
Balance at 30 June 2015		**16,250**	**54,388**	**70,638**

The above statement should be read in conjunction with the accompanying notes to the financial statements set out on pages 13 to 26

Metro Trains Melbourne Pty Ltd
Consolidated statement of cash flows
For the year ended 30 June 2015

	Notes	Year ended 30 June 2015 $'000	Year ended 30 June 2014 $'000
Cash flows from operating activities			
Receipts from customers		1,430,240	1,344,154
Payments to suppliers and employees		(1,373,492)	(1,233,408)
Income taxes paid		(23,729)	(24,335)
Interest paid		(3,681)	(3,934)
Net cash generated by operating activities	19 2	29,338	82,477
Cash flows from investing activities			
Payments for property, plant and equipment		(15,160)	(2,599)
Proceeds from sale of property, plant and equipment		(40)	-
Payments for intangible assets		(98)	(559)
Interest received		2,999	2,809
Net cash used in investing activities		(12,299)	(349)
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayments of borrowings		(214)	(5,910)
Dividends paid	16	(48,873)	(39,297)
Net cash used in financing activities		(49,087)	(45,207)
Net increase in cash and cash equivalents		(32,049)	36,921
Cash and cash equivalents at the beginning of the year		119,242	82,321
Cash and cash equivalents at the end of the year	19 1	87,193	119,242

The above statement should be read in conjunction with the accompanying notes to the financial statements set out on pages 13 to 26

Metro Trains Melbourne Pty Ltd
Notes to the financial statements
For the year ended 30 June 2015

1 General Information and significant accounting policies

a) General information

Metro Trains Melbourne Pty Ltd ("the Company") is a company incorporated and domiciled in Australia The address of the company's registered office is Level 16, 700 Collins Street, Melbourne, Victoria 3008

The parent and ultimate parent entity of Metro Trains Melbourne Pty Ltd is MTR Corporation Ltd, a company incorporated in Hong Kong

Financial Reporting Framework

The Company is not a reporting entity because in the opinion of the directors there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs Accordingly, these special purpose financial statements have been prepared to satisfy the directors' reporting requirements under the Corporations Act 2001

b) Statement of compliance

The financial statements have been prepared in accordance with the Corporations Act 2001, the recognition and measurement requirements specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of Accounting Standards AASB 101 Presentation of Financial Statements, AASB 107 Cash Flow Statements and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors and AASB 1054 Australian Additional Disclosures and comply with other requirements of law AASB 127 Consolidated and Separate Financial Statements has not been adopted

For the purposes of preparing the financial statements, the Company is a for-profit entity

c) Basis of preparation

The financial report is presented in Australian dollars and has been prepared on the historical cost basis

The Company is a company of the kind referred to in ASIC Class Order 98/100, dated 10 July 1998, and in accordance with that Class Order amounts in the financial report are rounded off to the nearest thousand dollars, unless otherwise stated

d) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant Actual results may differ from these estimates

The estimates and underlying assumptions are reviewed on an ongoing basis Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods

e) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in value and have a maturity of three months or less at the date of acquisition

f) Plant and equipment

(i) Recognition and measurement

Owned items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses

The gain or loss arising on the disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss

Metro Trains Melbourne Pty Ltd
Notes to the financial statements
For the year ended 30 June 2015

(ii) Subsequent costs
The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably The costs of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred

(iii) Depreciation
Depreciation is recognised so as to write off the cost of the assets (other than land and properties under construction) less their residual values over their useful lives, using the straight-line method The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis

The estimated useful lives for the current and comparative periods are as follows

Building	7 years
Plant and equipment	3 - 30 years
Furniture, fixtures and fittings	7 - 10 years

g) Inventories
Inventories are stated in the statement of financial position at cost and recognised in the statement of comprehensive income in the year in which the consumption occurred The cost of inventories is based on the weighted average cost principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition Provision is made for obsolescence where appropriate

h) Financial assets
All financial assets are recognised and derecognised on trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value

Financial assets are classified into the following specified categories financial assets 'at fair value through profit and loss' (FVTPL), 'held to maturity' investments, 'available for sale' (AFS) financial assets and 'loans and receivables' The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition All financial assets held by the Company fall into the 'loans and receivables' classification

Loans and receivables
Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables' Loans and receivables are measured at amortised cost using the effective interest method, less any impairment Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be minimal

Impairment of financial assets
Financial assets, other than those classified as FVTPL, are assessed for indicators of impairment at the end of each reporting period Financial assets are considered to be impaired when 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 that asset have been negatively effected

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis Objective evidence for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables

For financial assets carried at amortised cost, the amount of impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's 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 considered uncollectable, 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 are recognised in profit or loss

Metro Trains Melbourne Pty Ltd
Notes to the financial statements
For the year ended 30 June 2015

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised

Reclassification of financial assets
Reclassification of financial assets is only permitted in rare circumstances and where the asset is no longer held for the purpose of selling in the short term In all cases, reclassifications of financial assets are limited to debt instruments Reclassifications are accounted for at the fair value of the financial asset at the date of reclassification

Derecognition of financial assets
The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay If the Company retains substantially all the risks and rewards or ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received

l) Financial liabilities and equity instruments
Classification as debt or equity
Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities Equity instruments issued by the Company are recognised as the proceeds received, net of all direct costs

Other financial liabilities
Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition

Derecognition of financial liabilities
The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire

Metro Trains Melbourne Pty Ltd
Notes to the financial statements
For the year ended 30 June 2015

j) Impairment

At the end of each reporting period, the Company 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 it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified

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 (or cash-generating unit) is reduced to its recoverable amount An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so 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 (or cash-generating unit) in prior years A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase

k) Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, incentives, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably

Provisions made in respect of employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rates expected to apply at the time of settlement

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the Company in respect of services provided by employees up to the reporting date

(i) Defined Contributed Plans

Contributions to defined contribution superannuation plans are expensed when employees have rendered services entitling them to the contributions

(ii) Defined Benefit Plans

The Company also contributes to a number of state defined benefit employee superannuation plans (see note 14) Contributions are recognised as an expense in profit and loss as incurred

(iii) Recoverable Employee Benefits

In accordance with the Franchise Agreement, the Company has recognised an equal and offsetting receivable for all accrued annual leave and long service leave entitlements at the reporting date (see note 6), given that the Company will not be obliged to make any payments to a successor operator or the State Government in respect of accrued employee leave entitlements of the Company's employees at the end of the franchise

Metro Trains Melbourne Pty Ltd
Notes to the financial statements
For the year ended 30 June 2015

l) Intangible assets

Intangible assets acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses Amortisation is recognised on a straight-line basis over their estimated useful lives The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis

Expenditure on research activities is recognised as an expense in the period in which it is incurred

An internally-generated intangible asset is capitalised when it is probable that the project will, after considering its commercial and technical feasibility, be completed and the costs can be measured reliably The expenditure capitalised comprises all directly attributable costs Subsequent to initial recognition, internally generated intangible assets are stated at cost less accumulated amortisation and accumulated impairment costs Gains or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised

m) Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be measured reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability

n) Revenue

(i) Government subsidies

The Company's primary source of income is the Franchise Sum, payable by Public Transport Victoria under the Franchise Agreement This is recognised on an accrual basis in profit and loss over the periods necessary to match them with the costs for which they are intended to compensate on a systematic basis

Other State Sourced Revenue including the Farebox Revenue and the operating performance regime bonus are recognised in the profit and loss on an accrual basis

(ii) Advertising Revenue

Revenue from providing advertising space is recognised on an accrual basis

(iii) Interest received

Interest is receivable on cash balances held throughout the period Interest revenue is recognised as it accrues using the effective interest method

(iv) Capital projects

All revenues and expenses in respect of capital projects specifically funded by Public Transport Victoria are recognised on an individual project basis using the percentage of completion method The percentage of completion method is adopted only where percentage of completion can be reliably estimated, costs to date can be clearly identified and total revenue and costs to complete can be reliably estimated The percentage of completion is measured by reference to an assessment of total costs incurred to date as a percentage of estimated total costs for each project

Where the outcome of a project cannot be reliably estimated, project costs are expensed as incurred Where it is probable that the costs will be recovered, revenue is recognised to the extent of costs incurred Any expected loss is recognised immediately

Where a contract includes the sharing of gains or losses dependent on construction outcomes, any excess revenue in the contract for services over and above cost is recognised when the outcome of the contract can be reliably estimated

Metro Trains Melbourne Pty Ltd
Notes to the financial statements
For the year ended 30 June 2015

o) Leasing

The Company as lessor

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term

The Company as lessee

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred

Rolling Stock Leases

Leases for rolling stock have not been recognised in the financial report as the Victorian State government funds the lease payments and assumes majority of the risks involved This treatment is consistent with the requirements of IFRIC 12 *Service Concession Arrangements*

p) Foreign currencies

Transactions denominated in foreign currency are translated at exchange rates in existence at the dates of the transactions Foreign currency receivables and payables are translated at exchange rates current at balance sheet date Exchange gains and losses are brought to account in determining the results for the year

Hedges

The gain or loss on the hedge instrument is recognised in profit and loss in the period it arises The carry amount of the hedged item is adjusted for the gain or loss attributable to the hedge risk and the change in the fair value of the hedged item attributable to the hedge risk is recognised immediately in profit and loss

q) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are the assets that necessarily take a substantial period of time to get ready 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

r) Taxation

Income tax expense represents the sum of tax currently payable and deferred tax

Current tax

The tax currently payable is based on the taxable profit for the year Taxable profit differs from profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible The Company's liability for current tax is calculated using tax rates that have been previously enacted or substantively enacted by the end of the reporting period

Metro Trains Melbourne Pty Ltd
Notes to the financial statements
For the year ended 30 June 2015

Deferred Tax
Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit Deferred tax liabilities are generally recognised for all taxable temporary differences Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period The temporary differences when they reverse, based on the laws that have been enacted or substantially enacted by the reporting date The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax liabilities against current tax assets, and when they relate to income taxes levied by the same taxation and the Company intends to settle its current tax assets and current tax liabilities on a net basis

Current and deferred tax for the period
Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items that are recognised outside profit or loss (whether in profit and loss or directly in equity), in which case the tax is also recognised outside profit or loss, or where they arise from initial accounting for a business combination In the case of a business combination, the tax effect is included in the accounting for the business combination

s) Goods and services tax
Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense

Receivables and payables are stated with the amount of GST included The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet

Cash flows are included in the statement of cash flows on a gross basis The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows

t) Service Concession Arrangement
On 31 August 2009 the Company entered into a Franchise Agreement with Public Transport Victoria (formerly known as the Director of Public Transport) to provide rail services and maintain the assets of the Melbourne metropolitan passenger rail network This agreement commenced on 30 November 2009 for the initial period of eight years The Franchise Agreement provides for an extension period of seven years if certain performance criteria are met and terms are agreed between Public Transport Victoria and the Company

Under the terms of the Franchise Agreement the Company is entitled to receive subsidy payments which vary across the term of the franchise, a fixed proportion of total farebox collected across the Melbourne public transport network, incentive payments based on the operational performance of the network and additional payments for project work

Metro Trains Melbourne Pty Ltd
Notes to the financial statements
For the year ended 30 June 2015

Under the Franchise Agreement the Company has the right to use all the facilities, infrastructure and rolling stock associated with the network At the end of the franchise all these assets will revert to control of Public Transport Victoria The Company has no obligations to acquire or build items of property plant & equipment other than as may be agreed from time to time with Public Transport Victoria as franchisee projects

Public Transport Victoria holds a fixed and floating charge over the assets of the Company

Under the Franchise Agreement, Public Transport Victoria is able to terminate the agreement in the event of continuous breach of the franchise agreement

u) Adoption of New and Revised Accounting Standards

In the current year, the Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operation and effective for the current annual reporting period The adoption of these new and revised Standards and Interpretations did not have any material impact on the amounts recognised in the financial statements of the Company for the current and prior periods

v) Standards and Interpretations in issue but not yet adopted

The following applicable new Standards have a potential impact on the Financial Report but have an effective date after the financial reporting date

Standard/Interpretation	Effective for annual reporting period beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 Financial Instruments (December 2009), AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9, AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures, AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments, AASB 2014-1 Amendments to Australian Accounting Standards, AASB 2014- 8 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) – Application of AASB 9 (December 2009) and AASB 9 (December 2010)	1 January 2018	30 June 2018
AASB 9 Financial Instruments (December 2014), AASB 2014-7Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)	1 January 2018	30 June 2018
AASB 15 Revenue from Contracts with Customers, AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15	1 January 2017	30 June 2018
AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle	1 January 2016	30 June 2017
AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality	1 July 2015	30 June 2016
AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016	30 June 2017
AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative Amendments to AASB 101	1 January 2016	30 June 2017
AASB 2015-4 Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent	1 July 2015	30 June 2016

The directors anticipate that the adoption of these Standards and Interpretations in the future periods will have no material financial impact on the financial statements of the Company The adoption will not affect any of the amounts recognised in the financial statements, but will change the disclosures presently made in relation to the financial statements

Metro Trains Melbourne Pty Ltd
Notes to the financial statements
For the year ended 30 June 2015

2 Revenue

An analysis of the Company's revenue for the year is as follows

		Year ended 30 June 2015 $'000	Year ended 30 June 2014 $'000
State sourced revenue		912,372	834,330
Projects revenue		315,991	310,718
Other revenue		60 398	43 807
Total revenue		1,288,760	1,188 855
3 Net finance Costs			
Interest income		2,960	3,341
Interest expense		(3,658)	(3,840)
Net finance Costs		(698)	(499)
4 Profit for the year			
Profit for the year has been arrived at after charging / (crediting)			
4 1 Gains and losses			
Loss on disposal of property, plant and equipment		101	-
Net foreign exchange loss or (gains)		14	30
4 2 Depreciation			
Depreciation of plant and equipment		5,525	5,300
Amortisation of intangible assets		1,012	1,391
Total depreciation and amortisation		6,537	6,691
4 3 Operating lease rental expenses			
Minimum lease payments		12,487	11,880
4 4 Employee benefit expense			
Post employment benefits		40,598	36,474
Termination benefits		9,264	7,681
Other employee benefits		523,820	485,953
Total employee benefits		573,682	530,108
5 Trade and other receivables			
Current			
Trade receivables		130,520	73,566
Allowance for doubtful debts		(63)	(44)
		130,457	73,522
Amounts due from customers under construction contracts		7,182	6,219
Other receivables		9,980	14,025
Accrued revenue		19,792	13,407
Total trade and other receivables		167 411	107,173
6 Recoverable employee benefits and other assets			
Current			
Current employee entitlements receivable	(i)	233,481	177,937
Prepayments		6,143	6,522
		239 624	184 459
Non Current			
Non current employee entitlements receivable	(i)	20,675	28,010
		20 675	28,010

(i) Receivable from Public Transport Victoria under the Franchise Arrangement

7 Inventories

Raw materials and consumables		40 077	34 955

Metro Trains Melbourne Pty Ltd
Notes to the financial statements
For the year ended 30 June 2015

8 Plant and equipment

	Freehold land and buildings	Plant and equipment at cost	Furniture, fixtures and fittings at cost	Total
	$'000	$'000	$'000	$'000
Gross Carrying Amount				
Balance at 1 July 2013	3,146	29,724	5,100	37,970
Additions	-	1,516	1,257	2,773
Disposals	(142)	-	-	(142)
Balance at 30 June 2014	3,004	31,240	6,357	40,601
Additions	-	5,336	10,148	15,484
Disposals		(289)	(1,023)	(1,311)
Balance at 30 June 2015	3,004	36,287	15,482	54,773
Accumulated depreciation and impairment				
Balance at 1 July 2013	1,013	8,677	2,516	12,206
Depreciation expense	368	4,127	805	5,300
Disposals	-	-	-	-
Balance at 30 June 2014	1,381	12,804	3,321	17,506
Depreciation expense	368	4,319	838	5,525
Disposals	-	(48)	(879)	(927)
Balance at 30 June 2015	1,749	17,075	3,280	22,104
Net book value				
As at 30 June 2014	1,623	18,436	3,036	23,095
As at 30 June 2015	1,255	19,212	12,202	32,669

9 Intangible assets

	Capitalised	Computer	Total
	$'000	$'000	$'000
Gross Carrying Amount			
Balance at 1 July 2013	969	6,406	7,375
Additions	-	528	528
Disposals	-	-	-
Balance at 30 June 2014	969	6,934	7,903
Additions	-	98	98
Disposals	-	-	-
Balance at 30 June 2015	969	7,032	8,001
Accumulated amortisation and impairment			
Balance at 1 July 2013	278	4,014	4,292
Amortisation expense	158	1,233	1,391
Disposals	-	-	-
Balance at 30 June 2014	436	5,247	5,683
Amortisation expense	158	854	1,012
Disposals	-	-	-
Balance at 30 June 2015	594	6,101	6,695
Net book value			
As at 30 June 2014	533	1,687	2,220
As at 30 June 2015	375	932	1,306

Metro Trains Melbourne Pty Ltd
Notes to the financial statements
For the year ended 30 June 2015

10 Trade and other payables

	30 June 2015	30 June 2014
	$'000	$'000
Current		
Trade payables	58,386	49,918
Other payables and accrued expenses	94,179	70,317
Goods and services tax payable	5,192	5,219
	157,757	125,454

11 Borrowings

Unsecured at amortised cost			
Loan from related parties	(i)	48,750	48,750
Current		-	214
Non-current		48,750	48,750
		48,750	48,964

Summary of borrowing arrangements

(i) Amounts payable to related parties relate to loans from shareholders of the Company Interest is chargeable on the loans at 7 5% per annum (2014 7 5% pa)

12 Provisions

		30 June 2015	30 June 2014
		$'000	$'000
Current			
Employee benefits	(i)	233,586	177,937
Non-current			
Employee benefits	(i)	20,675	28,010

(i) Employee benefits represent long service, annual and other leave provisions Although held as a liability, these provisions are recoverable from Public Transport Victoria under the franchise agreement to the extent of the asset shown in note 6

13 Deferred tax liabilities

	30 June 2015	30 June 2014
	$'000	$'000
Temporary differences	2,711	6,129

Metro Trains Melbourne Pty Ltd
Notes to the financial statements
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14 Retirement benefit plans

On 29 August 1999, employees of a previous franchise were given the opportunity to remain in the Public Transport Victoria organised Superannuation funds or to change to a private Superannuation fund

Public Transport Victoria organised funds are defined benefit schemes and include the State Superannuation Fund and the Transport Superannuation Fund Under the State Superannuation Act 1988 and the Transport Superannuation Act 1988, the Government Superannuation Office Board is responsible for the determination of contributions to be paid and the administration of these Funds

In accordance with the Franchise Agreement, Public Transport Victoria is responsible for any short fall in funding of the Public Transport Victoria organised Superannuation funds prior to 29 August 1999

The Company has no legal or constructive obligation to pay future benefits Their only obligation is to pay contributions as they fall due Contributions are remitted to the funds at a rate at least equal to that necessary to fully fund the future accrual of benefits from current services

In this regard, the Company has made full contributions to the defined benefit superannuation schemes since taking over as franchisee and accordingly there was no shortfall in the Company's contributions at the reporting date

New employees of the Franchise since 29 August 1999 have become members of the Superannuation Trust of Australia which is a defined contribution-based scheme

The amount recognised as expense for contributions to the defined benefit and defined contributions plans was $$40,598 thousand (2014 $36,474 thousand) for the year ended 30 June 2015

15 Issued capital

	30 June 2015 $'000	30 June 2014 $'000
100 fully paid class A shares	-	-
16,249,900 fully paid ordinary shares	16,250	16,250
	16,250	16,250

	Number of shares '000
Fully paid ordinary shares	
Balance at 1 July 2013	16,250
Balance at 30 June 2014	16,250
Balance at 30 June 2015	16,250

Changes to the then Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998 Therefore, the Company does not have a limited amount of authorised capital and issued shares do not have a par value

Fully paid ordinary shares carry one vote per share and carry the right to dividends
Class A shares are non voting and carry the rights to distributions from capital works profit

16 Dividends on equity instruments

During the financial year ended 30 June 2015, the Company paid dividends of $48,873 thousand in respect of that year (2014 $39,297), being 100% franked at the company tax rate of 30% All of these dividends were recognised in the 2014 financial year

	30 June 2015 $'000	30 June 2014 $'000
Adjusted franking account balance	10,801	8,019
Impact on franking account balance of dividends not paid	-	-

Metro Trains Melbourne Pty Ltd
Notes to the financial statements
For the year ended 30 June 2015

17 Commitments for expenditure

17 1 Capital expenditure commitments

	30 June 2015 $'000	30 June 2014 $'000
Plant and equipment		
Not longer than 1 year	4,074	1,845
Longer than 1 year and not longer than 5 years	-	5,320
Longer than 5 years	-	-
	4,074	7,165

17 2 Other expenditure commitments

	30 June 2015 $'000	30 June 2014 $'000
Not longer than 1 year	329,400	264,485
Longer than 1 year and not longer than 5 years	3,006	86,549
Longer than 5 years	-	-
	332,406	351,034

The expenditure commitments relate to contracts with Siemens, Public Transport Victoria (formerly known as Metlink), VicTrack and various project customers

18 Contingent liabilities and assets

There are no significant contingent liabilities or assets as at 30 June 2015

19 Notes to the statement of cash flows

19 1 Reconciliation of cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents includes cash on hand, 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 statement of cash flows is reconciled to the related items in the statement of financial position as follows

	30 June 2015 $'000	30 June 2014 $'000
Bank balances	55,193	50,242
Call deposits	32,000	69,000
Cash and cash equivalents	87,193	119,242

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Notes to the financial statements
For the year ended 30 June 2015

19 2 Reconciliation of profit for the year to net cash flows from operating activities

	Year ended 30 June 2015 $'000	Year ended 30 June 2014 $'000
Profit for the year	57,034	46,227
Interest received	(2,999)	(2,809)
Depreciation and amortisation	6,537	6,690
(Gain)/loss on sale or disposal of non-current assets	101	-
Increase/(decrease) in current tax liability	5,022	(4,361)
Increase/(decrease) in deferred tax balance	(3,417)	(862)
Change in net assets and liabilities		
(Increase)/decrease in assets		
Trade and other receivables	(60,237)	8,766
Inventories	(5,122)	(9,519)
Other assets	(47,831)	(18,046)
Increase/(decrease) in liabilities		
Trade and other payables	32,303	11,117
Provisions	48,315	18,158
Other liabilities	(367)	27,115
Net cash from operating activities	29,338	82,477

19 3 Bank facilities

The Company has taken out Standby Letters of Credit with ANZ to the value of $15,015 thousand (2014 $8,862 thousand) issued to certain beneficiaries At this stage none of these guarantees have been claimed upon and no claims against these guarantees are pending

20 Remuneration of auditors

	Year ended 30 June 2015 $	Year ended 30 June 2014 $
Auditors of the company		
Audit and review of financial reports	219,800	214,400
Tax services	64,139	43,661
Other services	113,540	14,500
	397,479	272,561

The auditor of the Company is Deloitte Touche Tohmatsu

21 Subsequent events

There have been no events subsequent to balance date that would materially impact the financial statements

22 Subsidiary

Sunstone Resources Pty Ltd, wholly owned subsidiary of Metro Trains Melbourne Pty Ltd was incorporated on 31 May 2013 with a Share Capital of ten dollars ($1 per share) The financial statements and notes represent a consolidated position of Metro Trains Melbourne Pty Ltd including its subsidiary Included in the profit for the year is $1,041 thousand (2014 $144 thousand) attributable to the additional business generated by Sunstone Resources Pty Ltd Revenue for the year includes $36,929 thousand (2014 $12,799 thousand) with respect to Sunstone Resources Pty Ltd