Lemarne Corporation Limited
Appendix 4E
Preliminary final report

1. Company details

Name of entity:	Lemarne Corporation Limited
ABN:	72 004 834 584
Reporting period:	For the year ended 30 June 2015
Previous period:	For the year ended 30 June 2014

2. Results for announcement to the market

				$
Revenues from ordinary activities	down	100.0%	to	-
Loss from ordinary activities after tax attributable to the owners of Lemarne Corporation Limited	down	64.5%	to	(624,192)
Loss for the year attributable to the owners of Lemarne Corporation Limited	down	64.5%	to	(624,192)

Dividends
There were no dividends paid, recommended or declared during the current financial period.

Comments
The loss for the Company after providing for income tax amounted to $624,192 (30 June 2014: $1,759,008).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	0.22	7.47

4. Control gained over entities

Name of entities (or group of entities)	Not Applicable
Date control gained	

	$
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities before income tax during the period (where material)	-
Profit/(loss) from ordinary activities before income tax of the controlled entity (or group of entities) for the whole of the previous period (where material)	-

5. Loss of control over entities

Name of entities (or group of entities)	Not Applicable
Date control lost	

	$
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities before income tax during the period (where material)	-
Profit/(loss) from ordinary activities before income tax of the controlled entity (or group of entities) whilst controlled during the whole of the previous period (where material)	-

6. Dividends

Current period
There were no dividends paid, recommended or declared during the current financial period.

Previous period
There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements have been audited and an emphasis of matter paragraph has been included with the auditor's unqualified opinion. Refer to the auditor's report for details.

11. Attachments

Details of attachments (if any):

The Annual Report of Lemarne Corporation Limited for the year ended 30 June 2015 is attached.

12. Signed

Signed ___Γεώργιος Μάχος___ Date: 30 October 2015

Lemarne Corporation Limited

ABN 72 004 834 584

Annual Report - 30 June 2015

Directors	Mr Yeoryios Markos (Non-executive chairman) Mr Paul Delosa (Executive director) Mr Ilan Goldstein (Non-executive director) Mr Marc Spicer (Non-executive director)
Company secretary	Mr Paul Delosa
Registered office	Level 27 101 Collins Street Melbourne VIC 3000 Telephone: (03) 9221 6331 Facsimile: (03) 9221 6331
Principal place of business	Level 27 101 Collins Street Melbourne VIC 3000
Share register	Computershare Investor Services Pty Limited Yarra Falls, 452 Johnston Street Abbotsford VIC 3067
Auditor	William Buck Level 20, 181 William Street Melbourne VIC 3000
Stock exchange listing	Lemarne Corporation Limited shares are listed on the Australian Securities Exchange (ASX code: LMC)

The directors present their report, together with the financial statements of Lemarne Corporation Ltd ('the Company') for the year ended 30 June 2015.

Directors

The following persons were directors of the Company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Yeoryios Markos
Paul Delosa
Ilan Goldstein
Marc Spicer

Principal activities

During the financial year the Company did not have an active business and it liquidated the majority of its remaining investments to cash. In line with the Board's core philosophy of rebuilding genuine shareholder value, the Lemarne Board is currently reviewing investment opportunities to again make the Company a successful diversified investment company. It is a priority for the Board that the Company's share trading suspension be lifted so that shareholders are able to buy and sell company shares.

The Board's short term objectives are to acquire a business in order to re-establish Lemarne as an ASX listed company and as a consequence the Board has recently identified opportunities which are currently being assessed by the directors. Further details are provided below.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations

The loss for the Company after providing for income tax amounted to $624,192 (30 June 2014: $1,759,008).

During the year, the Company liquidated its remaining investment holding in Real Estate Capital Partners USA Property Trust (ASX: RCU) which realised a net loss of $158,612. The Company's expenses for the year largely related to administrative costs and costs incurred in conducting diligence activities around potential investment opportunities in the future.

The Company was notified by a Malaysian liquidator that there were surplus funds available from the wind up of subsidiary company, Fine Pearl Sdn Bhd. This company had been written off in prior financial years. An amount of $8,059 was received in July 2015 and this company will now progress to de-registration.

The Company advanced an amount of $20,000 to its subsidiary New City Australia Funds Management Limited ('New City') during the year for the purpose of paying outstanding ASIC and audit fees with the aim of having the New City Australian Financial Services Licence ('AFSL') reinstated. This loan had been fully impaired as at 31 December 2014 but approximately $9,000 was recovered during the second half of the year. Given New City's historical reporting breaches and subsequent administrative burden that became evident during this process, the directors have wound this company up.

The Company's securities have been suspended from official quotation since 24 July 2012 following the sale of its main business. The Board has been actively assessing potential acquisitions by the Company, subject to shareholder approval and re-compliance with the listing requirements of ASX in order to reinstate the Company's securities to official quotation on ASX (including raising sufficient funds to support the working capital requirements of any acquired undertaking).

The Board is in an advanced stage of due diligence regarding two projects comprising the acquisition of a Diamond Mine Project in South Africa as well as acquiring precious coloured gemstones (i.e. sapphires) thereby creating a business involved in exploration, mining and gemstone wholesale distribution.

The Diamond Mine Project is centred on a diamondiferous pipe discovered in 1925 in the district of Mankwe in the North West Province of South Africa, approximately 180 kilometres from Johannesburg, South Africa. The surrounding geological area is host to a number of diamond mines, including De Beers' Jwaneng Mine and the Cullinan Mine (formerly the Premier Mine) which produced the 3,106 carat Cullinan Diamond.

The second project consists of an entity holding precious gemstones with a large stock of high grade, gem quality sapphire corundum rough material in its raw and natural form. The quantity of sapphire corundum held has been stockpiled for a period of over 15 years. During this time the world has experienced a shortage of high quality gemstone material as evidenced by the quarterly US Gem Guide, which regularly refers to a shortage of new stock and consistent rising values.

A substantial portion of the sapphire corundum rough stock was originally sourced from the “Subera” mine to the east of the township of Sapphire in northwest central Queensland. The mine is considered to be the largest sapphire mine in the world, and the quality of production from this mine has been significant in recent years.

The Company’s proposed strategy will be to process the stock from its currently held rough form to finished product ready for sale to international and domestic markets via traditional gemstone wholesaler distribution channels.

As at the date of this report, the Company has not entered into any binding commitments in respect to this potential acquisition but will keep shareholders appraised of the progress of this transaction as its due diligence investigations and transaction assessment progresses.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Company during the financial year.

Matters subsequent to the end of the financial year

Subsequent to year end, the following events have occurred:

Proposed acquisitions

On 18 August 2015, the Company signed a Heads of Agreement with Central Kimberley Diamonds (“CKD”) for the acquisition of CKD’s 74% shareholding in Urafiki Gems Pty Ltd (“Urafiki”), a company incorporated in South Africa and which controls the Palmietfontein Diamond Project in South Africa via its subsidiaries. The proposed consideration for the purchase of the 74% shareholding of Urafiki is $4.1 million to be satisfied by the issue of 20 million fully paid ordinary shares in the Company at an issue price of $0.20 and the payment of $100,000. The Board is continuing its due diligence into this proposed transaction.

On the same date, the Company also signed a Heads of Agreement with Unique Sapphires Pty Ltd (“Unique”) pursuant to which the Company will be granted a 15% interest in Unique. Unique is a company owned by Yeoryios Markos, the current Chairman of Lemarne. The agreement provides the Company with two years to exercise its option to acquire this interest subject to the Company relisting and securing funding of up to $5 million to acquire the interest in Unique. The Company will issue 10 million fully paid ordinary shares to Unique at an issue price of $0.20 per share as payment of an option fee. The Company is continuing its due diligence into this proposed transaction.

These proposed transactions would constitute a change to the principal activities of the Company, are subject to shareholder approval, and would require the Company to raise capital via a prospectus.

Short-term loan funds

On 1 October 2015, the Company was advanced an amount of $150,000 from Yeoryios Markos to cover the short term funding needs of the Company leading up to its intended recapitalisation and relisting later this year. Interest is payable at a rate of 10%. Mr Markos has provided a letter of support to the company representing that the loan will not be recalled for a period of at least 12 months from the date of this financial report.

Share placement

On 5 October 2015, the Company made placements of 1,291,022 ordinary shares at $0.03 to investors raising $38,730 cash.

No other matter or circumstance has arisen since 30 June 2015 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Likely developments and expected results of operations

It is a priority for the Board that the Company's suspension from the ASX be lifted so that shareholders can again trade and the Company can grow value again. In order to achieve this, the Company will be required to acquire or build a business. The Company has been assessing business opportunities and will advise shareholders further as the Board resolves the prospective opportunities.

It is imperative that the directors seek further capital from current and prospective shareholders to strengthen the Company's balance sheet and allow the Company to progress with the acquisition of suitable opportunities and projects that are hoped to realise the value of the Company as a listed corporate entity. Since balance date, the company has secured total debt and equity funding of $188,730.

For these reasons the directors believe that the Company will continue to pay their debts as and when they become due and payable. Should the company not be able to progress to a recapitalisation and relisting of the company's securities on the ASX within 12 months of reporting date, there is considered to be a material uncertainty as to whether the company has the ability to remain solvent over the next 12 months. This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to amounts and classification of liabilities that may be necessary should the Company be unable to continue as a going concern.

Environmental regulation

The Company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on Directors

Name:	Paul Delosa
Title:	Executive Director
Experience and expertise:	Paul Delosa has been a Director of the Company since October 2013 and is the Company's Chief Executive Officer. Paul has been a highly successful senior executive having a background in operations, business development and managerial roles in various industry sectors, commencing his professional career in 1999. Paul’s prior experience included the successful development and growth of a small boutique investment property services group - DPS Investments. In addition, Paul has owned and operated a number of small and medium sized commercial businesses between 2003-2007, achieving State and Local Government excellence awards for exceptional management and innovation. His extensive experience and expertise in financial analysis and advising clients on financial and strategic issues are viewed as an asset by the current Board of Directors.
Other current directorships:	None
Former directorships (last 3 years):	Bisan Limited (ASX:BSN) (appointed 18 November 2013 - resigned 18 March 2014)
Special responsibilities:	None
Interests in shares:	480,412
Interests in options:	None
Interests in rights:	None

Name:	Ilan Goldstein
Title:	Non - Executive Director
Experience and expertise:	Ilan Goldstein is an executive with extensive experience in a variety of roles ranging from commodity trading to sales and managerial roles within the commercial finance sector. He holds a Bachelor of Marketing Degree and currently procures and manages high net worth clients in the global derivatives markets. The Company believes that Mr Goldstein's ability to utilise the synergies derived from close teamwork and to raise funds across various sectors will prove to be an exceptionally valuable resource to the board.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	None
Interests in options:	None
Interests in rights:	None

Name:	Marc Spicer
Title:	Non - Executive Director
Qualifications:	Marc holds a Bachelor of Business Degree majoring in Accounting and Finance, Diploma in Financial Planning, ASX Accredited Derivatives Advisor and Graduate Diploma of Applied Corporate Governance with the Governance Institute of Australia.
Experience and expertise:	Marc Spicer is currently an authorised representative of an Australian Financial Services License holder. He has held positions as a non-executive director on Cohiba Minerals Ltd where he was instrumental in generating a return for shareholders regarding its investment in Altius Mining Ltd. He was also the former company secretary of Lemarne and has held positions as company secretary on various ASX Listed companies in the diversified financials and mining sectors. He has held positions in institutional banking as a market risk analyst and finance consultant with ANZ Bank Ltd (ASX: ANZ). Marc's ability to identify opportunities and implement operations will greatly complement Lemarne's future growth.
Other current directorships:	None
Former directorships (last 3 years):	Cohiba Mineral Resources Limited (ASX:CHK) (appointed 30 May 2012 - resigned 28 November 2012)
Special responsibilities:	None
Interests in shares:	3,000
Interests in options:	None
Interests in rights:	None

Name:	Yeoryios Markos
Title:	Non - Executive Chairman
Experience and expertise:	Yeoryios Markos is a registered member and Fellow of the Institute of Public Accountants since 1980. His 40 year career spans involvement with company mergers and acquisitions, reconstructions, liquidations, criminal law, corporations law, tax law, corporate advisory, capital raising, merchant banking, international futures markets, construction and property development. He is a highly respected entrepreneur with substantial interests in a diverse selection of private companies in a variety of industry sectors.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	None
Interests in options:	None
Interests in rights:	None

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary

Paul Delosa was appointed as company secretary on 7 April 2014. Refer to Information on Directors for details on Mr Delosa.

Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2015, and the number of meetings attended by each Director were:

	Full Board	
	Attended	Held
Paul Delosa	9	9
Marc Spicer	9	9
Ilan Goldstein	9	9
Yeoryios Markos	9	9

Held: represents the number of meetings held during the time the Director held office.

Given the size and current operational status of the Company, the functions of a formal nomination and remuneration committee and audit committee are undertaken by the full Board.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the Company, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and conforms to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:
- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The full Board has assumed responsibility with respect to nomination and remuneration and its duties therefore include determining and reviewing remuneration arrangements for its directors and executives. The performance of the Company depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

In aligning the interests of key management personnel to those of shareholders', the following elements are considered with respect to the structure of any compensation structure:
- economic profit is a core component of any plan or structure design
- the focus is on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- it must attract and retain high calibre executives

To be an effective compensation structure in providing incentive to participants, the Board considers that it must:
- reward capability and experience
- reflect competitive reward for contribution to growth in shareholder wealth
- provide a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive directors and executive remuneration are separate.

Non-executive directors remuneration

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, these directors. Non-executive directors' fees and payments are reviewed annually by the Board. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to determination of his own remuneration. Non-executive directors do not receive share options or other incentives.

Executive remuneration
The Company aims to reward executives with a level and mix of remuneration based on their position and responsibility, which may be both fixed and variable. Fixed remuneration currently consists of base salary and superannuation and is reviewed annually by the Board, based on individual performance, the overall performance of the Company and comparable market remuneration. There are currently no incentive programs operating for executives. This will be reviewed once the Company has restructured and recapitalised itself.

Company performance and link to remuneration
Remuneration is not directly linked to the performance of the Company.

Use of remuneration consultants
During the financial year, the Company did not engage remuneration consultants.

Details of remuneration

Amounts of remuneration
Details of the remuneration of key management personnel of the Company are set out in the following tables.

The key management personnel of the Company consisted of the following Directors of the Company:
- Yeoryios Markos - Non-executive chairman (appointed 19 May 2014)
- Paul Delosa - Executive director
- Ilan Goldstein - Non-executive director (appointed 9 April 2014)
- Marc Spicer - Non-executive director (appointed 9 April 2014)

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2015	Cash salary and fees $	Bonus $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors:							
Yeoryios Markos	66,800	-	-	-	-	-	66,800
Ilan Goldstein	41,000	-	-	-	-	-	41,000
Marc Spicer	33,000	-	-	-	-	-	33,000
Executive Directors:							
Paul Delosa	99,000	-	-	-	-	-	99,000
	239,800	-	-	-	-	-	239,800

	Short-term benefits			Post-employment benefits	Long-term benefits		
2014	Cash salary and fees $	Bonus $	Non-monetary $	Super-annuation $	Long service leave $	Termination $	Total $
Non-Executive Directors:							
Marc Spicer*	6,800	-	-	-	-	-	6,800
Ilan Goldstein*	6,800	-	-	-	-	-	6,800
Yeoryios Markos*	4,400	-	-	-	-	-	4,400
David Herszberg**	7,000	-	-	-	-	-	7,000
Christopher Manie**	11,700	-	-	-	-	-	11,700
Darren Olney-Fraser**	85,500	-	-	-	-	-	85,500
Executive Directors:							
Paul Delosa*	55,765	-	-	-	-	-	55,765
	177,965	-	-	-	-	-	177,965

* Remuneration from the date of appointment as KMP
** Remuneration for the period to resignation as KMP - Dates of resignation are as follows: D. Herszberg (11 July 2013); C. Manie (17 February 2014); D. Olney-Fraser (7 April 2014)

Current remuneration is not linked to the performance of the Company.

Service agreements
The Company does not currently have any service agreements with its key management personnel.

Share-based compensation

Issue of shares
There were no shares issued to Directors and other key management personnel as part of compensation during the year ended 30 June 2015.

Options
There were no options over ordinary shares issued to Directors and other key management personnel as part of compensation that were outstanding as at 30 June 2015.

There were no options over ordinary shares granted to or vested in Directors and other key management personnel as part of compensation during the year ended 30 June 2015.

Additional disclosures relating to key management personnel

Shareholding
The number of shares in the Company held during the financial year by each director and other members of key management personnel of the Company, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
Paul Delosa	480,412	-	-	-	480,412
Marc Spicer	3,000	-	-	-	3,000
	483,412	-	-	-	483,412

Other transactions with key management personnel and their related parties
During the period, the Company advanced an amount of $20,000 to New City Australia Funds Management Limited ('New City') for the purpose of paying outstanding ASIC and audit fees with the aim of having its Australian Financial Services Licence ('AFSL') reinstated. The $20,000 loan had been written off at 31 December 2014 however an amount of $9,048 was subsequently recovered. The directors have now wound this company up.

This concludes the remuneration report, which has been audited.

Shares under option
There were no unissued ordinary shares of the Company under option outstanding at the date of this report.

Shares issued on the exercise of options
There were no ordinary shares of the Company issued on the exercise of options during the year ended 30 June 2015 and up to the date of this report.

Indemnity and insurance of officers
The Company has indemnified the directors and executives of the Company for costs incurred in their capacity as a director or executive for which they may be held personally liable except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability 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.

Indemnity and insurance of auditor
The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to 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 part of those proceedings.

Non-audit services
There were no non-audit services provided during the financial year by the auditor.

Officers of the Company who are former partners of William Buck
There are no officers of the Company who are former partners of William Buck.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

Auditor

William Buck continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors

yeorgios markos

Yeorylos Markos
Non-Executive Chairman

30 October 2015
Melbourne

This Corporate Governance Statement of Lemarne Corporation Limited (the 'Company') has been prepared in accordance with the 3rd Edition of the Australian Securities Exchange's ('ASX') Corporate Governance Principles and Recommendations of the ASX Corporate Governance Council ('ASX Principles and Recommendations') and is included in the Company's Annual Report pursuant to ASX Listing Rule 4.10.3. This listing rule requires the Company to disclose the extent to which it has followed the recommendations during the financial year, including reasons where the Company has not followed a recommendation and any related alternative governance practice adopted.

The Company's ASX Appendix 4G, which is a checklist cross-referencing the ASX Principles and Recommendations to the relevant disclosures in this Corporate Governance Statement has been lodged with the Annual Report. This Corporate Governance Statement has been approved by the Company's Board of Directors ('Board') and is current as at 30 September 2015.

The ASX Principles and Recommendations and the Company's response as to how and whether it follows those recommendations are set out below.

Principle 1: Lay solid foundations for management and oversight

Recommendation 1.1 - A listed entity should disclose:
(a) the respective roles and responsibilities of its board and management; and
(b) those matters expressly reserved to the board and those delegated to management.

The Company's Board maintains the following roles and responsibilities:
- being accountable for the performance of the Company;
- providing leadership and setting the strategic objectives of the Company;
- appointing the Chair and, if the Company has one, the Deputy Chair and/or the "senior independent director";
- appointing, and when necessary replacing, the Chief Executive Officer ('CEO') and other senior executives including the Company Secretary;
- assessing the performance of the Managing Director and/or CEO and overseeing succession plans for senior executives;
- overseeing management's implementation of the Company's strategic objectives;
- approving operating budgets and major capital expenditure;
- overseeing the integrity of the Company's accounting and corporate reporting systems, including the external audit;
- overseeing the Company's process for market disclosure of all material information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's securities;
- ensuring that the Company has in place an appropriate risk management framework and setting the risk parameters within which the Board expects management to operate;
- approving the Company's remuneration framework;
- monitoring the effectiveness of the Company's governance practices; and
- reporting to and communications with shareholders.

The Board has currently delegated the day-to-day management of the Company to the CEO whose responsibilities are the following:
- implementing the strategic objectives set by the Board;
- operating within the risk parameters set by the Board;
- operational and business management of the Company;
- managing the Company's reputation and operating performance in accordance parameters set by the Board;
- day-to-day running of the Company;
- providing the Board with accurate, timely and clear information to enable the Board to perform its responsibilities; and
- approving capital expenditure (except acquisitions) within delegated authority levels.

Recommendation 1.2 - A listed entity should:
(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and
(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.

Before appointing a director, or putting forward to shareholders a director for appointment, the Company has a policy to undertake comprehensive reference checks that cover elements such as the person's character, experience, employment history, qualifications, criminal history, bankruptcy history, and disqualified officer status. Directors are required to declare each year that they have not been disqualified from holding the office of director by the Australian Securities and Investments Commission ('ASIC').

An election of directors is held each year. A director that has been appointed during the year must stand for election at the next Annual General Meeting ('AGM'). Directors are generally appointed for a term of three years. Retiring directors are not automatically re-appointed.

The Company provides to shareholders for their consideration information about each candidate standing for election or re-election as a director that the Board considers necessary for shareholders to make a fully informed decision. Such information includes the person's biography, which include experience and qualifications, details of other directorships, adverse information about the person that the Board is aware of, including material that may affect the person's ability to act independently on matters before the Board, and whether the Board supports the appointment or re-election.

Recommendation 1.3 - A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.

The terms of the appointment of a non-executive director are set out in writing and cover matters such as the term of appointment, time commitment envisaged, required committee work and other special duties, requirements to disclose their relevant interests which may affect independence, corporate policies and procedures, indemnities, and remuneration entitlements.

Executive directors are issued with service contracts which detail the above matters as well as the person or body to whom they report, the circumstances in which their service may be terminated (with or without notice), and any entitlements upon termination.

Recommendation 1.4 - The Company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.

The Company Secretary is presently a member of the Board and therefore is accessible to all directors. The Company Secretary's role, in respect of matters relating to the proper functioning of the Board, includes:

- advising the Board on governance matters;
- monitoring compliance of the Board with policies and procedures;
- coordinating all Board business;
- retaining independent professional advisors;
- ensuring that the business at Board meetings is accurately minuted; and
- assisting with the induction and development of directors when applicable.

Recommendation 1.5 - A listed entity should:

(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;

(b) disclose that policy or a summary of it; and

(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either:

(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or

(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.

The Company does not have a formal diversity policy. The Company however undertakes to assess an individual's credentials on their merit, with complete objectivity and without bias so that the Company may attract, appoint and retain the best people to work within the Company where all persons have equal opportunity.

Recommendation 1.6 - A listed entity should:

(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and

(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

The Company does not currently have a formal process for evaluating the performance of the Board, or individual directors. The Board conducts an introspective annual discussion of its performance on a collective basis to identify general aspects of its performance that could be improved upon, and such analysis includes the roles played by each Board member. Such reviews therefore encapsulate collective discussion around the performance of individual Board members, their roles on specific projects during the financial year, and where relevant, how their role could be modified or suggestions for individual development or performance improvement for the future.

Until such time as the Company expands to justify an expansion of Board members, the Board is of the current opinion that such performance evaluation is suitable for the Company. As the Company has had no active business operations under the current Board, the execution of this evaluation process has not been required.

Recommendation 1.7 - A listed entity should:
(a) have and disclose a process for periodically evaluating the performance of its senior executives; and
(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.

The Board has plans to conduct an annual performance assessment of the CEO against agreed performance measures determined at the start of the year. The CEO will undertake the same assessments of senior executives once the Company has established business operations going forward. In assessing the performance of the individual, the review will include consideration of the senior executive's function, individual targets, company targets, and the overall performance of the Company.

The CEO will provide a report to the Board on the performance of senior executives together with remuneration recommendations which must be approved by the Board. As the Company has had no active business operations under the current Board, the execution of this evaluation process has not been required to date.

Principle 2: Structure the board to add value

Recommendation 2.1 - The board of a listed entity should:
(a) have a nomination committee which:
(1) has at least three members, a majority of whom are independent directors; and
(2) is chaired by an independent director,
and disclose:
(3) the charter of the committee;
(4) the members of the committee; and
(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.

The Board does not maintain a Nomination Committee as it is considered that the current size of the Board does not warrant the formal establishment of a separate committee. The Board therefore performs the function of such a committee which includes the identification of skills and competencies required for the Board, as well as nomination, selection and performance evaluation of non-executive directors. The Board does not actively manage succession planning and instead relies upon the Board's extensive networking capabilities and/or executive recruitment firms to identify appropriate candidates when a Board vacancy occurs or when a vacancy is otherwise envisaged. Attributes of candidates put forward will be considered for 'best-fit' to the needs of the Board which are assessed at the time of the vacancy.

Recommendation 2.2 - A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.

The Board does not maintain a formal skills matrix that sets out the mix of skills and diversity that the Board aims to achieve in its membership. The current Board members represent individuals that have extensive industry experience as well as professionals that bring to the Board there specific skills in order for the Company to achieve its strategic, operational and compliance objectives. Their suitability to the directorship has therefore been determined primarily on the basis of their ability to deliver outcomes in accordance with the Company's short and longer term objectives and therefore deliver value to shareholders.

All Board members are however expected to be able to demonstrate the following attributes:

Board Member Attributes	
Leadership	Represents the Company positively amongst stakeholders and external parties; decisively acts ensuring that all pertinent facts considered; leads others to action; proactive solution seeker
Ethics and integrity	Awareness of social, professional and legal responsibilities at individual, company and community level; ability to identify independence conflicts; applies sound professional judgement; identifies when external counsel should be sought; upholds Board confidentiality; respectful in every situation.
Communication	Effective in working within defined corporate communications policies; makes constructive and precise contribution to the Board both verbally and in written form; an effective communicator with executives.
Negotiation	Negotiation skills which engender stakeholder support for implementing Board decisions.
Corporate governance	Experienced director that is familiar with the mechanisms, controls and channels to deliver effective governance and manage risks

Recommendation 2.3 - A listed entity should disclose:
(a) the names of the directors considered by the Board to be independent directors;
(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and
(c) the length of service of each director.

The Board assesses annually the independence of each director to ensure that those designated as independent do not have any alliance to the interests of management, substantial shareholders or other relevant stakeholders. They must be free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect, their capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its security holders generally.

Details of the Board of directors, their appointment date, length of service and independence status is as follows:

Director's name	Appointment date	Length of service at reporting date	Independence status
Paul Delosa	4 October 2013	20 months	Not independent
Marc Spicer	9 April 2014	14 months	Independent non-executive
Ilan Goldstein	9 April 2014	14 months	Independent non-executive
Yeoryios Markos	6 May 2014	13 months	Independent non-executive

As part of its independence assessment, the Board considers the length of time that the director has been on the Board, as a prolonged service period may also be seen to impair independence. The Board concludes that no non-executive director has been on the Board for a period which could be seen to compromise their independence. Such a period is generally considered to be in excess of 10 years. Being on the Board for a period in excess of 10 years does not however constitute an automatic deeming of non-independence.

Where it is determined that a non-executive director should no longer be considered independent, the Company shall make an announcement to the market.

Recommendation 2.4 - A majority of the board of a listed entity should be independent directors.

There are currently 4 members on the Company's Board. Having regard to the Company's response to Recommendation 2.3 above, the majority of the Board are independent. The Board considers that the Company is reliant upon the business relationships and interests that it has with the non-independent directors in order to achieve its objectives at this time. Until such time as the Company is of a size that warrants the appointment of additional non-executive and independent directors, the Board is of the view that the absence of a majority of independent directors is not an impediment to its operations, shareholders or other stakeholders

Recommendation 2.5 - The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.

Yeoryios Markos is currently the Non-executive chairman of the Board. The Board recognises the importance that the Chair should be independent and as a consequence maintains that current view in the best interests of the Company and its shareholders.

Recommendation 2.6 - A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.

The Company does not have in place a formal induction program or professional development program for directors. The Managing Director and/or CEO is responsible for providing all information considered necessary to an incoming director to enable them to contribute to the business of the Company. Directors are responsible for their own development which includes identifying opportunities for them to attend courses or other information sessions to enhance their skills and knowledge.

Principle 3: Act ethically and responsibly

Recommendation 3.1 - A listed entity should:
(a) have a code of conduct for its directors, senior executives and employees; and
(b) disclose that code or a summary of it.

The Company does not currently maintain a formal code of conduct. However, as part of their terms of employment or contract of service with the Company, the individual is required to, at all times, display behaviours that would reasonably be expected in order to demonstrate the Company is a good corporate citizen, protect the assets of the Company, not make improper use of information obtained in the course of their duties, to act honestly with high standards of personal integrity, comply with laws and regulations that apply to the Company and its operations, and not knowingly participate in any illegal or unethical activity.

Principle 4: Safeguard integrity in corporate reporting

Recommendation 4.1 - The board of a listed entity should:
(a) have an audit committee which:
- ***(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and***
- ***(2) is chaired by an independent director, who is not the chair of the board,***
  and disclose:
- ***(3) the charter of the committee;***
- ***(4) the relevant qualifications and experience of the members of the committee; and***
- ***(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or***

(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.

The Company does not maintain an Audit Committee as it is considered that the current size of the Board and operations of the Company do not warrant the formal establishment of a separate committee. The Board will perform the function of such a committee upon establishment of its businesses in the future. Such functions will include the review and monitoring of periodic management information and the systems used to generate financial information that provides the content for the Annual Report. Either one or more of the CFO and CEO will meet with external auditors to discuss the adequacy of the Company's internal controls and systems used to provide assurance over the integrity of corporate reporting and will implement recommendations for improvement. The Board meets with the external auditor on an annual basis, and assesses the adequacy of the external audit process, the outcome and the auditors' continued independence. A change in external auditor will be contemplated on advice of the person(s) performing the role of the Managing Director and/or CFO where there are concerns pertaining to quality, cost, independence or a combination thereof. This may be carried out by either requesting that the auditor resign at the next AGM, or by way of removal by resolution of the Company at a general meeting. Directors with appropriate accounting and finance experience are assigned to the task of handling audit and corporate reporting matters and reporting back to the Board. External accounting and compliance specialists may also be engaged to assess and to advise upon the Company's reporting processes, internal controls and compliance obligations. Whilst certain individuals may assist in the financial reporting process, the Board acknowledges that the full Board is responsible for ensuring that the financial statements reflect their understanding of operations, and provide a true and fair view as to the financial position and performance of the entity.

Recommendation 4.2 - The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

In relation to the financial statements for the financial year ended 30 June 2015 and the half-year ended 31 December 2014, the director performing the role of the Company's CEO and CFO provides the Board with declarations, that in their option:

- the financial records of the Company have been properly maintained;
- the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company; and
- has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Recommendation 4.3 - A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.

The engagement partner for the Company's audit attends the AGM and is available to answer shareholder questions from shareholders relevant to the audit.

Principle 5: Make timely and balanced disclosure

Recommendation 5.1 - A listed entity should:
(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and
(b) disclose that policy or a summary of it.

The Company does not have a formal written policy for complying with its continuous disclosure obligations under Listing Rule 3.1. The CEO and/or Managing Director are involved in all significant transactions and events and would be considered the first persons within the Company to come into possession of market sensitive information. The person(s) performing the role of CEO, Managing Director and Company Secretary make an assessment as to whether the information ought to be released to the market. Where the information relates to fundamentally significant events affecting the Company, the CEO will arrange for authorisation at Board level before such information is released. Such information may relate to significant acquisitions, disposals and closures, material profit upgrades or downgrades, dividend declarations and buybacks, and any other transaction flagged by the CEO or Chairman as being fundamentally significant.

Principle 6: Respect the rights of security holders

Recommendation 6.1 - A listed entity should provide information about itself and its governance to investors via its website.

The Company maintains information in relation to governance documents, directors, annual reports, ASX announcements and contact details which will be available on the Company's website once the Company's businesses have been acquired or otherwise established.

Recommendations 6.2 and 6.3

A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors (6.2). A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders (6.3).

The Company does not have a formal investor relations program. The Board and Company Secretary engage with investors at the AGM and respond to shareholder enquiry on an ad hoc basis. Material communications are dispatched to investors either via email, surface mail, and/or via market announcement.

Recommendation 6.4 - A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.

The Company engages its share registry to manage the majority of communications with shareholders. Shareholders are encouraged to receive correspondence from the Company electronically, thereby facilitating a more effective, efficient and environmentally friendly communication mechanism with shareholders. Shareholders can contact the Company's share registry, Computershare Investor Services Pty Limited, to elect to receive information electronically.

Principle 7: Recognise and manage risk

Recommendations 7.1 and 7.2

The board of a listed entity should:

(a) have a committee or committees to oversee risk, each of which:

- ***(1) has at least three members, a majority of whom are independent directors; and***
- ***(2) is chaired by an independent director,***
  and disclose:
- ***(3) the charter of the committee;***
- ***(4) the members of the committee; and***
- ***(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or***

(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework (7.1).

The Board or a committee of the Board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place (7.2).

The Company does not maintain a Risk Committee as it is considered that the current size of the Board does not warrant the formal establishment of a separate committee. The Board therefore performs the function of such a committee which includes setting of corporate governance policy and exercising due care and skill in assessing risk, developing strategies to mitigate such risk, monitoring the risk and the Company's effectiveness in managing it. The Company maintains internal controls which assist in managing enterprise risk, and these are reviewed as part of the scope of the external audit, with the auditor providing the Board with commentary on their effectiveness and the need for any additional controls. The Managing Director and/or CEO are responsible for monitoring operational risk, ensuring all relevant insurances are in place, and ensuring that all regulatory and compliance obligations of the Company are satisfied.

Recommendation 7.3 - A listed entity should disclose:

(a) if it has an internal audit function, how the function is structured and what role it performs; or

(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.

The Company does not have a dedicated internal audit function. The responsibility for risk management and internal controls lies with the person(s) performing the role of CEO and/or Managing Director and CFO who continually monitor the Company's internal and external risk environment. Necessary action is taken to protect the integrity of the Company's books and records including by way of design and implementation of internal controls, and to ensure operational efficiencies, mitigation of risks, and safeguard of Company assets.

Recommendation 7.4 - A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.

The management of the Company and the execution of its growth strategies are subject to a number of risks which could adversely affect the Company's future development. The Company's immediate risks relate to its recapitalisation and acquisition of a suitable business to allow the Company to operate. Without funds being invested into the Company, there is doubt as to whether the Company is a going concern. The Board will proceed with major business decisions only once it has conducted sufficient due diligence, the outcomes of which identity opportunity for the Company and its shareholders.

Principle 8: Remunerate fairly and responsibly

Recommendation 8.1 - The board of a listed entity should:
(a) have a remuneration committee which:
(1) has at least three members, a majority of whom are independent directors; and
(2) is chaired by an independent director,
and disclose:
(3) the charter of the committee;
(4) the members of the committee; and
(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.

The Company does not maintain a Remuneration Committee as it is considered that the current size of the Board does not warrant the formal establishment of a separate committee. The Board therefore performs the function of such a committee which includes setting the Company's remuneration structure, determining eligibilities to incentive schemes, assessing performance and remuneration of senior management and determining the remuneration and incentives of the Board, CEO and Company Secretary. The Board may obtain external advice from independent consultants in determining the Company's remuneration practices, including remuneration levels, where considered appropriate.

Recommendation 8.2 - A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.

The directors have not sought remuneration during the financial year. The Board's intended policies with regard to remuneration in the future are as follows:

Non-executive directors will be remunerated by way of cash fees, superannuation contributions and non-cash benefits in lieu of fees. The level of remuneration will reflect the anticipated time commitments and responsibilities of the position. Performance based incentives will not be available to non-executive directors as it could be perceived to impair their independence in decision making. For the same reason, equity based remuneration will be limited to non-performance based instruments such as shares.

Executive directors and other senior executives will be remunerated using combinations of fixed and performance based remuneration. Fees and salaries will be set at levels reflecting market rates having regard to the individual's performance and responsibilities. Performance based remuneration will be linked directly to specific performance targets that are aligned to both short and long term objectives. The issue of any share options and rights are to be aligned to longer term performance hurdles. Termination payments will be detailed in individual contracts and payable on early termination with the exclusion of termination in the event of misconduct.

Further details in relation to the Company's current remuneration policies are contained in the Remuneration Report, within the Directors' report.

Recommendation 8.3 - A listed entity which has an equity-based remuneration scheme should:
(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and
(b) disclose that policy or a summary of it

The Company does not currently maintain an equity-based remuneration scheme. However, should such a scheme be implemented in the future, the use of derivatives or other hedging arrangements for unvested securities of the Company or vested securities of the Company which are subject to escrow arrangements would be prohibited. Where a director or other senior executive uses derivatives or other hedging arrangements over vested securities of the Company, this would be required to be disclosed.

William Buck

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

I declare that, to the best of my knowledge and belief during the year ended 30 June 2015 there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN 59 116 151 136

J. C. Luckins
Director

Dated this 30th day of October, 2015

CHARTERED ACCOUNTANTS & ADVISORS

Melbourne Office
Level 20, 181 William Street
Melbourne VIC 3000

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Hawthorn East VIC 3123

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Contents

General information

The financial statements cover Lemarne Corporation Limited ('the Company') as an individual entity. The financial statements are presented in Australian dollars, which is the company's functional and presentation currency.

Lemarne Corporation Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 27
101 Collins Street
Melbourne VIC 3000

A description of the nature of the Company's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 30 October 2015. The Directors have the power to amend and reissue the financial statements.

	Note	2015 $	2014 $
Revenue	4	-	59,375
Other income	5	69,116	133,070
Expenses			
Net loss on financial assets at fair value through profit or loss	6	(150,553)	(1,052,682)
Impairment of loans	7	(10,952)	-
Corporate and administrative costs		(499,101)	(810,619)
Insurance		(17,015)	(19,152)
Legal fees		(15,687)	(69,000)
Loss before income tax expense		(624,192)	(1,759,008)
Income tax expense	8	-	-
Loss after income tax expense for the year attributable to the owners of Lemarne Corporation Limited	14	(624,192)	(1,759,008)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of Lemarne Corporation Limited		(624,192)	(1,759,008)
		Cents	**Cents**
Basic earnings per share	22	(7.25)	(20.44)
Diluted earnings per share	22	(7.25)	(20.44)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

	Note	2015 $	2014 $
Assets			
Current assets			
Cash and cash equivalents	9	13,699	298,312
Trade and other receivables	10	6,905	11,420
Financial assets at fair value through profit or loss	11	8,059	420,000
Total current assets		28,663	729,732
Non-current assets			
Property, plant and equipment		2,927	-
Total non-current assets		2,927	-
Total assets		31,590	729,732
Liabilities			
Current liabilities			
Trade and other payables	12	13,000	86,950
Total current liabilities		13,000	86,950
Total liabilities		13,000	86,950
Net assets		18,590	642,782
Equity			
Issued capital	13	3,993,630	3,993,630
Accumulated losses	14	(3,975,040)	(3,350,848)
Total equity		18,590	642,782

The above statement of financial position should be read in conjunction with the accompanying notes

Lemarne Corporation Limited
Statement of changes in equity
For the year ended 30 June 2015

	Issued capital $	Accumulated losses $	Total equity $
Balance at 1 July 2013	3,993,630	(1,591,840)	2,401,790
Loss after income tax expense for the year	-	(1,759,008)	(1,759,008)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	(1,759,008)	(1,759,008)
Balance at 30 June 2014	3,993,630	(3,350,848)	642,782

	Issued capital $	Accumulated losses $	Total equity $
Balance at 1 July 2014	3,993,630	(3,350,848)	642,782
Loss after income tax expense for the year	-	(624,192)	(624,192)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	(624,192)	(624,192)
Balance at 30 June 2015	3,993,630	(3,975,040)	18,590

The above statement of changes in equity should be read in conjunction with the accompanying notes

	Note	2015 $	2014 $
Cash flows from operating activities			
Payments to suppliers and employees		(612,658)	(1,034,872)
GST Recoveries		61,057	-
		(551,601)	(1,034,872)
Interest received		-	14,980
Income taxes refunded		11,420	-
Net cash used in operating activities	21	(540,181)	(1,019,892)
Cash flows from investing activities			
Payments for financial assets		-	(1,243,500)
Payments for property, plant and equipment		(2,927)	-
Proceeds from release of short term deposits		-	2,200,000
Loans to related parties		(20,000)	-
Proceeds from loans to related parties		9,048	-
Proceeds from disposal of investments		269,447	537,245
Proceeds from disposal of property, plant and equipment		-	2,555
Net cash from investing activities		255,568	1,496,300
Cash flows from financing activities			
Repayment of borrowings		-	(400,000)
Net cash used in financing activities		-	(400,000)
Net increase/(decrease) in cash and cash equivalents		(284,613)	76,408
Cash and cash equivalents at the beginning of the financial year		298,312	221,904
Cash and cash equivalents at the end of the financial year	9	13,699	298,312

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

The Company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Company.

The following Accounting Standards and Interpretations are most relevant to the Company:

- AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities
- AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets
- AASB 2013-4 Amendments to Australian Accounting Standards - Novation of Derivatives and Continuation of Hedge Accounting
- AASB 2013-5 Amendments to Australian Accounting Standards - Investment Entities
- AASB 2014-1 Amendments to Australian Accounting Standards (Parts A to C)
- Interpretation 21 Levies

Going concern

For the year ended 30 June 2015, the Company incurred a loss of $624,192 (2014: $1,759,008) and had a net cash outflow from operating activities of $540,181 (2014: outflow of $1,019,892). At year end, it held current assets of $28,663 and had net current assets of $15,663. The Company held an interest in a subsidiary at balance date which it has now been realised for $8,059 cash. It no longer holds any investments (other than cash at bank) and did not have any business operations during the year or at year end.

Other than an accrual for auditors fees, the Company has no outstanding debts at balance date. Furthermore, the directors have resolved that they will forfeit their entitlement to directors fees such that the Company will not incur any such expense or liability after balance date and the directors will only recommence charging the Company for their services upon a relisting of the Company's securities. The Company has not incurred any other debt since balance date.

The directors have prepared these financial statements on the basis that the Company is a going concern insofar as it remains solvent in the short term having regard to the post year-end share placements of 1,291,022 shares at $0.03 which raised equity capital of $38,730 and the advance by director Yeoryios Markos to the company of a loan amounting to $150,000. Both of these events occurred in October 2015. Mr Markos has provided a letter of support to the company representing that the loan advanced will not be recalled for a period of at least 12 months from the date of this financial report. Such funding is considered adequate to cover short term needs of the Company as the directors continue to conduct feasibility assessments and identify a business for the Company to acquire with the aim of having the Company relisted to the ASX in the near future. The Company is currently in advanced stage negotiations to acquire a business as detailed in note 20.

Should the company not be able to progress to a recapitalisation and relisting of the company's securities on the ASX within 12 months of reporting date, there is considered to be a material uncertainty as to whether the company has the ability to remain solvent over the next 12 months.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets at fair value through profit or loss.

Note 1. Significant accounting policies (continued)

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Operating segments
Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Revenue recognition
Revenue is recognised when it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is current when: it is expected to be realised or intended to be sold or consumed in the normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or a cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

Note 1. Significant accounting policies (continued)

A liability is current when: it is expected to be settled in the normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables
Other receivables are recognised at amortised cost, less any provision for impairment.

Investments and other financial assets
Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are either: i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit; or ii) designated as such upon initial recognition, where they are managed on a fair value basis or to eliminate or significantly reduce an accounting mismatch. Fair value movements are recognised in profit or loss.

Impairment of financial assets
The Company assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

The amount of the impairment allowance for financial assets carried at cost is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for similar financial assets.

Plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of plant and equipment (excluding land) over their expected useful lives as follows:

Office fixtures and fittings	5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

Note 1. Significant accounting policies (continued)

An item of plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Trade and other payables
These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Note 1. Significant accounting policies (continued)

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Company for the annual reporting period ended 30 June 2015. The Company's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Company, are set out below.

AASB 9 Financial Instruments
This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. The consolidated entity will adopt this standard from 1 July 2018 but the impact of its adoption is yet to be assessed.

AASB 15 Revenue from Contracts with Customers
This standard is currently applicable to annual reporting periods beginning on or after 1 January 2017. Exposure Draft (ED 263) 'Effective Date of AASB 15' proposes to defer the application date by one year to 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services). The consolidated entity expects to adopt this standard from 1 July 2018 but the impact of its adoption is not able to be determined given that the Company does not currently operate any business.

Other accounting standards issued are not considered to have a significant impact on the financial statements of the consolidated entity.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Fair value measurement hierarchy
The Company is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences and income tax losses only if the company considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses. No deferred tax assets have been recognised as it is currently considered improbable that benefits will be recovered.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Investment entity classification
The company considers itself an investment entity pursuant to AASB 10 *Consolidated Financial Statements* and therefore does not consolidate any subsidiaries or adopt equity accounting for associates. This classification has been determined based on the business objectives established by the Board to invest for the purposes of capital appreciation and investment income. The performance of all investments held, including investments in subsidiaries and associates, other equities and loans, are assessed on the basis of fair value, and it is intended that they are held only for a limited period of time. Consequently, all investments are measured at fair value through profit or loss in accordance with AASB 139 *Financial Instruments: Recognition and Measurement*. The company does not consider that its current limited holding of investments should prevent classification as an investment entity given the Board's intention to reinvigorate the company's investment activities.

Note 3. Operating segments

Identification of reportable operating segments
The company is organised into one operating segment being investing in the Australasia region. This is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

Note 4. Revenue

	2015 $	2014 $
Interest	-	57,375
Other revenue	-	2,000
Revenue	-	59,375

Note 5. Other income

	2015 $	2014 $
Net gain on settlement of financial liabilities	-	133,070
GST recovered	69,116	-
Other income	69,116	133,070

During the year, the company undertook an investigation as to whether it had overpaid GST to the Australian Tax Office under its previous management. As a result of this inquiry, an amount of $69,116 was recovered.

In 2014, the company negotiated the settlement of a liability owing to KushKush Investments Pty Ltd for cash consideration of $400,000 resulting in a gain to the company of $133,070.

Note 6. Net loss on financial assets at fair value through profit or loss

	2015 $	2014 $
Net loss on financial assets at fair value through profit or loss	150,553	1,052,682

The net loss on financial assets at fair value through profit or loss consists of:

Note 6. Net loss on financial assets at fair value through profit or loss (continued)

	2015 $	2014 $
Loss on financial assets at fair value through profit or loss:		
Real Estate Capital Partners USA Property Trust	158,612	300,000
Bisan Limited	-	234,255
Mariner Corporation Limited	-	396,427
New City Australia Funds Management Limited	-	52,000
Global Constructive Solutions Pty Limited	-	70,000
	158,612	1,052,682

	2015	2014
Gain on financial assets at fair value through profit or loss:		
Fine Pearl Sdn Bhd (in Liquidation)	8,059	-

Real Estate Capital Partners USA Property Trust
The company disposed of its ordinary units (2,000,000 ordinary units) in Real Estate Capital Partners USA Property Trust (ASX: RCU) during the year at a loss of $158,612.

Bisan Limited
The company acquired 15,750,000 ordinary shares in Bisan Limited (ASX: BSN) for $283,500 and disposed of its entire holding during 2014 at a loss of $146,255. In addition, the company terminated a contract to acquire 4,000,000 shares from a shareholder due to the fact that the company was unable to verify the ownership of those shares and there were a lack of records in relation to this investment. The Board wrote off a further $88,000 as a consequence such that the company no longer had any interest in BSN.

Mariner Corporation Limited
The company held two separate holdings of convertible notes in Mariner amounting to $400,000 and $350,000 during 2014. In May 2014 and June 2014, the company received two payments of $200,000 each in full settlement of their holdings of convertible notes. The Board resolved to accept the amount as full and final settlement due to Mariner's distressed financial status, and as a consequence it was assessed that this would be the only recoverable amount. After writing off principal and interest receivable on this debt, the company incurred a loss of $396,427. Former Lemarne director Darren Olney-Fraser was a director and CEO of Mariner at the time of these transactions (refer also to Note 19 Related party transactions).

Note 6. Net loss on financial assets at fair value through profit or loss (continued)

New City Australia Funds Management Limited
In September 2013 the Company acquired a 50% shareholding interest in New City Australia Funds Management Limited ('New City') for $50,000. The purchase was of shares formerly owned by an entity associated with the company's substantial shareholder, Ariel Nominees. The company also advanced $2,000 to New City during 2014. The incoming directors of the company subsequently assessed the fair value of the investment (including loan) to be nil as the investment had not provided any returns, did not have any funds under management, had no other business and was incurring continuing liabilities. Its Australian Financial Services Licence (AFSL) held was suspended and then cancelled by ASIC. Marc Spicer and Ilan Goldstein were directors of New City from the period from 26 August 2013 to 22 November 2013. Following the completion of the 50% acquisition in New City, the former directors, Darren Olney-Fraser and Chris Manie, and the Company's current director Paul Delosa were appointed as directors in November 2013. Darren Olney-Fraser and Chris Manie resigned as directors on 6 May 2014 and were replaced by Marc Spicer, Ilan Goldstein and Yeoryios Markos. The decline in the fair value of the investment, totalling $50,000 was charged to the profit or loss (refer also to Note 19 Related party transactions). New City was wound up during 2015.

Global Constructive Solutions Pty Ltd
In September 2013 the Company paid a $70,000 deposit to acquire a 100% shareholding interest in Global Constructive Solutions Pty Ltd ('GCS'). The deposit was for shares owned by an entity associated with the company's substantial shareholder, Ariel Nominees Pty Ltd. ASIC corporate records relating to GCS continued to reflect that the shareholding interest in the investee remained with the entity associated with Ariel Nominees Pty Ltd and the share transfer process remained incomplete. Due to the uncertainty of obtaining the share transfer and rights to the issued capital of GCS, the directors resolved to impair to nil the fair value of the deposit as at this date. The impairment of the deposit, totalling $70,000, was charged to the profit or loss (refer also to Note 19 Related party transactions).

Fine Pearl Sdn Bhd (in Liquidation)
In May 2015, the directors were notified by Malaysian liquidators that an amount of MYR24,000 (Malaysian Ringgit) (AUD$8,059) was available for distribution back to the company on finalisation of the liquidation of Fine Pearl. Fine Pearl was a subsidiary of the company that had previously been written off. An amount of AUD$8,059 was received in July 2015 to finalise the liquidation.

Note 7. Impairment of loans

	2015 $	2014 $
Impairment of Loan to New City Australia Funds Management Ltd	10,952	-

The company advanced an amount of $20,000 to New City Australia Funds Management Limited ('New City') for the purpose of paying outstanding ASIC and audit fees. This loan had been fully impaired as at 31 December 2014 however an amount of $9,048 was subsequently recovered thereby reducing impairment expense on the loan to $10,952. New City was wound up during 2015.

Note 8. Income tax expense

	2015 $	2014 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(624,192)	(1,759,008)
Tax at the statutory tax rate of 30%	(187,258)	(527,702)
Current year tax losses not recognised	187,258	527,702
Income tax expense	-	-

Note 8. Income tax expense (continued)

	2015 $	2014 $
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	5,162,736	4,538,544
Potential tax benefit @ 30%	1,548,821	1,361,563

The above potential tax benefit relating to carry forward tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

Note 9. Current assets - cash and cash equivalents

	2015 $	2014 $
Cash at bank	13,699	298,312

Note 10. Current assets - trade and other receivables

	2015 $	2014 $
Other receivables	6,905	-
Income tax refund due	-	11,420
	6,905	11,420

Note 11. Current assets - financial assets at fair value through profit or loss

	2015 $	2014 $
Investment in other entities at fair value	8,059	420,000

Refer to note 16 for further information on fair value measurement.

Real Estate Capital Partners USA Property Trust
During the year, the company held 2,000,000 ordinary units in Real Estate Capital Partners USA Property Trust (ASX: RCU) which were disposed of during the year.

New City Australia Funds Management Limited
The company also held a 50% equity interest in New City Australia Funds Management Limited ('New City') which was a controlled entity having regard to the representation of company directors on the board of New City. As the company is classified as an investment entity, it accounts for investments in subsidiaries at fair value through profit or loss. New City was wound up during the year.

Fine Pearl Sdn Bhd (in Liquidation)
In May 2015, the directors were notified by Malaysian liquidators that an amount of MYR24,000 (Malaysian Ringgit) (AUD$8,059) was available for distribution back to the company on finalisation of the liquidation of Fine Pearl. Fine Pearl was a subsidiary of the company that had previously been written off in the accounts of the Company. The fair value of the subsidiary represents the amount received as a distribution from the liquidators in July 2015 on final wind up.

Note 12. Current liabilities - trade and other payables

	2015 $	2014 $
Trade payables	-	86,950
Other payables	13,000	-
	13,000	86,950

Refer to note 15 for further information on financial instruments.

Note 13. Equity - issued capital

	2015 Shares	2014 Shares	2015 $	2014 $
Ordinary shares - fully paid	8,606,814	8,606,814	3,993,630	3,993,630

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back
There is no current on-market share buy-back.

Capital risk management
The Company's immediate objective when managing capital is to safeguard its ability to continue as a going concern. The new Board recognises that it is likely that the Company will need to raise equity capital in the near future so as to implement near term objectives of acquiring assets. Once the short to medium term future of the Company has been secured, the Board's focus will then be to manage capital so as to provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure so as to reduce the cost of capital.

The capital risk management policy has not changed from that disclosed in the 2014 Annual Report.

The Company is currently not subject to any financing covenants and there have been no events of default on financing arrangements during the financial year.

Under Listing Rules, the Company cannot issue more than 15% of its ordinary shares under placement without pre-approval of its members.

Note 14. Equity - accumulated losses

	2015 $	2014 $
Accumulated losses at the beginning of the financial year	(3,350,848)	(1,591,840)
Loss after income tax expense for the year	(624,192)	(1,759,008)
Accumulated losses at the end of the financial year	(3,975,040)	(3,350,848)

Note 15. Financial instruments

Financial risk management objectives
The company's current activities do not expose it significant financial risks other than liquidity risk as the company does not presently conduct any business. The company monitors its cash balances closely so as to avoid any insolvency event.

Note 15. Financial instruments (continued)

Market risk

Foreign currency risk
The company does not have significant exposure to foreign currency risk at year end.

Price risk
The company is not exposed to price risk at balance date as it does not hold significant financial assets.

Interest rate risk
The company's exposure to market interest rates relate primarily to the investments of cash balances which at balance date were not significant.

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The entity is not exposed to significant credit risk as its only financial asset at reporting date is cash.

Liquidity risk
Vigilant liquidity risk management requires the company to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

The Company manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Subsequent to the year-end, the company secured further funding through the issue of a convertible note to an investor and loan funds received from a director. The company is currently in the advanced stages of preparation for the recapitalisation of the company and re-listing of its shares on the ASX.

Remaining contractual maturities
The following tables detail the Company's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid.

2015	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives					
Non-interest bearing					
Other payables	13,000	-	-	-	13,000
Total non-derivatives	13,000	-	-	-	13,000

2014	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives					
Non-interest bearing					
Trade payables	86,950	-	-	-	86,950
Total non-derivatives	86,950	-	-	-	86,950

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 16. Fair value measurement

Fair value hierarchy
The following tables detail the Company's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

2015	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Financial assets at fair value through profit or loss	-	8,059	-	8,059
Total assets	-	8,059	-	8,059

2014	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Financial assets at fair value through profit or loss	420,000	-	-	420,000
Total assets	420,000	-	-	420,000

There were no transfers between levels during the financial year.

Valuation techniques for fair value measurements categorised within level 2 and level 3
Unquoted investments have been valued using a discounted cash flow model.

The company had a wholly owned subsidiary, Fine Pearl Sdn Bhd (Fine Pearl), which had a carrying value of nil based on a directors valuation in 2014 (Level 3). During the year, the liquidators of Fine Pearl advised that they held an amount for distribution to the company amounting to 24,000 Malaysian Ringgit (MYR). An amount of AUD$8,059 was received in July 2015 in full settlement from the liquidators and the investment was valued on this basis at balance date (Level 2).

The company held a 50% interest in controlled entity, New City Australia Funds Management Limited during 2014 which had a carrying value of nil based on a directors valuation (Level 3). This company was wound up during 2015.

Note 17. Key management personnel disclosures

Compensation
The aggregate compensation made to Directors and other members of key management personnel of the Company is set out below:

	2015 $	**2014 $**
Short-term employee benefits	239,800	177,965

Note 18. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by William Buck, the auditor of the Company, and its network firms:

	2015 $	**2014 $**
Audit services - William Buck		
Audit or review of the financial statements	19,500	38,516

Note 19. Related party transactions

Key management personnel
Disclosures relating to key management personnel are set out in note 17 and the remuneration report in the Directors' report.

Transactions with related parties
The following transactions occurred with related parties:

	2015 $	2014 $
Payment for goods and services:		
Consultancy services purchased for operational support from Global Constructive Solutions Pty Ltd T/A Alerion Corporate Services (an entity controlled by substantial shareholder, Ariel Nominees Pty Ltd)	-	240,977
Company secretarial and management services provided by Adrian Olney (brother of former Non-Executive Director Darren Olney-Fraser)	-	49,584
Other transactions:		
Investment in New City Australia Funds Management Ltd (investment is associated with substantial shareholder Ariel Nominees Pty Ltd)	-	50,000
Investment in Global Constructive Solutions Pty Ltd T/A Alerion Corporate Services (an entity controlled by substantial shareholder, Ariel Nominees Pty Ltd)	-	70,000

Mariner Corporation Ltd
During the financial year, former director Darren Olney-Fraser was both Chairman of the company and Chief Executive Officer and Director of Mariner Corporation Limited. Refer to Note 6 for details of transactions between the company and Mariner Corporation Limited.

Bisan Ltd
During the financial year, Executive Director Paul Delosa was a director of Bisan Limited. Refer to Note 6 for details of transactions between the company and Bisan Limited.

New City Australia Funds Management Ltd
New City was an entity associated with substantial shareholder Ariel Nominees Pty Ltd and was a controlled entity of the company having regard to the representation of company directors on the board of New City. During the 2014 year, following the completion of the 50% acquisition of New City by the company, the former directors, Darren Olney-Fraser and Chris Manie, and the Company's current director Paul Delosa were appointed as directors in November 2013. Marc Spicer and Ilan Goldstein were directors of New City from the period from 26 August 2013 to 22 November 2013. Darren Olney-Fraser and Chris Manie resigned as directors on 6 May 2014 and were replaced by Marc Spicer, Ilan Goldstein and Yeoryios Markos. Marc Spicer was company secretary of New City. During 2015, New City was wound up.

Alerion Corporate Services
During the financial year, the company terminated the services and License agreements of Global Constructive Solutions Pty Ltd ('GCS') T/A Alerion Corporate Services. Ariel Nominees is the shareholder of GCS.

The directors confirmed that there are no outstanding liabilities owed to GCS and all agreements have been terminated.

Receivable from and payable to related parties
Refer to note 17 for further details.

Note 19. Related party transactions (continued)

Loans to/from related parties
During the year, the company advanced an amount of $20,000 to New City Australia Funds Management Limited ('New City') for the purpose of paying outstanding ASIC and audit fees with the aim of having its Australian Financial Services Licence ('AFSL') reinstated. Given the company's historical reporting breaches and subsequent administrative burden that became evident during this process, the directors wound up and deregistered New City during year. The $20,000 loan had been written off at 31 December 2014 however an amount of $9,048 was subsequently recovered.

During 2014, the company advanced $2,000 to its subsidiary New City Australia Funds Management Limited. This amount was written off as not recoverable.

Note 20. Events after the reporting period

Subsequent to year end, the following events have occurred:

Proposed acquisitions
On 18 August 2015, the Company signed a Heads of Agreement with Central Kimberley Diamonds ("CKD") for the acquisition of CKD's 74% shareholding in Urafiki Gems Pty Ltd ("Urafiki"), a company incorporated in South Africa and which controls the Palmietfontein Diamond Project in South Africa via its subsidiaries. The proposed consideration for the purchase of the 74% shareholding of Urafiki is $4.1 million to be satisfied by the issue of 20 million fully paid ordinary shares in the Company at an issue price of $0.20 and the payment of $100,000. The Board is continuing its due diligence into this proposed transaction.

On the same date, the Company also signed a Heads of Agreement with Unique Sapphires Pty Ltd ("Unique") pursuant to which the Company will be granted a 15% interest in Unique. Unique is a company owned by Yeoryios Markos, the current Chairman of Lemarne. The agreement provides the Company with two years to exercise its option to acquire this interest subject to the Company relisting and securing funding of up to $5 million to acquire the interest in Unique. The Company will issue 10 million fully paid ordinary shares to Unique at an issue price of $0.20 per share as payment of an option fee. The Company is continuing its due diligence into this proposed transaction.

These proposed transactions would constitute a change to the principal activities of the Company, are subject to shareholder approval, and would require the Company to raise capital via a prospectus.

Short-term loan funds
On 1 October 2015, the Company was advanced an amount of $150,000 from Yeoryios Markos to cover the short term funding needs of the Company leading up to its intended recapitalisation and relisting later this year. Interest is payable at a rate of 10%. Mr Markos has provided a letter of support to the company representing that the loan will not be recalled for a period of at least 12 months from the date of this financial report.

Share placement
On 5 October 2015, the Company made placements of 1,291,022 ordinary shares at $0.03 to investors raising $38,730 cash.

No other matter or circumstance has arisen since 30 June 2015 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Note 21. Reconciliation of loss after income tax to net cash used in operating activities

	2015 $	2014 $
Loss after income tax expense for the year	(624,192)	(1,759,008)
Adjustments for:		
Net loss on disposal of property, plant and equipment	-	11,365
Net gain on settlement of convertible note	-	(133,070)
Net loss on financial assets at fair value through profit or loss	150,553	1,052,682
Impairment of loans receivable	10,952	-
Interest received - non-cash	(8,059)	(46,427)
Change in operating assets and liabilities:		
Increase in trade and other receivables	(6,905)	(7,389)
Decrease in income tax receivable	11,420	-
Decrease in trade and other payables	(73,950)	(138,045)
Net cash used in operating activities	(540,181)	(1,019,892)

Note 22. Earnings per share

	2015 $	2014 $
Loss after income tax attributable to the owners of Lemarne Corporation Limited	(624,192)	(1,759,008)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	8,606,814	8,606,814
Weighted average number of ordinary shares used in calculating diluted earnings per share	8,606,814	8,606,814
	Cents	**Cents**
Basic earnings per share	(7.25)	(20.44)
Diluted earnings per share	(7.25)	(20.44)

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;

- the attached financial statements and notes give a true and fair view of the Company's financial position as at 30 June 2015 and of its performance for the financial year ended on that date; and

- subject to the material uncertainty identified in the 'going concern' paragraph of note 1 to financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors

yeopyos markos

Yeorgios Markos
Non-Executive Chairman

30 October 2015
Melbourne

William Buck

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEMARNE CORPORATION LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Lemarne Corporation Limited (the Company) on pages 21 to 40, which comprises the statement of financial position as at 30 June 2015, the statement of profit of loss and other comprehensive income, the statement of changes in equity and the 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.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

CHARTERED ACCOUNTANTS & ADVISORS

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Hawthorn Office
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Hawthorn East VIC 3123

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williambuck.com

William Buck

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEMARNE CORPORATION LIMITED (CONT)

Auditor's Opinion

In our opinion:

a) the financial report of Lemarne Corporation Limited on pages 21 to 40 is in accordance with the Corporations Act 2001, including:
   i. giving a true and fair view of the Company'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 (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 in the financial report, which indicates that the entity incurred a net loss of $624.192 during the year ended 30 June 2015 and had net cash outflows from operations of $540,181. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the entity's ability to continue as a going concern and therefore the entity may not be able to realise its assets and discharge its liabilities in the normal course of business.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 6 to 9 of the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the Remuneration Report of Lemarne Corporation Limited for the year ended 30 June 2015, complies with section 300A of the Corporations Act 2001.

Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report of Lemarne Corporation Limited for the year ended 30 June 2015 included on Lemarne Corporation Limited's web site. The company's directors are responsible for the integrity of the Lemarne Corporation Limited's web site. We have not been engaged to report on the integrity of the Lemarne Corporation Limited's web site. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

William Buck

William Buck Audit (Vic) Pty Ltd

ABN 59 116 151 136

J. C. Luckins

Director

Dated this 30th day of October, 2015

The shareholder information set out below was applicable as at 25 September 2015.

Distribution of equity securities

Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares
1 to 1,000	346
1,001 to 5,000	315
5,001 to 10,000	82
10,001 to 100,000	113
100,001 and over	10
	866
Holding less than a marketable parcel	279

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Number of ordinary shares held	% of total ordinary shares issued
Ariel Nominees Pty Ltd	1,700,000	19.75
Mr Paul Delosa	480,412	5.58
Mr Hamish Falconer	394,625	4.59
FDF Commercial Services Pty Ltd	250,000	2.90
Ariel Nominees Pty Ltd	221,795	2.58
Rawlo International Pty Ltd (McCartney SMSF A/C)	143,205	1.66
Larkam Investments Pty Ltd (EBN Superannuation Fund A/C)	139,460	1.62
Mr Michel Leon	120,000	1.39
Mr Stephen Leslie Mason (Superannuation Fund A/C)	117,220	1.36
Hsbc Custody Nominees (Australia) Limited	105,568	1.23
Ms Jacqueline Steele	93,270	1.08
Mr David John Wintour	85,787	1.00
Aberford Pty Ltd	80,065	0.93
Nalmor Pty Ltd John Chappell Super Fund A/C	80,000	0.93
Dr John Larking (Larking Family Fund A/C)	73,983	0.86
Estate Late Margaret Patricia Young	72,993	0.85
Leibler Superannuation Nominees Pty Ltd (Leibler Super Fund A/C)	70,000	0.81
Ej Diver Manufacturing Pty Ltd	68,514	0.80
Mr Geoffrey Eastmure + Mrs Pauline Eastmure (Eastbeth Serv Dir S/F A/C)	65,000	0.76
Mr Kevin Edgar Day (Est Barbara E Day A/C)	62,663	0.73
	4,424,560	51.41

Unquoted equity securities

There are no unquoted equity securities.

Substantial holders

Substantial holders in the Company are set out below:

	Number or ordinary shares held	% of total ordinary shares issued
Ariel Nominees Pty Ltd	1,700,000	19.75
Mr Paul Delosa	480,412	5.58

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.