Sunbridge Group Limited and controlled entities
ABN 40 163 886 020

Sunbridge Group Limited

Appendix 4E
Preliminary Final Report
For the year ended 31 December 2014

Appendix 4E

Commentary on Full Year Results

The Directors of Sunbridge Group Limited ('Sunbridge' or "the Company") and its controlled entities ('the Group') hereby present the Company's first Appendix 4E – Preliminary Final Report, following successful listing in November 2013.

Through this report, the Board seeks to provide an update to its Shareholders and the market on the results achieved for the 2014 financial year (ended 31 December 2014). It should be noted that the Group's financial year runs from January to December each year.

The Sunbridge Group realised an after tax profit of $AUD8.4 million for the 2014 financial year which represents a decrease of 40% on the previous year. As a result of the depreciation of Australian dollars $(AUD), the Company showed a foreign exchange gain on translation of foreign operation of $AUD4.2 million. The Company's cash and cash equivalents reserves remain strong at $AUD29.3 million.

Corporate Results Summary

For the 2014 year, the Sunbridge Group, through its wholly owned China based subsidiaries, achieved:

- Group revenue for the year (excluding interest received) was up by 6% to $AUD 84.2 million compared to 2013 revenue of $AUD 79.5 million;
- Sunbridge's 71 direct stores generated total revenues of $AUD6.75 million, a significant increase from 2013's revenues of $AUD1.5 million through improved brand recognition and effective management of the Group's own stores.
- Group NPBT of $AUD11.7 million, represents a decrease of 38.2% comparative to previous year Group NPBT of $AUD18.9 million (2013).
- 2014 NPAT of $AUD8.4 million; a decrease of 40% comparative to 2013 Group NPAT of $AUD13.9 million.
- Expenses include assistance provided to the franchisees in renovating and upgrading stores amounting to $6.3 million.
- Foreign exchange translation gain impacting on comprehensive income of $AUD4.2 million.
- Continuing **strong cash reserves of $AUD29.3 million**;

As one of China's leading brands in menswear, Sunbridge continues to grow its market share despite strong competitive pressures. Sunbridge's sales revenues alone, increased by 6% over the prior year, with gross margin holding steady at 34%.

Commentary on Full Year 2014 Results (continued)

About Sunbridge Group Limited

Sunbridge Group Limited (ASX: SBB) ("Company") is a leading retailer of menswear in the People's Republic of China (PRC). The Group owns and operates the "PANDIST" and AGUESEADAN" brands of menswear, which are targeted at different age group segments of well-groomed upper middle class gentleman. The Group's menswear products range from formal and business wear to casual and sporting apparel, and are currently sold in over 420 retail outlets across the PRC. As an integrated fashion enterprise, the Group is responsible for the design, sourcing and selling of their products.

Founded in 1996, the Business has grown rapidly in recent years. The Group's products are sold across an extensive distribution network, covering 28 provinces, autonomous regions and municipalities in the PRC and Hong Kong.

The Group designs all of its clothing through its in-house design team but it outsources all of its production to Original equipment manufacturer (OEM) contractors which are located in the Guangdong and Wenzhou cities, which are well known apparel production hubs in the PRC. The Group believes that its outsourcing of production to third parties enables it to focus its valuable resources on key design, procurement, warehousing and distribution functions giving the Group a competitive edge. Quality is one of the Group's top priorities, and the Group works closely with its OEM contractors to ensure that all of its apparel and accessories meet the high quality standards demanded by its target market.

Sunbridge Group Limited and controlled entities
ABN 40 163 886 020

APPENDIX 4E
PRELIMINARY FINAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014

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

1. Reporting period

Current Period	12 months ended 31 December 2014
Prior Period	12 months ended 31 December 2013

2. Results for announcement to the market

Consolidated Group	Item		$	% Change		$
Revenue – excluding interest received	**2.1**	up	79,485,327	6%	to	84,242,060
Profit after tax attributable to members	**2.2**	down	13,900,051	40%	to	8,386,383
Net Profit attributable to members	**2.3**	down	13,900,051	40%	to	8,386,383
Dividend	**2.4**					

	Amount per security	Amount Franked	Amount Unfranked
Final dividend per share	Nil	Nil	Nil

Explanatory information	**2.5**	For further information refer ***Commentary on Results*** which accompanies this announcement.

Overview

The principal activity of Sunbridge Group Limited and controlled entities ('Consolidated Group' or 'Group') during the financial year was the sale and distribution of menswear.

The Group operates in two business segments, wholesale of clothing apparel to franchised distributors and retail sales of clothing apparel by company owned stores. The Group currently operates in one geographical segment, being the People's Republic of China; refer to Note 25 for further details.

There were no other significant changes in the nature of the consolidated Group's principal activities during the financial year.

This financial report includes the consolidated financial statements and notes to the financial statements of the Consolidated Group. Sunbridge Group Limited was incorporated on 22 May 2013 and listed on the Australian Securities Exchange ("ASX") on 27 November 2013. The Company is incorporated and domiciled in Australia.

Overview of results

For the year ended 31 December 2014, sales revenue have increased by $4,756,733 (up 6% compared to 2013), however, the net profit after tax has decreased by $5.5 million due to the increase of the cost of sales and operating expenses.

Financial Position

The net assets of the consolidated group have increased by $12,295,603 from $43,124,994 at 31 December 2013 to $55,420,597 at 31 December 2014. This increase has largely resulted from the following factors:

- $8,386,383 profits after tax attributable to members;
- $5,460,825 increase of net intangible assets;
- $6,259,195 decrease of short-term borrowings; and
- $4,192,264 increase in foreign exchange gain reserve.

The consolidated Group's strong financial position has enabled the group to maintain a healthy working capital ratio. The group's working capital, being current assets less current liabilities, has increased from $38,298,311 in 2013 to $43,134,528 in 2014.

Significant Changes in the State of Affairs

There have been no significant changes in the state of affairs of the parent entity during the financial year or prior year.

3. Consolidated Statement of Profit or Loss and Other Comprehensive Income – see accompanying preliminary financial statements

4. Consolidated Statement of Financial Position – see accompanying preliminary financial statements

5. Consolidated Statement of Cash Flow – see accompanying preliminary financial statements

6. Dividends Paid or Recommended

The Directors have resolved not to pay an unfranked final dividends due to the decrease of NPAT and investment planning in 2015.

7. Details of any Dividend or distribution reinvestment plans

Please see Point 2.4 above for recommended dividends. The Company does not have any distribution reinvestment plans.

8. Statement of movements in Retained Earnings – see accompanying statement of changes in equity

9. Net tangible assets per security

	31 December 2014	31 December 2013
Number of securities	471,738,000	471,738,000
Net tangible assets per security in cents	10.51	9.1

10. Changes in controlled entities

There have been no changes in controlled entities during the year. Mega Rich International Creation Limited and its controlled entities (Bangdisidun (Fujian) Dress Development Co., Ltd and Hengjiasi Dress Development Co., Ltd), became wholly owned subsidiaries of Sunbridge during the prior year (2013).

11. Details of associates and joint venture entities

Not applicable.

12. Any other significant information needed by an investor to make an informed assessment of the entity's financial performance and financial position

Refer ***Commentary on Results*** which accompanies this announcement.

13. Foreign entities disclosures

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

14. Additional information

Earnings per Share on continuing operations	**31 December 2014**	**31 December 2013**
Basic earnings per share in cents	1.77	3.52
Diluted earnings per share in cents	1.77	3.52

After Balance Date Events

Other than the declaration of dividends, there are no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the consolidated group, the results of those operations, or the state of affairs of the consolidated group in future financial years.

15. Compliance Statement

The financial statements are in the process of being audited and are not likely to be subject to dispute or qualification.

Signed in accordance with a resolution of the Board of Directors of Sunbridge Group Limited:

Wayne V Reid – Chairman

Dated this 27th day of February 2015

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR YEAR ENDED 31 DECEMBER 2014

	Note	2014 $	2013 $
Revenue	2	84,242,060	79,485,327
Cost of goods sold		(55,661,471)	(52,553,215)
Gross profit		28,580,589	26,932,112
Other income	2	124,737	2,354
Operating expenses	3	(14,352,720)	(4,853,291)
Administrative expenses		(2,190,548)	(1,870,855)
Finance costs		(469,161)	(453,638)
Listing expenses		-	(830,869)
Profit/(loss) before income tax	4	11,692,897	18,925,813
Income tax expense	5	(3,306,514)	(5,025,762)
Profit For The Year		**8,386,383**	**13,900,051**
Other Comprehensive Income For The Year, Net of Tax			
Items that may be reclassified subsequently to profit or loss			
Exchange gain/(loss) differences arising on the translation of foreign operations		4,192,264	5,572,456
Total Comprehensive Income For The Year Attributable to Members		12,578,647	**19,472,507**
Profit attributable to members of the parent entity		**8,386,383**	**13,900,051**
Total comprehensive income attributable to members of the parent entity		12,578,647	19,472,507
Earnings per share (on profit attributable to ordinary equity holders)		**Cents**	**Cents**
Basic earnings per share (cents per share)	8	1.77	3.52
Diluted earnings per share (cents per share)	8	1.77	3.52

The accompanying notes form part of these financial statements.

Sunbridge Group Limited and controlled entities
ABN 40 163 886 020

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

	Note	2014 $	2013 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	9	29,320,103	27,856,579
Trade and other receivables	10	16,159,086	18,689,883
Security deposits to suppliers	11	2,185,085	1,817,514
Inventories	12	5,392,135	4,537,344
TOTAL CURRENT ASSETS		53,056,409	52,901,320
NON-CURRENT ASSETS			
Property, plant and equipment	15	6,439,403	4,440,842
Intangible assets	16	4,115,326	385,841
Deferred tax assets	17	1,731,340	-
TOTAL NON-CURRENT ASSETS		12,286,069	4,826,683
TOTAL ASSETS		65,342,478	57,728,003
CURRENT LIABILITIES			
Trade and other payables	18	5,940,314	3,864,836
Financial liabilities	19	2,891,300	9,150,495
Current tax liabilities	20	1,090,267	1,587,678
TOTAL CURRENT LIABILITIES		9,921,881	14,603,009
TOTAL LIABILITIES		9,921,881	14,603,009
NET ASSETS		**55,420,597**	**43,124,994**
EQUITY			
Issued capital	22	12,495,825	12,495,825
Foreign exchange translation reserve	23	7,150,083	2,957,819
Reserves	23	6,771,262	6,771,262
Retained earnings		29,003,427	20,900,088
TOTAL EQUITY		**55,420,597**	**43,124,994**

The accompanying notes form part of these financial statements.

Sunbridge Group Limited and controlled entities
ABN 40 163 886 020

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR YEAR ENDED 31 DECEMBER 2014

	Share Capital Ordinary	Retained Earnings	Foreign Exchange Reserve	Reserves	Total
	$	$	$	$	$
Balance at 31 December 2012	8,430,622	7,000,037	(2,614,637)	6,771,262	19,587,284
Share capital issued during the year	4,065,203	-	-	-	4,065,203
Profit for the year	-	13,900,051	-	-	13,900,051
Other comprehensive income	-	-	5,572,456	-	5,572,456
Balance at 31 December 2013	12,495,825	20,900,088	2,957,819	6,771,262	43,124,994
Dividend paid for the year ended 31 December 2013	-	(283,044)	-	-	(283,044)
Profit for the year	-	8,386,383	-	-	8,386,383
Other comprehensive income	-	-	4,192,264	-	4,192,264
Balance at 31 December 2014	12,495,825	29,003,427	7,150,083	6,771,262	55,420,597

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOW
FOR YEAR ENDED 31 DECEMBER 2014

	Note	2014 $	2013 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		88,702,292	79,723,555
Payments to suppliers and employees		(70,915,338)	(64,590,584)
Interest received		124,737	2,354
Finance costs		(469,161)	(453,638)
Income tax paid		(5,665,346)	(4,764,946)
Net cash provided by operating activities	26	11,777,184	9,916,741
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(1,819,685)	(38,933)
Proceeds from sale of property, plant and equipment		-	(3,129)
Purchase of intangible assets		(4,518,857)	-
Net cash provided by (used in) investing activities		(6,338,542)	(42,062)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds/(Repayment) of borrowings		(7,008,910)	1,704,775
Proceeds from share issues		-	4,347,600
Payments for capital raising costs		-	92,583
Cash receipts (advances) from (to) related parties		375,000	-
Cash receipts (advances) from (to) non-related parties		-	-
Dividends paid		(282,509)	-
Net cash used in financing activities		(6,916,419)	6,052,375
Net increase in cash held		(1,477,777)	15,927,053
Cash at beginning of financial year	9	27,856,579	8,632,696
Effect of exchange rates on cash holdings in foreign currencies		2,941,301	3,296,830
Cash at end of financial year	**9**	**29,320,103**	**27,856,579**

The accompanying notes form part of these financial statements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This financial report includes the consolidated financial statements and notes of Sunbridge Group Limited and controlled entities ('Consolidated Group' or 'Group'), and the separate financial statements and notes of Sunbridge Group Limited as an individual parent entity ('Parent Entity' and 'Company'). Sunbridge Group Limited listed on the Australian Securities Exchange ("ASX") on 27 November 2013 and is a company incorporated and domiciled in Australia.

The principal activity of the Group is the sales and distribution of "Pandist" and "Agueseadan" menswear. Sunbridge Group Limited was incorporated on 22 May 2013.

Basis of Preparation

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

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards ("IFRS"). Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

There are new accounting standards and IFRIC interpretations that have been published that are not mandatory for current reporting periods. The Group's assessment of the impact of these new standards and interpretations is that there would be no material impact on financial information.

a. **Principles of Consolidation**

The Group financial statements consolidate those of the parent company and all of its subsidiaries as of 31 December 2014. The parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 31 December.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business Combination

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred. The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of a) fair value of consideration transferred, b) the recognised amount of any non-controlling interest in the acquiree and c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in profit or loss immediately.

b. **Income Tax**

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

c. **Inventories**

Inventories are measured at the lower of cost and net realisable value. Net realisable value represents the estimated selling price for inventories less all estimated cost of completion and the costs necessary to make the sale.

d. **Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

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

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

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

Depreciation

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

Class of Fixed Asset	**Depreciation Rate**
Land and buildings	2%
Office equipment	10%

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

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

e. **Financial Instruments**

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

De-recognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity is no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Classification and Subsequent Measurement

i. *Financial assets at fair value through profit or loss*

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

ii. *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

iii. *Financial Liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

f. **Impairment of Assets**

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

Impairment testing is performed annually for intangible assets with indefinite lives.

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

g. **Intangibles**

Franchising rights and software

Franchising rights and software have a finite useful life and are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight line method to allocate the cost of franchising rights and software over their estimated useful lives, which is based on life of lease for franchising rights and 2 years for software.

h. **Foreign Currency Transactions and Balances**

Functional and presentation currency

The functional currency of each of the group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the income statement, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity; otherwise the exchange difference is recognised in the income statement.

Group companies

The financial results and position of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

— assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;

— income and expenses are translated at average exchange rates for the period; and

— retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in the balance sheet. These differences are recognised in the income statement in the period in which the operation is disposed.

i. **Employee Benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

j. **Provisions**

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

k. **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand and deposits held at call with banks.

l. **Revenue and Other Income**

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established.

All revenue is stated net of the amount of goods and services tax (GST) or value added tax (VAT).

m. **Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

n. **Goods and Services Tax (GST) and Value Added Tax (VAT)**

Revenues, expenses and assets are recognised net of the amount of GST and VAT, except where the amount of GST or VAT incurred is not recoverable from the Tax Office. In these circumstances the GST and VAT is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST and VAT.

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

o. **Trade and other payables**

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid according to term.

p. **Earnings per share**

(i) Basic earnings per share

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

(ii) Diluted earnings per share

Diluted earnings per share adjust the figures used to determine 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.

q. **Comparative Figures**

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

r. **Critical Accounting Estimates and Judgments**

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

Key Estimates — Impairment

The group assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

s. **New and amended standards adopted by the Group**

The accounting policies adopted are consistent with those of the previous financial year, except as follows:

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

AASB 2012-3 adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.

AASB 2012-3 is applicable to annual reporting periods beginning on or after 1 January 2014.

The adoption of these amendments has not had a material impact on the Group as the amendments merely clarify the existing requirements in AASB 132.

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

These narrow-scope amendments address disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.

When developing IFRS 13 *Fair Value Measurement*, the IASB decided to amend IAS 36 *Impairment of Assets* to require disclosures about the recoverable amount of impaired assets. The IASB noticed however that some of the amendments made in introducing those requirements resulted in the requirement being more broadly applicable than the IASB had intended. These amendments to IAS 36 therefore clarify the IASB's original intention that the scope of those disclosures is limited to the recoverable amount of impaired assets that is based on fair value less costs of disposal.

AASB 2013-3 makes the equivalent amendments to AASB 136 *Impairment of Assets* and is applicable to annual reporting periods beginning on or after 1 January 2014.

The adoption of these amendments has not had a material impact on the Group as they are largely of the nature of clarification of existing requirements.

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

The Standard amends AASB 124 Related Party Disclosures to remove the individual Key Management Personnel ('KMP') disclosures required by Australian specific paragraphs. This amendment reflects the AASB's view that these disclosures are more in the nature of governance disclosures that are better dealt within the legislation, rather than by the accounting standards.

In mid-2013, the Australian government passed *Corporations and Related Legislation Amendment Regulation 2013 (No.1)* and *Corporations and Australian Securities and Investments Commission Amendment Regulation 2013 (No. 1)* to insert these disclosures, with minor changes, into Corporations Regulations 2001. These disclosures are required to be included in remuneration reports for financial years commencing on or after 1 July 2013.

As a result of these amendments, the Group has transferred certain individual Key Management Personnel disclosures relating to shareholdings, options / rights holdings, loans and other transactions from the notes to the financial statements to the remuneration report.

The preliminary financial report was authorised for issue on 27th February 2015 by the board of directors.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

NOTE 2: REVENUE

	Note	2014	2013
Sales revenue		$	$
Sale of goods		84,242,060	79,485,327
Other income			
—Bank Interest received		124,737	2,354
		84,366,797	**79,487,681**

NOTE 3: OPERATING EXPENSES

	2014	2013
	$	$
Amortisation expense	794,294	395,649
Store renovation support	6,272,418	-
Other operating expenses	7,286,008	4,457,642
	14,352,720	**4,853,291**

NOTE 4: PROFIT FOR THE YEAR

	Note	2014	2013
Expenses		$	$
Finance costs:			
—Interest expense		463,127	439,701
—Bank charges		6,034	13,937
Total finance costs		**469,161**	**453,638**
Employee wages and benefits		**1,384,842**	**1,340,187**
Included in administrative expenses are:			
—Depreciation and amortisation		89,275	120,833
—Audit fees	6	135,000	80,000

NOTE 5: INCOME TAX EXPENSE

	Note	2014	2013
a. The components of tax expense comprise:		$	$
Current tax		4,830,826	5,025,762
Deferred tax		(1,524,312)	-
Current tax expense/(benefit)		**3,306,514**	**5,025,762**

The Australian assessable earning will be taxed at 30% (2014: 30%). The Chinese assessable earnings will be taxed at 25%.

NOTE 5: INCOME TAX EXPENSE (CONTINUED)

	2014 $	2013 $
b. The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:		
Prima facie tax payable on profit from ordinary activities before income tax at local tax rates		
—consolidated group	2,923,224	4,731,453
—parent entity	-	-
Add:		
Tax effect of other allowable items	1,863,809	-
Refund of prior year overpayment of tax	43,793	175,258
Deferred tax assets reversed	-	121,027
Less:		
Tax effect of losses not brought into accounts as they do not meet the recognition criteria	-	(1,976)
Deferred tax assets taken up	(1,524,312)	-
Income tax attributable to entity	**3,306,514**	**5,025,762**
The applicable weighted average effective tax rates are as follows:	28%	27%

NOTE 6: AUDITORS' REMUNERATION

	2014 $	2013 $
Remuneration of the auditor of the parent entity for:		
- auditing or reviewing the financial report	135,000	80,000
- investigating accountant's report	-	45,000
- tax report	-	5000
- work related to listing	-	2,000
	135,000	**132,000**

NOTE 7: DIVIDENDS

The board has resolved not to pay any dividends for the year ended 31 December 2014 (2013: 0.06 cents per share) due to the decrease of NPAT for the year ended 31 December 2014 and the investment planning in 2015.

NOTE 8: EARNINGS PER SHARE

	2014 $	2013 $
a. Reconciliation of earnings to profit or loss		
Profit used to calculate basic EPS and dilutive EPS	**8,386,383**	**13,900,051**
b. Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS and dilutive EPS	**471,738,000**	**394,575,196**

NOTE 9: CASH AND CASH EQUIVALENTS

	2014 $	2013 $
Cash at bank and in hand	29,320,103	26,999,584
Short term bank deposits	-	856,995
	29,320,103	**27,856,579**

As at 31 December 2014 $Nil (2013: $856,995) was held in the interest bearing short-term deposit as a guarantee for notes payable (Refer to Note 19).

NOTE 10: TRADE AND OTHER RECEIVABLES

	Note	2014 $	2013 $
CURRENT			
Trade receivables	10a	16,128,613	18,679,540
Other receivables	10b	14,312	5,948
Goods & services tax receivable	10c	16,161	4,395
		16,159,086	**18,689,883**

a. Trade receivables past due but not impaired:

Current trade receivables are non-interest bearing and generally on 30 day terms. As of 31 December 2014, trade receivables of $8,058,394 (2013: $9,346,249) were past due but not impaired. The ageing analysis of these trade receivables is as follows:

	2014 $	2013 $
30-90 days	8,058,394	9,346,249
90 days above	-	-
Total	**8,058,394**	**9,346,249**

The other balances within trade receivables are not past due and do not contained impaired assets. Based on the credit history of these receivables, it is expected that these amounts will be received when due.

NOTE 10: TRADE AND OTHER RECEIVABLES (CONTINUED)

b. Other receivables

Other receivables arise from transaction outside the usual operating activities of the Company and are unsecured, interest free and repayable on demand.

There are no balances that are past due and impaired. It is expected these balances will be received when demanded.

c. Goods & services tax receivable

Goods & services tax ("GST") receivable relates to the GST recoverable on Australian incurred.

NOTE 11: SECURITY DEPOSITS TO SUPPLIERS

	2014	2013
CURRENT	$	$
Security deposits to suppliers	**2,185,085**	**1,817,514**

Other assets represent advances/security deposits to suppliers for inventory purchases.

NOTE 12: INVENTORIES

	2014	2013
CURRENT	$	$
At cost and net realisable value	5,392,135	4,537,344
Net inventory	**5,392,135**	**4,537,344**

Inventories are valued at the lower of cost and net realisable value. Inventory includes various forms of clothing apparel items held for sale. Inventory has been determined to be valued at the lower of cost and net realisable value at balance date.

NOTE 13: CONTROLLED ENTITIES

a. Controlled Entities Consolidated	Country of Incorporation	Percentage Owned (%)[1]	
		2014	2013
		%	%
Sunbridge Group Limited	Australia		
Subsidiaries of Sunbridge Group Limited:			
Mega Rich International Creation Limited[2]	Hong Kong	100	100
Bangdisidun (Fujian) Dress Development Co., Ltd	People's Republic of China	100	100
Hengjiasi Dress Development Co., Ltd	People's Republic of China	100	100

[1] Percentage of voting power is in proportion to ownership

[2] Mega Rich International Creation Limited is the intermediate parent entity of Bangdisidun (Fujian) Dress Development Co., Ltd and Hengjiasi Dress Development Co., Ltd.

b. Cross guarantee

There is no deed of cross guarantee as at 31 December 2014 or 31 December 2013.

c. Non-controlling interest

No subsidiaries have a non-controlling interest.

NOTE 14: BUSINESS COMBINATION

Pursuant to a Share Transfer Agreement dated 28 June 2013, Mega Rich and its controlled entities become a wholly owned subsidiary of Sunbridge.

Through this transaction effective control of Sunbridge passed to the shareholders of Mega Rich. The transaction is one referred to in AASB 3 Business Combinations as a common control, transaction where following the reconstruction Sunbridge took control of Mega Rich with no change in underlying control.

As Sunbridge was incorporated specifically for the purpose of this transaction and the subsequent equity raising, the fair value of the equity instruments issued in consideration for the acquisition of Mega Rich and its controlled entities has been estimated by reference to the net assets of the acquired entities at 31 December 2012.

The following has been extracted from the audited financial information of the Mega Rich Group as at 31 December 2012.

	31 December 2012 $
The assets and liabilities of Mega Rich as at 31 December 2012 were:	
Cash and cash equivalents	8,632,696
Trade and other receivables	14,757,124
Security deposits to suppliers	282,310
Inventories	1,287,129
Property, plant and equipment	3,724,256
Intangible assets	328,272
Trade and other payables	(2,084,166)
Financial liabilities	(6,165,040)
Current tax liabilities	(1,175,297)
Total net assets acquired	**19,587,284**
Accounted for as:	
Issued capital	8,430,622
Foreign exchange translation reserve	(2,614,637)
Reserves	6,771,262
Retained earnings	7,000,037
	19,587,284

NOTE 15: PROPERTY, PLANT AND EQUIPMENT

Movements in Carrying Amounts
Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Office Equipment $	Land and Buildings $	Construction in Progress $	Direct Store Equipment $	Motor Vehicle $	Consolidated $
31 December 2014						
Cost						
At 1 January 2014	**32,600**	**2,927,021**	**1,714,272**	**-**	**-**	**4,673,893**
Additions	-	-	162,540	1,385,635	99,944	1,648,119
Disposals	-	-	-	-	-	-
Exchange differences	2,671	239,816	157,372	144,241	10,404	554,504
At 31 December 2014	**35,271**	**3,166,836**	**2,034,185**	**1,529,877**	**110,348**	**6,876,518**
Accumulated Depreciation						
At 1 January 2014	28,160	204,891	-	-	-	233,051
Depreciation for the period	1,342	57,365	-	108,822	-	167,530
Depreciation on disposal	-	-	-	-	-	-
Exchange differences	2,447	22,759	-	11,328	-	36,534
At 31 December 2014	**31,949**	**285,015**	**-**	**120,150**	**-**	**437,114**

NOTES TO THE FINANCIAL STATEMEMNTS FOR THE YEAR ENDED 31 DECEMBER 2014

NOTE 15: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Net book value						
At 31 December 2014	**3,322**	**2,881,821**	**2,034,185**	**1,409,726**	**110,348**	**6,439,403**
At 31 December 2013	4,440	2,722,130	1,714,272	-	-	4,440,842
Carrying amounts						
At 1 January 2014	4,440	2,722,130	1,714,272	-	-	4,440,842
Additions	-	-	162,540	1,385,635	99,944	1,648,119
Disposals	-	-	-	-	-	-
Depreciation expense	(1,342)	(57,365)	-	(108,822)	-	(167,529)
Depreciation on disposal	-	-	-	-	-	-
Exchange differences	224	217,057	157,373	132,913	10,404	517,971
At 31 December 2014	**3,322**	**2,881,822**	**2,034,186**	**1,409,726**	**110,348**	**6,439,403**
At 1 January 2013	2,454	2,302,388	1,419,414	-	-	3,724,256
Additions	3,129	-	-	-	-	3,129
Disposals	-	-	-	-	-	-
Depreciation expense	(1,652)	(58,541)	-	-	-	(60,193)
Depreciation on disposal	-	-	-	-	-	-
Exchange differences	509	478,282	294,858	-	-	773,649
At 31 December 2013	**4,440**	**2,722,130**	**1,714,272**	**-**	**-**	**4,440,842**

NOTES TO THE FINANCIAL STATEMEMNTS FOR THE YEAR ENDED 31 DECEMBER 2014

NOTE 16: INTANGIBLE ASSETS

	31 December 2014			31 December 2013		
	Franchising Rights	Software	Total	Franchising Rights	Software	Total
	$	$	$	$	$	$
Cost						
At 1 January	421,244	62,294	483,538	348,789	-	348,789
Additions	4,610,008	-	4,610,008	-	62,294	62,294
Termination of franchising right	(91,152)	-	(91,152)	-	-	-
Currency translation difference	34,514	5,104	39,618	72,455	-	72,455
At 31 December	**4,974,614**	**67,397**	**5,042,012**	**421,244**	**62,294**	**483,538**
Accumulated amortisation and impairment						
At 1 January	74,337	23,360	97,697	**20,517**	**-**	**20,517**
Amortisation in the period	713,037	30,542	743,579	49,558	23,360	72,918
Currency translation difference	80,316	5,093	85,409	4,262	-	4,262
At 31 December	**867,690**	**58,996**	**926,686**	**74,337**	**23,360**	**97,697**
Net carrying value						
31 December	**4,106,924**	**8,402**	**4,115,326**	**346,907**	**38,934**	**385,841**
Carrying amount						
At 1 January	346,907	38,934	385,841	328,272	-	328,272
Additions	4,610,008	-	4,610,008	-	62,294	62,294
Termination of franchising right	(91,152)	-	(91,152)			
Amortisation in the period	(713,037)	(30,542)	(743,579)	(49,558)	(23,360)	(72,918)
Currency translation difference	(45,802)	10	(45,792)	68,193	-	68,193
At 31 December	**4,106,924**	**8,402**	**4,115,326**	**346,907**	**38,934**	**385,841**

NOTE 17: DEFERRED TAX ASSET

	2014	2013
	$	$
Deferred tax asset	**1,731,340**	**-**

NOTE 18: TRADE AND OTHER PAYABLES

	2014 $	2013 $
CURRENT		
Trade payables	1,305,668	857,404
Security deposits from customers	1,655,020	1,179,520
Related party loans	1,178,165	1,217,087
Other payables	1,801,461	610,825
	5,940,314	**3,864,836**

NOTE 19: FINANCIAL LIABILITIES

	Note	2014 $	2013 $
CURRENT			
Notes payable	9	-	2,699,995
Short term borrowings		2,891,300	6,450,500
		2,891,300	**9,150,495**

Interest payable on short-term borrowings is between 8.1% and 9.6% (2013: 5.6% and 8.7%). The notes payable are guaranteed against interest bearing short-term deposits of $Nil (2013: $856,995, see Note 9).

NOTE 20: TAX

	2014 $	2013 $
a. **Liabilities**		
CURRENT		
Income Tax	**1,090,267**	**1,587,678**

NOTE 21: CONTINGENT ASSETS AND CONTINGENT LIABILITIES

The Company has contingent liabilities at 31 December 2014 in the form of guarantee contracts totalling $9,970,000 ($2013: $2,289,000)

The Company provides guarantees to support bank loans held by non-related entities.

NOTE 22: ISSUED CAPITAL

	Number of shares issued	$
Ordinary shares		
At the beginning of reporting period	471,738,000	12,495,825
Shares issued during the period	-	-
At the end of reporting period	**471,738,000**	**12,495,825**

The company has authorised share capital amounting to 471,738,000 ordinary shares of no par value.

NOTE 22: ISSUED CAPITAL (CONTINUED)

Ordinary shares participate in dividends in proportion to the number of shares held.

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Capital Management

The management's objectives when managing capital are to ensure that the group can fund its operations and continue as a going concern and to provide shareholders with adequate returns.

The management monitors capital on the basis of debt to equity ratio. This ratio is calculated as net liabilities divided by equity. Net liabilities is "Total liabilities" as shown on the consolidated balance sheet less cash and cash equivalent and equity is "equity" as shown on the consolidated balance sheet.

There are no externally imposed capital requirements.

There have been no changes in the strategy adopted by management to control the capital of the group since the prior year, which is to maintain the debt to equity ratio at not more than 100%. The debt-equity ratios as at 31 December 2014 and 31 December 2013 are as follows:

	2014	2013
	$	$
Total liabilities	9,921,881	14,603,009
Less: cash and cash equivalents	(29,320,103)	(27,856,579)
Net liabilities/(net cash)	(19,398,222)	(13,253,570)
Total equity	**55,420,597**	**43,124,994**
(Net cash) to equity ratio	-35%	-31 %

NOTE 23: RESERVES

Foreign Currency Translation Reserve
The foreign currency translation reserve records exchange differences arising on translation of a foreign controlled subsidiary.

Statutory General Reserve
Pursuant to the current People's Republic of China Company Law, the Company is required to transfer between 5% to 10% of its profit after taxation to a statutory reserve until the surplus reserve balance reaches a minimal of 50% of the registered capital. For the purposes of calculating the transfer to this reserve, the profit after taxation shall be the amount determined under the People's Republic of China accounting standards. The transfer to this reserve must be made before the distribution of dividends to the shareholders.

NOTE 24: CAPITAL AND LEASING COMMITMENTS

The Consolidated Group has leasing commitments at 31 December 2014 as follow:

	2014 $	2013 $
Payable – minimum lease payments		
not later than 12 months	39,458	92,424
between 12 months and five years	29,277	-
greater than 5 years	-	-
	68,735	**92,424**

The Consolidated Group has store management fee comments at 31 December 2014
As follows

	2013 $	2013 $
not later than 12 months	165,645	-
between 12 months and five years	261,737	-
greater than 5 years	-	-
	427,382	

The Consolidated Group has capital commitments at 31 December 2014 as follow:

	2014 $	2013 $
Planned capital expenditure		
not later than 12 months	694,204	475,764
between 12 months and five years	-	-
greater than 5 years	-	-
	694,204	**475,764**

Other Commitments
The Consolidated Group has committed to provide support to distributors for store renovation purposes amounting to $9,845,458, as at 31 December 2014.

NOTE 25: OPERATING SEGMENTS

Identification of reportable segments

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

The Group is managed primarily on the basis of product category and service offerings as the diversification of the Group's operations inherently have notably different risk profiles and performance assessment criteria. Operating segments are therefore determined on the same basis.

Reportable segments disclosed are based on aggregating operating segments where the segments are considered to have similar economic characteristics and are also similar with respect to the following:

- the products sold and/or services provided by the segment; and

- the type or class of customer for the products or services.

Types of products and services by segment

Segments as determined by the Directors and Management are as follows:

- Wholesale of clothing apparel to franchised distributors

- Retail sales of clothing apparel by company owned stores

The group operates predominately in one geographical segment, being the People's Republic of China.

Basis of accounting for purposes of reporting by operating segments:

Accounting policies adopted

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

Inter-segment transactions

Inter-segment loans payables and receivables are initially recognised at the consideration received net of transaction costs. If inter-segment loans receivable and payable are not on commercial terms, there are not adjusted to fair value based on market interest rates. This policy represents a departure from that applied to the statutory financial statements.

Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives majority economic value from the asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Segment liabilities

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Borrowings and tax liabilities are generally considered to relate to the Group as a whole and are not allocated. Segment liabilities include trade and other payables and certain direct borrowings.

Unallocated items

The following items of revenue, expenses, assets and liabilities are not allocated to operating segments as they are not considered part of the core operations of any segment:

- income tax expense;

- current tax liabilities; and

- other financial liabilities.

NOTE 25: OPERATING SEGMENTS (CONTINUED)

Segment information provided to executive directors:

2014	Wholesales $	Retail Sales $	Corporate $	Total $
Segment revenues	77,496,684	6,745,376	-	84,242,060
Segment cost of sales	(52,737,051)	(2,924,420)	-	(55,661,471)
Segment other expenses	(14,026,403)	(2,026,447)	(959,580)	(17012430)
Segment results (Profit after tax)	7,999,228	1,345,881	(958,726)	8,386,383
Segment assets	61,498,815	4,115,326	271,663	65,342,478
Segment liabilities	(8,269,145)	-	(1,652,736)	(9,921,881)
2013				
Segment revenues	77,978,479	1,506,848	-	79,485,327
Segment cost of sales	(51,904,668)	(648,547)	-	(52,553,215)
Segment other expenses	(6,257,663)	(382,420)	(1,366,216)	(8,006,299)
Segment results (Profit after tax)	15,030,383	356,911	(1,487,243)	13,900,051
Segment assets	51,570,476	1,882,296	4,275,231	57,728,003
Segment liabilities	(9,447,007)	-	(5,156,002)	(14,603,009)

NOTE 26: CASH FLOW INFORMATION

	2014 $	2013 $
Reconciliation of Cash Flow from Operations with Profit after Income Tax		
Profit/(loss) after income tax	8,386,383	13,900,051
Non-cash flows in profit		
Amortisation	184,969	72,918
Depreciation	820,984	60,193
Listing expenses paid by related party	-	830,869
Loss on deferred tax asset charged to the statement of profit or loss and other comprehensive income	-	92,584
Effects of foreign exchange	1,605,222	2,691,101
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
(Increase)/decrease in trade receivables	2,550,927	(4,704,544)
(Increase)/decrease in other receivables	(387,702)	(763,418)
(Increase)/decrease in inventories	(854,791)	(3,250,215)
Increase/(decrease) in trade payables	448,264	112,189
Increase/(decrease) in income taxes payable	(497,411)	412,380
(Increase)/decrease in other liabilities	1,251,679	462,633
(Increase)/decrease in deferred tax assets	(1,731,340)	-
Cashflow from operations	**11,777,184**	**9,916,741**