**BRIDGE GLOBAL CAPITAL MANAGEMENT LIMITED**
**ACN 106 760 418**

**PRELIMINARY FINAL REPORT**
**APPENDIX 4E**

**FOR THE YEAR ENDED 30 JUNE 2015**

## REVIEW OF OPERATIONS

### 1. REPORTING PERIOD

Report for the financial year ended 30 June 2015, and the previous corresponding period is the financial year ended 30 June 2014.

### 2. RESULTS FOR ANNOUNCEMENT TO MARKET

| **KEY INFORMATION** | | **$A** |
|---|---|---|
| | | |
| Revenue from ordinary activities | Up - %N/A[1] | 2,901,887 |
| | | |
| Loss after tax from ordinary activities attributable to members | Up - %N/A[1] | 98,115 |
| | | |
| Net loss for the period attributable to members | Up - %N/A[1] | 98,115 |
| | | |
| [1]*The Company was suspended from trading during the previous financial year whilst the Director's pursued different opportunities to have it reinstated to trading on the ASX. Hence, the percentage change is not applicable as there was little to no activity in the prior financial year.* | | |

### 3. DIVIDENDS PAID AND PROPOSED

There are no dividends that have been declared or paid during the current or previous financial year.

### 4. NET TANGIBLE ASSETS PER SECURITY

| | **2015** | 2014 |
|---|---|---|
| | **$** | $ |
| | | |
| Net tangible assets back per ordinary security | **7.21** | 0.33 |
| | | |

### 5. COMMENTARY ON THE RESULTS FOR THE YEAR

During the current financial year ending 30 June 2015 the Company has achieved its plans to reinstate to trading on the ASX through the acquisition of a 100% interest in Bridge Global Securities Pty Ltd ("BGS"). This acquisition was approved by shareholders on 10 November 2014.

The Company subsequently acquired the trading entity of BGS through the issue of 12,500,000 shares on 28 November 2014, and then raised two tranches of capital, being:

- $3.348M through the issue of 66,276,804 shares (on conversion of notes) at $0.05 per share; and
- $3.991M through the issue of 19,950,507 shares at $0.20 per share (before costs).

The reinstatement required a Prospectus which was lodged with ASIC on 2 April 2015 and a supplementary prospectus lodged on 12 April 2015. The Prospectus was closed on 12 June 2015. The Company was reinstated to Trading on 29 June 2015 and since that time has continued to pursue its business strategy in accordance with the Prospectus.

BGS continues to work towards the acquisition of the Hanhong Group in Hong Kong and on other expansion opportunities in the financial services sector both within Australia and the Asian region.

The consolidated Group generated a net loss (after tax) of $98,115 (2014: Loss $9,469), and which included two significant one-off expenses being listing expenses on the BGS acquisition ($813,593) and the Series A, B and C convertible note redemption expenses ($250,000).

## REVIEW OF OPERATIONS

Revenues for year of $2.9 Million are significantly higher that for the previous financial year (2014: $555). The increase reflects the establishment of the Bridge Group business during the financial year. The company has three key business segments from which it earns revenues;

- **Broking** – The Company earns broking commissions for trading activities on behalf of both clients and in principal.
- **Proprietary Trading** – The Company takes in principle positions from time to time to assist with other areas of fee income, notably Corporate activity
- **Funds management** – The Company provides funds management platforms for which it earns fees both on a flat rate and as a percentage of funds under management.
- **Corporate Fees** – The Company involves itself in transactions at early stages through the provision of seed capital where it recognizes the opportunity to achieve corporate fees through mandate in respect of IPO and M&A activities.

Net cash used by operating activities was $0.48 Million and reflects the costs associated with the transaction to acquire the BGS operations as well as the reinstatement of the Company.

Net cash used in investing activities amounted to $3.7 Million and primarily related to investment in an office apartment of $2.1 Million and $1.3 Million in listed and unlisted investments.

Net cash raised from financing activities includes the issue of shares (net of costs and other redemptions) of $6.7 Million and $1.5 Million property loan with respect to the acquisition of the above mentioned office apartment.

Net cash available to the consolidated group as at 30 June 2015 was $4.1 Million (2014: Nil).

## STATEMENT OF COMPREHENSIVE INCOME
## FOR THE YEAR ENDED 30 JUNE 2015

| | NOTE | COMPANY 2015 $ | 2014 $ |
|---|---|---|---|
| **Revenue from continuing operations** | | | |
| Broking fees | | **876,088** | - |
| Funds management fees | | **323,862** | - |
| Corporate transaction fees | | **96,144** | |
| Investment trading gains/loss | | **145,898** | |
| Net fair value gains/losses | | **1,343,020** | - |
| Interest income | | **27,617** | 269 |
| Other income | | **89,258** | 286 |
| | | **2,901,887** | 555 |
| **Expenses** | | | |
| Product commissions | | **(480,653)** | - |
| Audit fees | | **(86,526)** | - |
| Corporate and professional expenses | | **(968,153)** | - |
| Convertible note redemption expense | | **(250,000)** | - |
| Depreciation expense | | **(672)** | |
| Listing expense on acquisition | | **(813,593)** | - |
| Occupancy expenses | | **(14,050)** | - |
| Finance expenses | | **(29,787)** | -- |
| Other expenses | | **(49,935)** | (10,024) |
| **PROFIT/(LOSS) BEFORE INCOME TAX** | | **208,518** | (9,469) |
| Income tax expense | | **306,633** | - |
| **LOSS FOR THE YEAR** | | **(98,115)** | (9,469) |
| **OTHER COMPREHENSIVE INCOME** *Items that may be reclassified to profit or loss* | | | |
| Income tax relating to share issue expenses | | **123,119** | - |
| **TOTAL COMPREHENSIVE INCOME** | | **123,119** | - |
| TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR ATTRIBUTABLE TO: | | | |
| MEMBERS OF THE PARENT ENTITY | | **25,004** | (9,469) |
| **LOSS PER SHARE** | | | |
| Basic (cents per share) | | **(0.2)** | (94.7) |
| Diluted (cents per share) | | **(0.2)** | (94.7) |

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

## STATEMENT OF FINANCIAL POSITION
## AS AT 30 JUNE 2015

| | COMPANY | |
|---|---|---|
| | **2015** | 2014 |
| **ASSETS** | **$** | $ |
| **CURRENT ASSETS** | | |
| Cash and cash equivalents | **4,057,309** | 60 |
| Trade and other receivables | **608,427** | 3,655 |
| Financial assets at fair value through profit or loss | **2,663,609** | - |
| **TOTAL CURRENT ASSETS** | **7,329,345** | 3,715 |
| **NON-CURRENT ASSETS** | | |
| Property, plant and equipment | **2,067,622** | - |
| Other Financial assets | **421,258** | - |
| Deferred tax assets | **239,869** | |
| **TOTAL NON-CURRENT ASSETS** | **2,728,749** | - |
| **TOTAL ASSETS** | **10,058,094** | 3,715 |
| **LIABILITIES** | | |
| **CURRENT LIABILITIES** | | |
| Trade and other payables | **508,315** | - |
| **TOTAL CURRENT LIABILITIES** | **508,315** | - |
| **NON-CURRENT LIABILITIES** | | |
| Borrowings | **1,520,000** | - |
| Deferred tax liabilities | **423,383** | - |
| **TOTAL NON-CURRENT LIABILITIES** | **1,943,383** | - |
| **TOTAL LIABILITIES** | **2,451,698** | - |
| **NET ASSETS** | **7,606,396** | 3,715 |
| **EQUITY** | | |
| Issued capital | **7,700,896** | 100 |
| Retained earnings/(Accumulated losses) | **(94,500)** | 3,615 |
| **TOTAL EQUITY** | **7,606,396** | 3,715 |

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

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

| **COMPANY** | **ISSUED CAPITAL** | **RETAINED EARNINGS/ ACCUMULATED LOSSES** | **TOTAL** |
|---|---|---|---|
| | **$** | **$** | **$** |
| **BALANCE AT 1 JULY 2013** | **100** | **13,084** | **13,184** |
| Profit attributable to members of the parent entity | - | (9,469) | (9,469) |
| Total comprehensive income for the year, net of tax | - | (9,469) | (9,469) |
| **BALANCE AS AT 30 JUNE 2014** | **100** | **3,615** | **3,715** |

| **COMPANY** | **ISSUED CAPITAL** | **RETAINED EARNINGS/ (ACCUMULATED LOSSES)** | **TOTAL** |
|---|---|---|---|
| | **$** | **$** | **$** |
| **BALANCE AT 1 JULY 2014** | **100** | **3,615** | **3,715** |
| Loss attributable to members of the parent entity | - | (98,115) | (98,115) |
| Total comprehensive income for the year, net of tax | - | (98,115) | (98,115) |
| Shares issued pursuant to the acquisition | 648,633 | - | 648,633 |
| Shares issued for the year | 7,339,441 | - | 7,339,441 |
| Share issue expenses, net of taxes | (287,278) | - | (287,278) |
| **BALANCE AS AT 30 JUNE 2015** | **7,700,896** | **(94,500)** | **7,606,396** |

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

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

| | NOTE | COMPANY 2015 $ | 2014 $ |
|---|---|---|---|
| **CASH FLOW FROM OPERATING ACTIVITIES** | | | |
| Receipts from customers | | **1,002,789** | 269 |
| Payments to suppliers and employees | | **(1,480,522)** | (39,118) |
| Interest income | | **27,617** | 286 |
| Interest and other finance costs | | **(29,786)** | - |
| Net cash used in operating activities | | **(479,902)** | (38,563) |
| **CASH FLOW FROM INVESTING ACTIVITIES** | | | |
| Payments for property, plant & equipment | | **(10,628)** | - |
| Payments for investment property | | **(2,057,666)** | |
| Payments for available for sale financial assets | | **(1,320,589)** | - |
| Deposits on call – restricted cash | | **(350,000)** | - |
| Cash received from acquisition | | **16,373** | - |
| Net cash used in investing activities | | **(3,722,510)** | - |
| **CASH FLOW FROM FINANCING ACTIVITIES** | | | |
| Proceeds from issue of shares | | **7,339,441** | - |
| Share issue costs | | **(337,780)** | |
| Repayment of unsecured short-term loan | | **(12,000)** | |
| Payments for redemption of Series A, B & C convertible notes | | **(250,000)** | |
| Proceeds from property borrowings | | **1,520,000** | - |
| Net cash provided by financing activities | | **8,259,661** | - |
| Net increase in cash held | | **4,057,249** | (38,563) |
| Cash at beginning of year | | **60** | 38,623 |
| Cash at end of year | | **4,057,309** | 60 |

The above Statement of Cash Flows should be read in conjunction with the accompanying notes

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### GENERAL INFORMATION AND STATEMENT OF COMPLIANCE

The consolidated general purpose financial statements of the Group have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with Australian Accounting Standards results in full compliance with the International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB'). These financial statements have been prepared on an accruals basis on historical cost convention, as modified where applicable by the measurement at fair value.

Bridge Global Capital Management Limited is a for-profit entity for the purpose of preparing the financial statements.

Bridge Global Capital Management Limited is the Group's Ultimate Parent Company. Bridge Global Capital Management Limited is a Public Company incorporated and domiciled in Australia. The address of its registered office and its principal place of business is Level 1, Suite 5, 55 Salvado Road, Subiaco, Australia.

### 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.

### SUMMARY ACCOUNTING POLICIES

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

### (a) Basis of Consolidation

The Group financial statements consolidate those of the Parent Company and all of its subsidiaries as of 30 June 2015. 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 30 June.

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.

### (b) Acquisition of Bridge Global Securities Pty Ltd

On 28 November 2014, BGCML acquired all the shares in Bridge Global Securities Pty Ltd ("BGS") by issuing 12,500,000 shares to BGS shareholders. The impact of the share issue was to give BGS, a controlling interest in BGCML.

BGS has been deemed the acquirer for accounting purposes. The acquisition of the BGCML Group by BGS is not deemed to be a business combination, as the BGCML Group is not considered to be a business in accordance with AASB 3 Business Combinations. As such the consolidation of these two companies was on the basis of the continuation of BGS with no fair value adjustments, whereby BGS was deemed to be the accounting parent and BGCML is the subsidiary.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Under the principles of AASB 2 "Share-based Payments" the transaction has been treated as a share-based payment whereby BGS is deemed to have issued shares in exchange for the net assets and listing status of the BGCML Group. As the deemed acquirer, BGS has acquisition accounted for the BGCML Group as at 31 December 2014.

This accounting treatment applies only to the reverse share-based payment transactions at the acquisition date and does not apply to transactions after the reverse acquisition date. Reverse acquisition accounting applies only to the consolidated financial statements. Because the consolidated financial statements represent a continuation of the financial statements of BGS, the principles and guidance on the preparation and the consolidated financial statements in a reverse acquisition set out in AASB 3 have been applied:

- fair value adjustments arising at acquisition were made to BGCML's assets and liabilities, not those of BGS
- the cost of the acquisition is based on the notional amount of shares that BGS would need to issue to acquire the majority interest of BGCML Group shares that the shareholders did not own after the acquisition, times the fair value of BGCML Group shares at acquisition date;
- retained earnings and other equity balances in the consolidated financial statements at the date of acquisition are the retained earnings and other equity balances of BGS immediately before the acquisition;
- a share-based payment transaction arises whereby BGS is deemed to have issued shares in exchange for the net assets of BGCML Group, together with the BGCML Group's listing status;
- the amount recognised as issued equity instruments in the consolidated financial statements has been determined by adding the share-based payment to the issued equity of BGS immediately before the business combination;
- The results for the period ended 31 December 2014 comprise the results of the BGS for the full half year and the results of the BGCML Group since 28 November 2014 subsequent to the acquisition.

**(c) Revenue recognition**

The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognized for the major business activities as follows:

*(i) Rendering of services*

Revenue arising from brokerage, commissions, fee income and corporate finance transactions are recognised by the Group on an accruals basis as and when services have been provided. Provision is made for uncollectible debts arising from such services.

*(ii) Interest income*

Interest income is recognised on a time proportion basis using the effective interest rate method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

*(iii) Dividend income*

Dividends are bought to account as revenue when the right to receive the payment is established.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(d) Income tax**

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the notional income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

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 utilize those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investment in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

**(e) Leases**

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Financial leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease.

**(f) Impairment of Assets**

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(g) Cash and cash equivalents**

For cash flow statement presentation purposes, cash and cash equivalents include 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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

**(h) Trade Receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired.

The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in the income statement within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

**(i) Investments and other financial assets**

***Classification***

The Company classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

(i) *Financial Assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

(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. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the statement of financial position.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

*(iii) Available-for-sale financial Assets*

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

***Recognition and de-recognition***

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at a fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss is initially recognised at fair value and transaction costs are expensed in the income statement. 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.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the statement of comprehensive income as gains and losses from investment securities.

**(j) Investments and other financial assets (cont'd)**

***Subsequent measurement***

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of comprehensive income within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit and loss is recognised in the statement of comprehensive income as part of revenue from continuing operations when the Company's right to receive payments is established.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in equity.

Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

***Impairment***

The Company assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss – is removed from equity and recognised in the statement of comprehensive income. Impairment losses recognised in the statement of comprehensive income on equity instruments classified as available-for-sale are not reversed through the statement of comprehensive income.

**(k) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(l) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest rate method. Fees paid on the establishment of loan facilities, which are not an incremental cost relating to the actual draw-down of the facility, are recognised as prepayments and amortised on a straight-line basis over the term of the facility.

The fair value of the liability portion of a convertible bond is determined using a market interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the bonds. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity, net of income tax effects.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or other expenses.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

**(m) Borrowing costs**

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowings costs are expensed.

**(n) Provisions**

Provisions for legal claims and make good obligations are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as an interest expense.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(o) Employee Benefits**

(i) *Wages and salaries, annual leave and sick leave*

Liabilities for wages and salaries including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) *Long service leave*

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expecting future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(iii) *Termination benefits*

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

**(o) Contributed equity**

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.

If the entity reacquires its own equity instruments, e.g. as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

**(p) Earnings per share**

*(i) Basic earnings per share*

Basic earnings per share is calculated by dividing the loss 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 financial year, adjusted for bonus elements in ordinary shares issued during the year.

*(ii) 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.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (q) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

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 taxation authority is included with other receivables or payables in the balance sheet.

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 taxation authority, are presented as operating cash.

### (r) Comparative Restatement

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

### (s) Adoption of New and Revised Accounting Standards

A number of new and revised standards and an interpretation became effective for the first time to annual periods beginning on or after 1 July 2014. The Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group's operations and effective for the current annual reporting period.

It has been determined by the Directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group's business and, therefore, no change is necessary to Group accounting policies.

## 2. STATUS OF THE AUDIT

This preliminary Final report is based upon accounts which are currently in the process of being audited. At this stage the directors anticipate a clean audit report. Any further modifications to the accounts and or audit report are unknown at this time.

## 3. INVESTMENTS IN SUBSIDIARIES

| | **Country of Incorporation** | **Percentage owned (%)*** | |
|---|---|---|---|
| | | **2015** | **2014** |
| *Subsidiaries of Bridge Global capital Management Limited:* | | | |
| | | | |
| Bridge Global Securities Pty Ltd | Australia | 100 | - |
| | | | |

* The percentage of voting power is in proportion to ownership.