

# **GRP CORPORATION LIMITED**

**ABN 57 096 781 716**

## **FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2013**

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**GRP CORPORATION LIMITED**  
**Interim Financial Report**

**DIRECTORS' REPORT**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2013**

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Your directors submit the half year report of GRP Corporation Limited ("GRP" or "the Company"), for the half year ended 31 December 2013 ("the Period").

It is recommended that the Directors' Report be read in conjunction with the annual financial statements for the year ended 30 June 2013 and considered together with any public announcement made by the Company during the Period and up to the date of this report.

## **1. DIRECTORS**

The names of the Company's Directors who held office during the Period and until the date of this report are set out below. Directors were in office for this entire Period unless otherwise stated.

<b>Director</b>	<b>Position</b>	<b>Duration of Appointment</b>
Mark Rowbottam	Non-Executive Chairman	(Appointed 4 November 2010)
Zane Lewis	Non-Executive Director	(Appointed 10 October 2011)
Grant Gibson <sup>(1)</sup>	Non-Executive Director	(Appointed 30 June 2014)
Michael Thorley <sup>(1)</sup>	Non-Executive Director	(Appointed 25 March 2014, Resigned 30 June 2014)
Miguel Laborde	Non-Executive Director	(Appointed 4 November 2010, Resigned 25 March 2014)

<sup>(1)</sup> Information on Directors appointed during the Period or subsequent to Period end:

### **Grant Gibson**

Mr Gibson is an experienced corporate finance executive, financier and advisor having more than 20 years' experience in merger & acquisitions, debt, equity and hybrid capital structuring and capital raisings as well as acting as principal investor running multi-billion dollar investment portfolios in Australia, Europe and North America.

Mr Gibson has held senior management roles setting up and running businesses for multinational financial institutions including Deutsche Bank, UBS, RBC Capital Markets and the Royal Bank of Scotland. Mr Gibson was also co-founder of Alegria Capital, an asset management firm based in Zurich and founder of Quattro Capital Group, a corporate and investment advisory company based in Perth.

Mr Gibson has a Bachelor of Commerce Degree in Accounting and Economics, holds a Graduate Certificate in Securities and Financial Derivatives and is the Responsible officer for the AFSL held by Quattro Capital Group.

### **Michael Thorley**

Mr Thorley is an experienced Chartered Accountant, Company Executive and Director with more than forty years' experience in financial management, project and corporate development, including engagements to the World Bank and Asian Development Bank.

Mr Thorley is a member of the Australian Institute of Chartered Accountants.

## **2. COMPANY SECRETARY**

On 1 August 2013, Mr Roland Berzins was appointed as Company Secretary and Mr Zane Lewis resigned.

On 30 June 2014, Mr Zane Lewis was appointed Joint Company Secretary of the Company.

## **3. PRINCIPAL ACTIVITIES**

During the period, the principal activities of GRP Corporation Limited was to pursue opportunities in the Resource Sector.

**GRP CORPORATION LIMITED**  
**Interim Financial Report**

**DIRECTORS' REPORT**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2013**

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**4. REVIEW OF OPERATIONS AND ACTIVITIES**

On 1 August 2013, Mr Roland Berzins was appointed as company secretary and Mr Zane Lewis resigned.

On 25 March 2014, Mr Michael Thorley was appointed as Non-Executive Director to the Board and the Board accepted the resignation of Mr Miguel Laborde.

On 25 March 2014, the Company moved its registered office and principal place of business to Suite 2, 16 Ord Street, West Perth WA 6005.

On 30 June 2014, Mr Zane Lewis was appointed as joint company secretary and the Board accepted the resignation of Mr Michael Thorley as Non-Executive Director. The Company also moved its registered office and principal place of business to Level 1, 981 Wellington Street, West Perth WA 6005.

**Odin Energy**

On 31 July 2013, the Company announced that it has entered into a conditional agreement with Odin Energy Limited to transfer its rights to acquire Berkeley Investment Holdings Pte Ltd ("Berkeley"). In the assignment, the obligations of the Odin, in relation to the Berkeley transaction are transferred in full to the Company.

Subsequent to July 2013, the transaction to acquire Berkeley was terminated as not all of the conditions precedent were achieved.

**Helpa Inc (Spring.me)**

On 29 April 2014, the Company announced that it has signed a binding agreement with Helpa Inc, agreeing to acquire 100% of the issued shares in Helpa Inc, and thereby acquiring the established global social media business, Spring.me.

Spring.me is a question and answer based social network that helps members meet new people, express themselves and expand their lives. On the Spring.me network, members from around the world post, comment, question, respond, like, smile, share, flirt, meet, date with friends, followers or other Spring.me members via multiple media feeds they can browse through on the web, mobile or tablet.

The completion of the restructuring and the acquisition of Helpa Inc is subject to regulatory, ASX and shareholder approval, which will be undertaken at the earliest opportunity.

On 5 May 2014, the Company appointed DJ Carmichael as Lead Manager and Corporate Advisor to assist in the re-compliance listing of the Company and the acquisition of Helpa Inc and the Spring.me social media business. DJ Carmichael will manage an initial raise of up to \$1.5 million to sophisticated and professional investors and the re-compliance raise of a minimum of \$3 million under a prospectus.

During May to June 2014, the Company has successfully raised \$921,382 via convertible loans, as part of the initial raise of up to \$1.5 million to sophisticated and professional investors.

In April 2014, the Company signed a facility agreement with Helpa, whereby the Company agreed to provide Helpa with a loan facility of up to \$1,100,000.

As of the date of this report, the Company's securities remain suspended from trading on ASX and will not be reinstated until the ASX confirm the Company's re-compliance with the admission requirements of Chapter 1 and 2 of the ASX Listing Rules.

**GRP CORPORATION LIMITED**  
Interim Financial Report

**DIRECTORS' REPORT**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2013**

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**5. FINANCIAL RESULTS**

The financial results of the Company for the half year ended 31 December 2013 are:

	31-Dec-13	30-Jun-13
Cash & cash equivalents (\$)	111	597
Net assets (\$)	(520,580)	(482,610)

	31-Dec-13	31-Dec-12
Revenue (\$)	-	95
Net loss after tax (\$)	(41,970)	(783,337)
Loss per share (cents)	(0.23)	(5.71)
Dividend (\$)	-	-

**6. AUDITOR'S INDEPENDENCE DECLARATION**

The lead auditor's independence declaration under s 307C of the Corporations Act 2001 is set out on page 5 for the half-year ended 31 December 2013.

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



**Mark Rowbottom**  
**Non-Executive Chairman**  
**1 August 2014**

**GRP CORPORATION LIMITED**  
**ABN 57 096 781 716**

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

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2013 there have been:

- (a) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review, and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

*Nell Chadwick*

Hall Chadwick  
Level 40, 2 Park Street  
SYDNEY NSW 2000

*Graham Webb*

**Graham Webb**  
Partner  
Dated: 1 August 2014

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**GRP CORPORATION LIMITED**  
Interim Financial Report

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2013**

	Note	31-Dec-13 \$	31-Dec-12 \$
Interest income	3	-	95
Compliance and regulatory expenses		(26,301)	(27,377)
Consulting and corporate expenses	3	(15,343)	(64,075)
Director fees		-	(19,636)
Exploration and evaluation expenditure	3	-	(16,566)
Impairment of loan receivables	3	-	(627,286)
Rent and utilities		-	(19,669)
Other expenses		(326)	(8,823)
<b>Loss before income tax</b>		<b>(41,970)</b>	<b>(783,337)</b>
Income tax expense		-	-
<b>Loss after income tax</b>		<b>(41,970)</b>	<b>(783,337)</b>
 <b>Other comprehensive income</b>			
Other comprehensive income for the period, net of income tax		-	-
<b>Total comprehensive loss for the period</b>		<b>(41,970)</b>	<b>(783,337)</b>
		<u>Cents</u>	<u>Cents</u>
<b>Loss per share attributable to the ordinary equity holders of the Company:</b>			
Basic loss per share		(0.23)	(5.71)
Diluted loss per share		(0.22)	(5.71)

The accompanying notes form part of these financial statements.

**GRP CORPORATION LIMITED**  
Interim Financial Report

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2013**

	Note	31-Dec-13 \$	30-Jun-13 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		111	597
Trade and other receivables		24,596	21,892
<b>Total Current Assets</b>		<b>24,707</b>	<b>22,489</b>
<b>TOTAL ASSETS</b>		<b>24,707</b>	<b>22,489</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		250,075	214,587
Financial liabilities		295,212	290,512
<b>Total Current Liabilities</b>		<b>545,287</b>	<b>505,099</b>
<b>TOTAL LIABILITIES</b>		<b>545,287</b>	<b>505,099</b>
<b>NET ASSETS</b>		<b>(520,580)</b>	<b>(482,610)</b>
<b>EQUITY</b>			
Issued capital	4	8,309,093	8,309,093
Convertible loan	4	76,000	72,000
Accumulated losses		(8,905,673)	(8,863,703)
<b>TOTAL EQUITY</b>		<b>(520,580)</b>	<b>(482,610)</b>

The accompanying notes form part of these financial statements.

**GRP CORPORATION LIMITED**  
Interim Financial Report

**STATEMENT OF CHANGES IN EQUITY  
FOR THE HALF YEAR ENDED 31 DECEMBER 2013**

	<b>Issued Capital</b>	<b>Convertible Loan</b>	<b>Accumulated Losses</b>	<b>Total Equity</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>At 1 July 2012</b>	<b>7,840,490</b>	<b>-</b>	<b>(8,022,193)</b>	<b>(181,703)</b>
<b>Comprehensive income:</b>				
Loss for the period	-	-	(783,337)	(783,337)
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>(783,337)</b>	<b>(783,337)</b>
<b>Transactions with owners in their capacity as owners:</b>				
Shares issued during the period	498,000	-	-	498,000
Transaction costs	(29,397)	-	-	(29,397)
	<b>468,603</b>	<b>-</b>	<b>-</b>	<b>468,603</b>
<b>At 31 December 2012</b>	<b>8,309,093</b>	<b>-</b>	<b>(8,805,530)</b>	<b>(496,437)</b>
	<b>Issued Capital</b>	<b>Convertible Loan</b>	<b>Accumulated Losses</b>	<b>Total Equity</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>At 1 July 2013</b>	<b>8,309,093</b>	<b>72,000</b>	<b>(8,863,703)</b>	<b>(482,610)</b>
<b>Comprehensive income:</b>				
Loss for the period	-	-	(41,970)	(41,970)
<b>Total comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>(41,970)</b>	<b>(41,970)</b>
<b>Transactions with owners in their capacity as owners:</b>				
Issue of convertible loan	-	4,000	-	4,000
	<b>-</b>	<b>4,000</b>	<b>-</b>	<b>4,000</b>
<b>At 31 December 2013</b>	<b>8,309,093</b>	<b>76,000</b>	<b>(8,905,673)</b>	<b>(520,580)</b>

The accompanying notes form part of these financial statements.



**GRP CORPORATION LIMITED**  
Interim Financial Report

**STATEMENT OF CASH FLOWS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2013**

	<b>31-Dec-13</b>	<b>31-Dec-12</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows used in operating activities</b>		
Payment to suppliers and employees	(9,186)	(75,473)
Interest received	-	95
<b>Net cash flows used in operating activities</b>	<b>(9,186)</b>	<b>(75,378)</b>
<b>Cash flows used in investing activities</b>		
Loan to a related entity	-	(605,000)
<b>Net cash flows used in investing activities</b>	<b>-</b>	<b>(605,000)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of shares, net of transaction costs	-	398,603
Proceeds from issue of convertible loan, net of transaction costs	4,000	-
Loan from related parties	5,500	201,000
Loan from unrelated parties	-	13,712
Repayment of loan from related parties	(800)	-
<b>Net cash flows from financing activities</b>	<b>8,700</b>	<b>613,315</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(486)</b>	<b>(67,063)</b>
Cash and cash equivalents at the beginning of the period	597	70,583
<b>Cash and cash equivalents at the end of the period</b>	<b>111</b>	<b>3,520</b>

The accompanying notes form part of these financial statements.

**GRP CORPORATION LIMITED**  
**Interim Financial Report**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2013**

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Preparation**

These general purpose interim financial statements for half-year reporting period ended 31 December 2012 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: Interim Financial Reporting. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of GRP Corporation Limited (referred to as GRP or the Company). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Company. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2013, together with any public announcements made during the following half-year.

**(a) Accounting Policies**

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

**(b) Going Concern**

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal trading activities and realisation of assets and settlement of liabilities in the normal course of business.

The Company has incurred a net loss after tax for the half-year ended 31 December 2013 of \$41,970 (31 December 2012: \$783,337), and a net cash outflow from operations of \$9,186 (31 December 2012: \$75,378). As at 31 December 2013 the Company had a net asset deficiency of \$520,580 (30 June 2013: \$482,610).

On 5 May 2014, the Company appointed DJ Carmichael as Lead Manager and Corporate Advisor to manage the Company's capital raising and relisting to the ASX. As part of this process, the Company has entered into a binding agreement to acquire 100% of the issued shares in Helpa Inc.

The Company's ability to continue as a going concern is dependent upon the Company raising sufficient capital required to pay its debts as and when they fall due. Based on the cash flow forecast, the Company is projecting to raise up to \$5.95 million as part of a capital raising and requoteing.

At date of this report, the Company has successfully raised \$1.041 million.

In the event the capital raising is not obtained, there is significant uncertainty over the ability of the Company to continue as a going concern, and therefore it may have to realise its assets and extinguish its liabilities in a manner other than in the normal course of the business.

The financial statements do not include any adjustments relating to the recoverability or classification of recorded asset amounts or classification of liabilities that might be necessary should the Company not be able to continue as a going concern.

**GRP CORPORATION LIMITED**  
Interim Financial Report

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2013**

**New and Revised Accounting Requirements Applicable to the Current Half-year Reporting Period**

The Company has adopted the following new and revised Australian Accounting Standards from 1 July 2013 together with consequential amendments to other Standards:

- AASB 10: *Consolidated Financial Statements*;
- AASB 127: *Separate Financial Statements (August 2011)*;
- AASB 11: *Joint Arrangements*;
- AASB 128: *Investments in Associates and Joint Ventures (August 2011)*;
- AASB 12: *Disclosure of Interests in Other Entities*;
- AASB 2011–7: *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards*; and
- AASB 2012–10: *Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments*.

These Standards became mandatorily applicable from 1 January 2013 and became applicable to the Company for the first time in the current half-year reporting period 1 July 2013 to 31 December 2013.

These Standards did not have any impact on the Company and nor did they affect the Company's accounting policies or the amounts reported in the financial statements.

**NOTE 2: OPERATING SEGMENTS**

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The information presented in the financial report in the same information that is viewed by the directors.

The Company is currently operating in one geographic region being Australia.

**NOTE 3: LOSS FOR THE PERIOD**

The following revenue and expense items are relevant in explaining the financial performance for the interim period:

	<b>31-Dec-13</b>	<b>31-Dec-12</b>
	<b>\$</b>	<b>\$</b>
Interest income	-	95
Exploration and evaluation expenditure	-	(16,566)
Impairment of loan receivable to related entities		
- Related party	(i) -	(605,000)
- Unrelated party	-	(22,286)
Consulting and corporate expenses		
- Related party	(743)	(27,452)
- Unrelated party	(14,600)	(36,623)

- (i) On 30 June 2013, the Directors are of the view to impair the funds provided to European Energy Limited, a company of which Mr Zane Lewis and Mr Mark Rowbottom were directors from 16 November 2012 until 3 April 2013.

**GRP CORPORATION LIMITED**  
**Interim Financial Report**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2013**

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**NOTE 4: ISSUED CAPITAL**

**(a) Ordinary Shares**

Issued capital as at 31 December 2013 amounted to \$8,309,093 (17,861,095 ordinary shares). There were no movements in the issued capital of the Company in the current half year.

**(b) Convertible Loan**

	<b>31-Dec-13</b>	<b>30-Jun-13</b>
	<b>\$</b>	<b>\$</b>
Convertible Loan	(i) 76,000	72,000
	<b>76,000</b>	<b>72,000</b>

- (i) On 11 January 2013, the Company entered into a converting loan agreement with various investors for proceeds of \$76,000, being \$64,000 loan proceeds and \$12,000 line fees. The convertible loan bears no interest rate and was repayable on or before 30 June 2013. In the event the loan was not repaid in full at 30 June 2013, the outstanding sum will convert into ordinary shares of the Company at a share price of \$0.08 per share. As at 30 June 2013, the loan was not repaid and accordingly has been classified as equity and the shares subsequently issued on 7 April 2014.

**NOTE 5: CONTINGENT LIABILITIES**

There has been no change in contingent liabilities since the last annual reporting period.

**NOTE 6: RELATED PARTY TRANSACTIONS**

During the period the following related party transactions were incurred:

**(a) Loans provided / repaid during the period:**

During the period, the Company repaid \$800 to Edgestone (a company of which Miguel Laborde is a Director). The total outstanding balance at 31 December 2013 is therefore nil.

**(b) Other transactions during the period:**

During the period, the Company incurred accounting fees of \$743, payable to SmallCap Corporate Pty Ltd (a company of which Zane Lewis is a Director). \$106,349 was outstanding to Smallcap Corporate Pty Ltd at 31 December 2013.

There have been no other changes to related parties since the 30 June 2013 annual report.

**NOTE 7: EVENTS AFTER THE END OF THE INTERIM PERIOD**

On 25 March 2014, Mr Michael Thorley was appointed as Non-Executive Director to the Board and the Board accepted the resignation of Mr Miguel Laborde.

On 25 March 2014, the Company moved its registered office and principal place of business to Suite 2, 16 Ord Street, West Perth WA 6005.

On 30 June 2014, Mr Zane Lewis was appointed as joint company secretary and the Board accepted the resignation of Mr Michael Thorley as Non-Executive Director. The Company also moved its registered office and principal place of business to Level 1, 981 Wellington Street, West Perth WA 6005.

**GRP CORPORATION LIMITED**  
**Interim Financial Report**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2013**

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On 29 July 2014, Mr Grant Gibson was appointed Non-Executive Director of the Company. Mr Gibson joins the board as a nominee director for Helpa Inc. ('Helpa') as part of GRP Corporation's acquisition of Helpa and its established global social media business Spring.me, as announced on the 29<sup>th</sup> April 2014.

**Helpa Inc (Spring.me)**

On 29 April 2014, the Company announced that it has signed a binding agreement with Helpa Inc, agreeing to acquire 100% of the issued shares in Helpa Inc, and thereby acquiring the established global social media business, Spring.me.

Spring.me is a question and answer based social network that helps members meet new people, express themselves and expand their lives. On the Spring.me network, members from around the world post, comment, question, respond, like, smile, share, flirt, meet, date with friends, followers or other Spring.me members via multiple media feeds they can browse through on the web, mobile or tablet.

The completion of the restructuring and the acquisition of Helpa Inc is subject to regulatory, ASX and shareholder approval, which will be undertaken at the earliest opportunity.

On 5 May 2014, the Company appointed DJ Carmichael as Lead Manager and Corporate Advisor to assist in the re-compliance listing of the Company and the acquisition of Helpa Inc and the Spring.me social media business. DJ Carmichael will manage an initial raise of up to \$1.5 million to sophisticated and professional investors and the re-compliance raise of a minimum of \$3 million under a prospectus.

During May to June 2014, the Company has successfully raised \$921,382 via convertible loans, as part of the initial raise of up to \$1.5 million to sophisticated and professional investors.

In April 2014, the Company signed a facility agreement with Helpa, whereby the Company agreed to provide Helpa with a loan facility of up to \$1,100,000.

As of the date of this report, the Company's securities remain suspended from trading on ASX and will not be reinstated until the ASX confirm the Company's re-compliance with the admission requirements of Chapter 1 and 2 of the ASX Listing Rules.

**GRP CORPORATION LIMITED**  
**Interim Financial Report**

**DIRECTORS' DECLARATION**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2013**

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In accordance with a resolution of the directors of GRP Corporation Limited, the directors of the company declare that:

1. The financial statements and notes, as set out on pages 6 to 13 are in accordance with the *Corporations Act 2001*, including:
  - a. complying with Accounting Standard AASB 134: Interim Financial Reporting; and
  - b. giving a true and fair view of the Company's financial position as at 31 December 2013 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.



**Mark Rowbottom**  
**Non-Executive Chairman**  
**1 August 2014**

**GRP CORPORATION LIMITED**  
**ABN 57 096 781 716**

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF GRP CORPORATION LIMITED**

**Report on the Half-year Financial Report**

We have reviewed the accompanying half-year financial report of GRP Corporation Limited, which comprises the statement of financial position as at 31 December 2013, the statement of profit or loss and other comprehensive income, and statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

***Directors' Responsibility for the Half-Year Financial Report***

The directors of GRP Corporation Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of GRP Corporation Limited's financial position as at 31 December 2013 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134: Interim Financial Reporting and the *Corporations Regulations 2001*. As the auditor of GRP Corporation Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

***Independence***

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

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GRP CORPORATION LIMITED

ABN 57 096 781 716

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF GRP CORPORATION LIMITED**

**Conclusion**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of GRP Corporation Limited is not in accordance with the *Corporations Act 2001* including:

- (i) giving a true and fair view of GRP Corporation Limited's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and
- (ii) complying with AASB 134: Interim Financial Reporting and the *Corporations Regulations 2001*.

**Emphasis of Matter**

Without modifying our conclusion, we draw attention to Note 1 in the financial report which indicates that the company incurred an operating loss after income tax of \$41,970 during the half-year ended 31 December 2013 and as of that date the company's current liabilities exceed its total assets by \$520,580. These conditions, along with other matters as set forth in Note 1 indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

*Nell Chadwick*

Hall Chadwick  
Level 40, 2 Park Street  
SYDNEY NSW 2000

*Graham Webb*

**Graham Webb**

Partner

Dated: 1 August 2014