

GRP Corporation Limited

(to be renamed "Spring Networks Limited")

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ASX / MEDIA RELEASE
21 October 2014

WITHDRAWAL OF RESOLUTION AT ANNUAL GENERAL MEETING UPDATE TO EXPLANATORY STATEMENT

GRP Corporation Limited (ASX: **GRP**) ('GRP Corporation' or 'the Company') recently announced the resignations of Mr Grant Gibson from the Board of the Company and wishes to advise shareholders that it is withdrawing items 4 (Resolution 3) and 21 (Resolution 20) from the Notice of Annual General Meeting, which proposed resolutions to consider the re-election of Mr Gibson as a director of the Company and seek approval for Mr Gibson to subscribe for up to 250,000 shares as part of the Capital Raising on the terms and conditions set out in the Explanatory Statement.

The Company also provides an updated Schedule 2 (Company's Statement of Financial Position) (Attached) to the Explanatory Statement which has been replaced by the Investigating Accountants Report to the Prospectus lodged yesterday. The Pro-forms financial statements have been adjusted to take guidance from the principles of AASB 3 Business Combinations and determined that Helpa would be deemed to be the acquirer for accounting purposes. Accordingly, the transaction is accounted for as a reverse asset acquisition.

The Notice of Annual General Meeting was lodged with the ASX on 24 September 2014 and has been mailed to shareholders. The Annual General Meeting of the Company is to be held on the Ground Floor or 981 Wellington Street in West Perth at 10.00am on 22 October 2014.

The withdrawal of these items of business will not affect the validity of the proxy form attached to the Notice of Annual General Meeting. Shareholders wishing to complete and lodge a proxy in relation to the Annual General Meeting do not need to indicate their voting instructions on Items 4 (Resolution 3) and 21 (Resolution 20).

END

FURTHER INFORMATION

Shareholders / Investors

Mark Rowbottam

Non-Executive Chairman

GRP Corporation Limited

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SCHEDULE 2 – COMPANY’S STATEMENT OF FINANCIAL POSITION

20 October 2014

The Directors

GRP Corporation Limited

Level 1, 981 Wellington Street

WEST PERTH WA 6005

Dear Sirs

Investigating Accountant's Report – GRP Corporation Limited

Introduction

This report has been prepared at the request of the Directors of GRP Corporation Limited ("GRP" or "the Company"), for inclusion in an Prospectus dated on or around 20 October 2014 ("Prospectus"), relating to the proposed issue of 25,000,000 ordinary shares at an issue price of 20 cents each to raise up to \$5,000,000 and a maximum of 30,000,000 ordinary shares to raise up to \$6,000,000.

The offer is not underwritten and the minimum subscription level is \$3,000,000.

Basis of Preparation

The report has been prepared to provide investors with information on historical results and the financial position of GRP and Helpa Inc., and to provide investors with a pro forma Consolidated Statement of Comprehensive Income and Consolidated Statement of Financial Position of GRP as at 30 June 2014 adjusted to include funds raised by the Prospectus and the completion of the acquisition of Helpa Inc ("the acquisition") and other transactions as referred to in the appendices to this report.

This report does not address the rights attaching to the Shares to be issued in accordance with the Prospectus, the risks associated with the investment, nor form the basis of an Expert's opinion with respect to a valuation of the Company or a valuation of the share issue price of 20 cents per share to the public.

Bentleys has not been requested to consider the prospects for GRP nor the merits and risks associated with becoming a shareholder and accordingly, has not done so, nor purports to do so. Bentleys accordingly takes no responsibility for those matters or for any matter or omission in the Prospectus, other than responsibility for this report. Risk factors are set out in Section 5 and 9 of the Prospectus.

Background

GRP listed on the ASX on 19 March 2003 as a diversified financials company with exposure to the provision and management of finance facilities to various property and infrastructure developments.

GRP (formerly Great Pacific Capital Limited) entered into a Deed of Company Arrangement in August 2010 to settle debts with creditors and emerged from external administration. Since then, it has raised capital to pursue two separate transactions, the first with Cady Energy Pty Ltd, which held rights to the Hanging Woman coal methane project in Wyoming, USA. The second was with European Energy Limited, which held rights to a number of oil and gas projects in the Czech Republic and Slovakia. Neither of these transactions was completed. For the past twelve months, GRP has been evaluating alternative corporate opportunities, both in Australia and overseas, which have the potential to deliver strong future growth for Shareholders.

On 29 April 2014, GRP announced its intention to merge with Spring.me, an unlisted public company registered in the United States of America which holds various intellectual property interests pertaining to social media assets and an operating social media network. Spring.me was incorporated in the United States of America as Helpa Inc. in December 2012. For further details of the Company and the proposed acquisitions refer to Section 5 of the Prospectus.

Scope of Report

Bentleys has been requested to:

- (a) report whether anything has come to our attention which would cause us to believe that the historical financial information disclosed in the appendices to this report is not fairly presented in accordance with the recognition and measurement requirements (but not the disclosure requirements) of Australian Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies adopted by GRP and Helpa Inc., and
- (b) report whether anything has come to our attention which would cause us to believe that the pro forma financial information disclosed in the appendices to this report is not presented fairly in accordance with the basis of preparation and assumptions set out therein and with the recognition and measurement requirements (but not the disclosure requirements) of Australian Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies adopted by GRP and Helpa Inc.

GRP and Helpa Inc. have prepared, and are responsible for the historical and pro forma financial information included in the appendices to this report.

Scope of Review

Bentleys has not audited the financial statements of GRP or Helpa Inc. as at 30 June 2014. The audit of GRP's financial statements as at 30 June 2014 has been completed by Hall Chadwick and the audit of Helpa Inc's financial statements as at 30 June 2014 has been completed by Elliot House Partners. We have conducted our review of the historical financial information in accordance with the Standard on Assurance Engagement ASAE 3450 "Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information". We made such enquiries and performed such procedures as we, in our professional judgment, considered reasonable in the circumstances, including:

- (i) enquiry of directors, management and others;
- (ii) analytical procedures on the historical information;
- (iii) a review of work papers, accounting records and other documents; and
- (iv) comparison of consistency in application of the recognition and measurement requirements (but not the disclosure requirements) of Australian Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies adopted by GRP and Helpa Inc..

The review procedures were substantially less in scope than an audit examination conducted in accordance with Australian Auditing Standards.

Having regard to the nature of the review, which provides less assurance than an audit, and to the nature of the historical and pro forma financial information, this report does not express an audit opinion on the historical and pro forma financial information included in the appendices to this report.

Valuation of Acquisitions

The principal assets of GRP will be the intellectual property assets, domains and an operational business underpinning the social network platform Spring.me, effected through the merger with Helpa Inc. The assets have been included at cost in the pro forma Statement of Financial Position. We have not performed our own valuation of the assets concerned and we are unable to form a view on whether the carrying value of the assets are fairly stated.

Opinions

(a) Historical Financial Information

Based on our review, which is not an audit, nothing has come to our attention which causes us to believe that the historical financial information, as set out in the appendices of this report is not presented fairly in accordance with the recognition and measurement requirements (but not the disclosure requirements) of Australian Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies adopted by GRP and Helpa Inc.

(b) Pro Forma Financial Information

Based on our review, which is not an audit, nothing has come to our attention which causes us to believe that the pro forma financial information, as set out in the appendices of this report is not presented fairly in accordance with the basis of preparation in the appendices and assumptions set out therein and with the recognition and measurement requirements (but not the disclosure requirements) of Australian Accounting Standards and other mandatory professional reporting requirements in Australia, and the accounting policies adopted by GRP and Helpa Inc.

Subsequent Events

To the best of Bentleys' knowledge and belief, there have been no material items, transactions or events subsequent to 30 June 2014 not otherwise disclosed in this report or its appendices that have come to our attention during the course of our review which would cause the information included in this report to be misleading or deceptive.

Independence

Bentleys does not have any interest in the outcome of the issue of the shares, other than in connection with the preparation of this report for which normal professional fees will be received. Bentleys were not involved in the preparation of any part of the Prospectus, and accordingly, make no representations or warranties as to the completeness and accuracy of any information contained in any other part of the Prospectus. Bentleys consents to the inclusion of this report in the Prospectus in the form and content in which it is included. At the date of this report, this consent has not been withdrawn.

Yours faithfully



BENTLEYS
Chartered Accountants



RANKO MATIĆ CA
Director

APPENDIX 1 – HISTORICAL & PRO-FORMA FINANCIAL INFORMATION

GRP CORPORATION LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2014

		Audited Actuals GRP Corp. Ltd Year Ended 30 June 2014 \$	Audited Actuals Helpa Inc. Year Ended 30 June 2014 \$	Reviewed Pro-forma Consolidated Year Ended 30 June 2014 \$
	Notes			
Income		648	110,012	110,012
Compliance and regulatory		(43,600)	-	-
Consulting and corporate		(68,531)	-	-
Depreciation and amortisation		-	(170,405)	(170,405)
Legal and professional		-	(931,938)	(931,938)
Employee benefits expense		-	(944,364)	(944,364)
Hosting services		-	(279,720)	(279,720)
Finance costs		-	(67,058)	(67,058)
Occupancy		-	(100,809)	(100,809)
Administration		-	(324,554)	(324,554)
Corporate transaction expense	5	-	-	(481,167)
Share based payment expense	5	-	-	(2,925,341)
Other expenses	5	(662)	-	(367,958)
Loss before income tax		(112,145)	(2,708,836)	(6,483,302)
Income tax expense		-	-	-
Loss after income tax		(112,145)	(2,708,836)	(6,483,302)
Other comprehensive income		-	7,506	7,506
Total comprehensive loss for the year		(112,145)	(2,701,330)	(6,475,796)

GRP CORPORATION LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Audited Actuals GRP Corp. Ltd As at 30 June 2014 \$	Audited Actuals Helpa Inc. As at 30 June 2014 \$	Reviewed Pro-forma Consolidated As at 30 June 2014 \$
	Notes			
ASSETS				
Current Assets				
Cash and cash equivalents	3	138,350	729,390	5,485,069
Trade & other receivables		32,499	29,928	62,427
Financial assets		625,000	-	-
Total current assets		795,849	759,318	5,547,496
Non-Current Assets				
Property, plant & equipment		-	1,862	1,862
Intangible assets		-	7,473	7,473
Total non-current assets		-	9,335	9,335
Total assets		795,849	768,653	5,556,831
LIABILITIES				
Current liabilities				
Trade & other payables		233,560	141,476	275,436
Financial liabilities		293,012	230,000	-
Provisions		-	57,878	57,878
Total current liabilities		526,572	429,354	333,314
Non-Current liabilities				
Financial liabilities		-	625,000	-
TOTAL LIABILITIES		526,572	1,054,354	333,314
NET ASSETS		269,277	(285,701)	5,223,517
EQUITY				
Capital and Reserves				
Issued capital	4	8,381,093	2,764,322	12,048,006
Convertible loan		864,032	-	-
Reserves		-	(2,766)	(2,766)
Accumulated losses	5	(8,975,848)	(3,047,257)	(6,821,723)
TOTAL EQUITY		269,277	(285,701)	5,223,517

The reviewed consolidated pro forma statement of financial position represents the unaudited statement of financial position of the Company as at 30 June 2014 adjusted for the subsequent events and pro-forma transactions outlined in the Notes to this Appendix. It should be read in conjunction with the notes to the historical and pro forma financial information.

Notes to and Forming Part of the Financial Statements

1. Summary of significant accounting policies

(a) Basis of Accounting

The financial statements have been prepared in accordance with the measurement and recognition (but not the disclosure) requirements of Australian Accounting Standards, Australian Accounting Interpretations and the Corporations Act 2001.

The financial statements have been prepared on an accruals basis, are based on historical cost and except where stated do not take into account changing money values or current valuations of selected non-current assets, financial assets and financial liabilities. Cost is based on the fair values of the consideration given in exchange for assets.

The preparation of the Statement of Comprehensive Income and Statement of Financial Position requires the use of certain critical accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Statement of Comprehensive Income and Statement of Financial Position are disclosed where appropriate.

The financial information has been prepared on the basis of a going concern which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Statement of Comprehensive Income and The Statement of Financial Position as at 30 June 2014 is in accordance with the Company's audited financial position at that date. The pro forma Statement of Comprehensive Income and pro forma Statement of Financial Position as at 30 June 2014 represents the reviewed financial position and adjusted for the transactions discussed in Note 2 to this report. The Statement of Comprehensive Income and Statement of Financial Position should be read in conjunction with the notes set out in this report.

(b) Principles of Consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of GRP Corporation Ltd as at 30 June 2014 and the results of all subsidiaries for the period then ended. GRP Corporation Ltd and its subsidiaries together are referred to in this report as the Group or the consolidated entity.

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group (refer note 1(g)).

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in subsidiaries are accounted for at cost in the individual financial statements of GRP Corporation Ltd.

(c) **Cash and Cash Equivalents**

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

(d) **Property, Plant and Equipment**

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

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.

Plant and equipment are depreciated or amortised on a reducing balance or straight line basis at rates based upon their expected useful lives as follows:

Plant and equipment	3 – 7 years
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The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting 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 carrying amount. These are included in the income statement.

(e) **Revenue and Other Income**

Revenue is measured at the fair value of the consideration received or receivable.

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

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

(f) **Income Tax**

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associated entities operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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 consolidated 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 either 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 realised 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 utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments 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 realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(g) **Acquisition of Subsidiaries and Businesses**

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). All other subsequent changes in the fair value of contingent consideration

classified as an asset or liability are accounted for in accordance with relevant Standards. Changes in the fair value of contingent consideration classified as equity are not recognised.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under AASB 3 are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with AASB 112 Income Taxes and AASB 119 Employee Benefits respectively;
- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payment awards are measured in accordance with AASB 2 Share-based Payment; and
- assets (or disposal groups) that are classified as held for sale in accordance with AASB 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date – and is subject to a maximum of one year.

The acquisition of Helpa Inc ("Helpa") has been reflected in the pro forma Statement of Financial Position as at 30 June 2014. In accounting for the acquisition, the Group has taken guidance from the principles of AASB 3 Business Combinations ("AASB 3") and determined that Helpa would be deemed to be the acquirer for accounting purposes. Accordingly, the transaction is accounted for as a reverse asset acquisition. As a result, the pro forma consolidated Statement of Financial Position as at 30 June 2014 has been prepared as a continuation of the Helpa financial statements, with Helpa (as the accounting acquirer) accounting for the acquisitions as from 30 June 2014 (for the purposes of the pro forma consolidated Statement of Financial Position). As the activities of the legal acquirer (GRP Corporation Ltd) would not constitute a business based on the requirements of AASB 3, any excess of the deemed consideration over the fair value of the acquisitions, as calculated in accordance with the reverse acquisition accounting principles, cannot be taken to goodwill and has been expensed.

(h) Impairment of Assets

At each reporting date, the Company 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 Statement of Profit or Loss and Other Comprehensive Income.

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

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

(i) **Investments & Financial Instruments**

Recognition and de-recognition

Regular purchases and sales of financial assets are recognised on trade-date being the date on which the Company commits to purchase or sell the asset. 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 Profit or Loss and Other Comprehensive Income as gains and losses from investment securities.

(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 Company 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) **Held-to-maturity investments**

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

(iv) **Available-for-sale financial assets**

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

(v) **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 Company 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 impairment has arisen. Impairment losses are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

(j) Payables

Liabilities for trade creditors and other amounts are carried at amortised cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the consolidated entity. The amounts are unsecured and are usually paid within 30 days.

(k) Issued Capital

Ordinary shares are classified as equity.

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

(l) 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 expected 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.

(m) Provisions

Provisions for legal claims, service warranties 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 reporting 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 interest expense

(n) **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST except:

- Where the GST incurred on the purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables in the statement of financial position are shown inclusive of GST.

Note 2: Actual and Proposed Transactions to Arrive at the Pro-Forma Financial Information

The pro-forma financial information has been included for illustrative purposes to reflect the position of GRP Corporation Ltd on the assumption that the following transactions had occurred as at 30 June 2014:

- The consolidation of the existing issued shares of GRP Corporation Ltd from 18,761,095 to based on a 5:1 ratio;
- The issue of 25,000,000 post-consolidation ordinary shares at \$0.20 each pursuant to this Prospectus to raise a gross \$5,000,000;
- Estimated capital raising expenses of \$600,481;
- The issue of 60,000,000 post-consolidation ordinary shares at \$0.20 and 40,000,000 performance stock rights at \$0.20 to Helpa shareholders as consideration for the Acquisition;
- The issue of 6,000,000 post-consolidation ordinary shares valued at \$0.16 to promoters/advisors of the Group;
- The issue of 3,972,781 post-consolidation ordinary shares to lenders creditors and current directors valued at \$0.16;
- The issue of 11,183,750 post-consolidation ordinary shares under a Convertible Note agreement valued at \$0.16; and
- The issue of 12,863,542 post-consolidation ordinary shares to proposed directors under the Employee Incentive Scheme valued at \$0.20.

Note 3: Cash assets

	\$
Balance at 30 June 2014	138,350
Add funds in from acquisition of Helpa	729,390
Balance of notes issue less loan repayments/working capital	217,810
Funds raised from Prospectus	5,000,000
Expenses of the issue	(600,481)
	<u>5,485,069</u>

Note: The effect of over/under subscriptions has not been accounted for. In the event that over/under subscriptions occur the Company's total raising would fall between the minimum subscription of \$3,000,000 and the maximum oversubscription up to \$6,000,000, the pro-forma cash balance and issued capital would be decreased/increased to the extent of the minimum/oversubscription (adjusted for any decrease/increase in prospectus issue costs arising from the minimum/oversubscription).

Note 4: Issued Capital

	\$
Issued capital	8,381,093
<i>Adjustments arising from the acquisition of Helpa</i>	
Elimination of GRP Corporation Ltd on consolidation	(8,381,093)
Helpa issued capital as at 30 June 2014	2,764,322
Consideration for the acquisition (Note 1 below)	750,444
Shares issued pursuant to capital raising	5,000,000
Share issue costs	(600,481)
Shares issued to lenders, creditors and current directors	635,645
Shares issued for balance of convertible notes	925,368
Shares issued to promoters/ advisors	960,000
Capital raising costs	(960,000)
Shares issued to proposed directors under Employee Incentive Scheme	2,572,708
	12,048,006

	GRP Corporation Ltd	Pro forma
	30 June 2014	30 June 2014
	No.	No.
Issued capital	18,761,095	18,761,095
Share consolidation (ratio 5:1)	-	(15,008,876)
Consideration shares issued (Note 2 below)	-	60,000,000
Performance stock rights issued, assumed conversion to shares (Note 2 below)	-	40,000,000
Shares issued pursuant to capital raising	-	25,000,000
Shares issued to lenders, creditors and current directors	-	3,972,781
Shares issued under convertible note agreement	-	11,183,750
Shares issued to promoters/ advisors	-	6,000,000
Shares issued to proposed directors under Employee Incentive Scheme	-	12,863,542
	18,761,095	162,772,292

Notes

1. Consideration of the acquisition. In accordance with reverse asset acquisition accounting principles the consideration is deemed to have been incurred by Helpa in the form of equity instruments issued to GRP Corporation Ltd shareholders. The acquisition date fair value of this consideration has been determined with reference to the fair value of the issued shares of GRP Corporation Ltd immediately prior to settlement of the acquisition and has been determined to be \$750,444, based on 3,752,219 post-consolidation shares at a share price of \$0.20 per share.
2. GRP Corporation Ltd issued 60,000,000 post-consolidation ordinary shares and 40,000,000 performance stock rights to the 100% acquisition of Helpa. The pro-forma transactions have been

based on the assumption 40,000,000 performance stock rights will convert to shares due to the satisfaction of the following milestones:

- (i) 20,000,000 performance stock rights will convert upon Spring.me's native mobile applications for Android and iOS being available for download in the Google Play and Apple Appstore (respectively);
- (ii) 20,000,000 performance stock rights will convert upon Spring.me achieving at least 5,000,000 visitors or more in a calendar month for at least three months to the Spring.me network (including websites, apps and widgets), as determined by reference to Spring.me's Google Analytics account

Note 5: Accumulated Losses

	\$
GRP Corporation Ltd accumulated losses at 30 June 2014	(8,975,848)
<i>Adjustments arising from the acquisition of Helpa</i>	
Elimination of GRP Corporation Ltd accumulated losses on consolidation	8,975,848
Recognition of Helpa accumulated losses at 30 June 2014	(3,047,257)
Other subsequent net material operating costs incurred	(367,958)
Share based payment expense on payment of creditors	(352,633)
Share based payment expense to proposed directors under the Employee Incentive Scheme	(2,572,708)
Excess deemed consideration on acquisition	(481,167)
	<u>(6,821,723)</u>

Note 8: Commitments and Contingent Liabilities

At the date of the report no other material commitments or contingent liabilities exist that we are aware of, other than those disclosed in this Prospectus.

Note 9: Subsequent Events

Subsequent to 30 June 2014, the \$230,000 loan from Shareholders in Helpa was subject to a deed variation and release agreement and Helpa repaid \$70,000 from the funds received from the convertible note issue, with the balance of \$160,000 being forgiven. This and other material subsequent events have been adjusted for in the pro forma financial information.

At the date of this report there have been no other material events subsequent to balance date that we are aware of, not otherwise accounted for or as disclosed in this Prospectus.