



Grandbridge  
Limited

**Appendix 4D - Half year report**

**Results for announcement to the market**

Name of Entity	Grandbridge Limited
ABN	64 089 311 026
Financial Year Ended	31 December 2016
Previous Corresponding Reporting Period	31 December 2015

**\$A'000**

Revenue from ordinary activities	up	57%	To	532
Net profit from ordinary activities after tax attributable to members	up	-%	To	162
Net profit for the period attributable to members	up	-%	To	162

The improvement in profitability can be attributed to a write back of provisions against loans receivable, partially offset by lower administrative recharge revenues. Further details are provided in the Commentary on Results section below and in the attached Directors Report and Financial Statements.

No dividends were proposed and no dividends were declared or paid during the current or prior period.

**NTA Backing**

Net tangible asset backing per ordinary security

<b>Current period</b>	<b>Previous corresponding Period</b>
19.76cps	19.00cps

## Appendix 4D (continued)

Grandbridge Limited and its controlled entities

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### Commentary on Results

The consolidated profit of the economic entity after providing for income tax was to \$162,241 (2015: Loss \$52,726).

The company's listed investments were revalued to market at 31 December 2016 resulting in a non-cash loss of \$59,512 (31 December 2015: \$7,557).

During the year the main focus of the company has been preparing and executing strategic initiatives and investment activities in the resources sector and corporate advisory work principally involving the company's investments into BPH Energy Ltd, Advent Energy Ltd and MEC Resources Ltd.

The net assets of the economic entity have increased to \$5,256,728 at 31 December 2016.

Developments in the company's listed investments include:

#### **BPH Energy Limited**

##### **Capital Raising**

On 8th July 2016, the company announced a significantly oversubscribed share placement plan with applications in excess of \$800,000 being received. As the company could only issue a maximum of 30% of its share capital pursuant to the plan, an amount of \$375,000 was raised. A total of 70,730,318 shares were issued.

A further private placement of shares to sophisticated and professional investors was also announced on 8th July. A total of 45,966,214 shares were issued, which raised approximately \$250,000 from existing shareholders of the company.

On 22 December, the company announced a pro rata non-renounceable rights offer of one new fully paid ordinary share in the capital of the Company for every one share held by eligible shareholders at an issue price of \$0.005 per New Share to raise up to approximately \$1,800,000 (before costs) At the date of this announcement, the Company had 361,600,549 Shares on issue. On 20 February, an extension to the closing date for the issue was made until 1 March.

#### **Cortical Dynamics Ltd**

In November 2016, Cortical Dynamics was announced as the winner of the Australian Technologies (ATC) competition Advanced Manufacturing category, runner up in the Australian Technology Company of the Year, and runner up in the Med Tech and Pharma category. Over 130 companies of Australia's best technology companies were considered for these awards. Cortical was chosen as one of three finalists in the Medtech and Pharma award and as one of three in the further category for Advanced Manufacturing. Australian and international government partners of the ATC include the Australian Department of Industry, Innovation and Science, the City of Melbourne, the NSW Department of Industry, Hong Kong Trade & Development Council and UK Trade & Investment.

Cortical was also invited by the Australian Trade and Investment Commission ("Austrade") to attend and present at the Austrade Medtech Innovation Showcase 2016 held in Korea in September. The Showcase was for Australia's key industry experts and innovative Medtech companies with senior executives from leading Korean pharma and medical device companies. Cortical Chairman, Mr David Breeze presented Cortical's next generation Brain Function Monitor and met with four of the leading Korean teaching and research hospitals all of whom expressed interest in using the technology when it became available in Korea. Discussions were also initiated with a Korean Medical Device distribution company who approached Cortical seeking the Korea

## **Appendix 4D (continued)**

Grandbridge Limited and its controlled entities

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distribution rights. Organised by Austrade, with the support of the Department of Foreign Affairs and Trade (DFAT) and the Korean Health Innovation Development Institute (KHIDI) the showcase will provide a platform for Australian medtech organisations to meet with Korean businesses that are interested in partnering with Australian technology and solutions providers.

### **MEC Resources Limited**

In January 2017, Grandbridge announced details of its requisitioned meeting of MEC Resources. Grandbridge is seeking the removal of Mr Goh Hock, Mrs Deborah Ambrosini, Mr KO Yap and Mr Heng Yu (MEC Directors) from the board of MEC Resources Limited (MEC). Further information is provided on Grandbridge's website at [Grandbridge.com.au/mmr](http://Grandbridge.com.au/mmr)

### **Advent Energy Ltd**

Advent Energy's parent entity, MEC Limited, has made no announcements of any significant developments on the investment during the period.

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Grandbridge Limited and its controlled entities

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## Company Information

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### Directors

D L Breeze – Executive Chairman  
C Maling – Non-Executive Director  
M Paterson – Non-Executive Director

### Company Secretary

D L Breeze

### Registered Office

14 View Street  
NORTH PERTH WA 6006

### Principal Business Address

14 View Street  
NORTH PERTH WA 6006  
Telephone: (08) 9328 8400  
Facsimile: (08) 9328 8733  
Website: [www.e-shares.com.au](http://www.e-shares.com.au)  
[www.grandbridge.com.au](http://www.grandbridge.com.au)  
E-mail: [admin@e-shares.com.au](mailto:admin@e-shares.com.au)

### Auditor

HLB Mann Judd  
Level 4  
130 Stirling Street  
PERTH WA 6000

### Share Registry

Advanced Share Registry Limited  
110 Stirling Highway  
NEDLANDS WA 6009

### Australian Stock Exchange Listing

Australian Stock Exchange Limited  
(Home Exchange: Perth, Western Australia)  
ASX Code: GBA

### Australian Business Number

64 089 311 026

# Directors' Report

Grandbridge Limited and its controlled entities

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The directors of Grandbridge Limited submit herewith the financial report for the half year ended 31 December 2016. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

## Directors

The names of the directors of the company during or since the end of the period are:

D L Breeze

K G Hollingsworth (resigned 26 Nov)

D Ambrosini (resigned 26 Nov)

C Maling (appointed 26 Nov)

M Peterson (appointed 26 Nov)

## Review of Operations

Grandbridge Limited has reported a net profit before tax for the first half of the financial year of \$230,692 (2015: Loss \$75, 321).

## Other Activity

The Directors are currently continuing their investment strategy as outlined in the annual report for 30 June 2016.

## Operating Results

Operating profit for the consolidated entity after tax for the period was \$162,241 (2014: Loss \$52,726).

## Changes in State Of Affairs

During the period there were no other significant changes in the state of affairs of the consolidated entity other than that referred to in the financial statements or notes thereto.

## Subsequent Events

There have not been any matters or circumstances that have arisen since the end of the period, that have significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

## Dividends

The Directors recommend that no dividend be paid in respect of the current Period and no dividends have been paid or declared since the commencement of the period.

## Directors' Report (continued)

Grandbridge Limited and its controlled entities

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### Auditor's Independence

The directors received a declaration of independence from the auditor. This is included in the financial report on page 4.

Signed in accordance with a resolution of the directors made pursuant to s306(3) of the Corporations Act 2001.

On behalf of the Directors

A handwritten signature in black ink, appearing to read 'D. L. Breeze'.

D L Breeze  
Executive Chairman  
PERTH, 22th February 2017

**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the consolidated financial report of Grandbridge Limited for the half-year ended 31 December 2016, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.



Perth, Western Australia  
22 February 2017

**B G McVeigh**  
Partner

# Directors' Declaration

Grandbridge Limited and its controlled entities

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The directors declare that:

- (a) 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; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Signed in accordance with a resolution of the directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the Directors

A handwritten signature in black ink, appearing to read 'D L Breeze', with a stylized flourish extending from the end.

D L Breeze  
Executive Chairman  
PERTH, 22th February 2017



# Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the half year ended 31 December 2016

Grandbridge Limited and its controlled entities

		Consolidated	
	Note	31 December 2016 \$	31 December 2015 \$
Revenue from ordinary activities	4	532,465	338,954
Interest revenue		481	680
Reduction/ (increase) in doubtful debt provisions	9,10	32,503	(93,171)
Administration expenses		(86,992)	(78,349)
Loss on revaluation of investments		(59,512)	(93,171)
Consulting expenses		(30,347)	(11,720)
Depreciation and amortisation expense		(417)	(899)
Employee benefits expense		(117,280)	(171,719)
Insurance expenses		(12,660)	(11,745)
Occupancy expenses		(22,616)	(38,793)
Other expenses		(4,933)	(1,002)
Profit /(Loss) before income tax		230,692	(75,321)
Income tax (expense)/benefit		(68,451)	22,595
Profit /(Loss) from continuing operations		162,241	(52,726)
Profit/(Loss) attributable to members of the parent entity		162,241	(52,726)
Other comprehensive income		-	-
Total Comprehensive Income for the period		162,241	(52,726)
Earnings Per Share -			
Basic (cents per share)		0.53	(0.17)
Diluted (cents per share)		0.53	(0.17)

The accompanying notes form part of these financial statements.

# Condensed Consolidated Statement of Financial Position as at 31 December 2016

Grandbridge Limited and its controlled entities

		Consolidated	
	Note	31 December 2016 \$	30 June 2016 \$
<b>Current Assets</b>			
Cash and cash equivalents	5	41,699	49,798
Other current assets	10	18,581	24,677
<b>Total Current Assets</b>		60,280	74,475
<b>Non-Current Assets</b>			
Financial assets	9	7,108,550	6,844,866
Property, plant & equipment		683	1,100
Deferred tax assets		623,694	701,067
<b>Total Non-Current Assets</b>		7,732,927	7,547,033
<b>Total Assets</b>		7,793,207	7,621,508
<b>Current Liabilities</b>			
Trade and other payables		1,029,476	970,545
Short-term provisions		64,825	71,333
<b>Total Current Liabilities</b>		1,094,301	1,041,878
<b>Non-Current Liabilities</b>			
Long-term provisions		23,152	57,195
Deferred tax liabilities		1,419,026	1,427,948
<b>Total Non-Current Liabilities</b>		1,442,178	1,485,143
<b>Total Liabilities</b>		2,536,479	2,527,021
<b>Net Assets</b>		5,256,728	5,094,487
<b>Equity</b>			
Issued capital	6	3,609,420	3,609,420
Reserves		3,913,166	3,913,166
Accumulated losses		(2,265,858)	(2,428,099)
<b>Total Equity</b>		5,256,728	5,094,487

The accompanying notes form part of these financial statements.

# Condensed Consolidated Statement of Changes in Equity

## For the half year ending 31 December 2016

Grandbridge Limited and its controlled entities

<b>Consolidated</b>	Ordinary Share Capital \$	Accumulated losses \$	Option Reserve \$	Asset Revaluation Reserve \$	Total \$
<b>Balance as at 1 July 2015</b>	3,609,420	(2,454,929)	323,482	3,589,600	5,067,573
Net loss for the period	-	(52,726)	-	-	(52,726)
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	(52,726)	-	-	(52,726)
Transactions with owners in their capacity as owners					
Net option expense movement	-	-	42	-	42
<b>Balance for the half year ended 31 December 2015</b>	<b>3,609,420</b>	<b>(2,507,655)</b>	<b>323,524</b>	<b>3,589,600</b>	<b>5,014,889</b>
<b>Consolidated</b>	Ordinary Share Capital \$	Accumulated losses \$	Option Reserve \$	Asset Revaluation Reserve \$	Total \$
<b>Balance as at 1 July 2016</b>	3,609,420	(2,428,099)	323,566	3,589,600	5,094,487
Net profit for the period	-	162,241	-	-	162,241
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	162,241	-	-	162,241
Transactions with owners in their capacity as owners					
Net option expense movement	-	-	-	-	-
<b>Balance for the half year ended 31 December 2016</b>	<b>3,609,420</b>	<b>(2,265,858)</b>	<b>323,566</b>	<b>3,589,600</b>	<b>5,256,728</b>

The accompanying notes form part of these financial statements.

# Condensed Consolidated Statement of Cash Flows for the half year ended 31 December 2016

Grandbridge Limited and its controlled entities

		Consolidated	
	Note	31 December 2016 \$	31 December 2015 \$
<b>Cash Flows From Operating Activities</b>			
Cash receipts from customers		210,951	218,922
Cash payments to suppliers and employees		(268,137)	(242,246)
Interest received		481	680
Interest paid		(1,394)	(871)
<b>Net cash used in operating activities</b>		<b>(58,099)</b>	<b>(22,644)</b>
<b>Cash Flows From Investing Activities</b>			
Payment for property, plant and equipment		-	(617)
Loans Repaid by other entities		50,000	-
<b>Net cash provided by investing activities</b>		<b>50,000</b>	<b>(617)</b>
<i>Net decrease in Cash and Cash Equivalents Held</i>		(8,099)	(24,132)
<i>Cash and Cash Equivalents at the Beginning of The Period</i>		49,798	101,765
<b>Cash and Cash Equivalents at The End of The Period</b>	5	<b>41,699</b>	<b>77,633</b>

The accompanying notes form part of these financial statements.

# Notes to the Financial Statements (continued)

for the half year ended 31 December 2016

Grandbridge Limited and its controlled entities

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## 1. CORPORATE INFORMATION

The financial report of Grandbridge Limited (the company) and its controlled entities for the half-year ended 31 December 2016 was authorised for issue in accordance with a resolution of the directors on 22 February 2017.

Grandbridge Limited is a company incorporated in Australia and limited by shares which are publicly traded on the Australian Securities Exchange.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Statement of Compliance

The half-year financial report is a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standards IAS 34 Interim Financial Reporting.

The half-year financial report does not include all of the notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The half-year financial report should be read in conjunction with the Annual Financial Report of Grandbridge Limited as at 30 June 2016.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

It is also recommended that the half-year financial report be considered together with any public announcements made by Grandbridge Limited and its controlled entities during the half-year ended 31 December 2016 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

### (a) Basis of Preparation

#### Reporting Basis and Conventions

The half-year report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

### (b) Significant Accounting Policies

The half-year condensed consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2016.

#### *Standards and interpretations applicable to 31 December 2016*

In the half year ended 31 December 2016, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the half-year reporting periods beginning on or after 1 July 2016. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and

# Notes to the Financial Statements (continued)

for the half year ended 31 December 2016

Grandbridge Limited and its controlled entities

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Interpretations on the Company and therefore no material change is necessary to Group accounting policies.

*Standards and interpretations in issue not yet adopted, applicable to 31 December 2016*

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted that are relevant to the Company and effective for the half-year reporting periods beginning on or after 1 January 2017. As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations in issue not yet adopted on the Company and therefore no material change is necessary to Group accounting policies.

## (c) Financial Position

The consolidated entity had a net profit before tax for the period ended 31 December 2016 of \$162,241 (2015: Loss \$52,726).

The consolidated entity has a working capital deficit of \$1,034,021 as at 31 December 2016 (30 June 2016: \$967,403) including cash assets of \$41,699 as at 31 December 2016 (30 June 2016: \$49,798) along with trade creditors and other payables of \$1,029,476 (30 June 2016: \$970,545).

Included in other payables are amounts payable to the directors of the company of \$970,545 (30 June 2015: \$786,070). The directors have reviewed their expenditure and commitments for the consolidated entity and have implemented methods of costs reduction. The directors as a part of their cash monitoring, have voluntarily suspended cash payments for their director's fees to conserve cash resources until such time as the consolidated entity has sufficient cash resources.

The consolidated entity has investments in listed entities totalling \$257,682 as at 31 December 2015, which are classified as non-current assets in the statement of financial position. These assets are liquid and if required, a portion of these investments can be sold to obtain cash reserves for the consolidated entity.

The directors have prepared cash flow forecasts that indicate that the consolidated entity will have sufficient cash flows for a period of at least 12 months from the date of this report.

Based on the cash flow forecasts and the ability to receive related entity receivables, potential capital raisings or sales of investments in listed entities if necessary, the directors are satisfied that, the going concern basis of preparation is appropriate. The financial report has therefore been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. Should the consolidated entity be unsuccessful in any of these there is a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern.

## 3. SEGMENT INFORMATION

### Identification of reportable segments

The group has identified its operating segments based on the internal reports that are reviewed and used by the managing director and his management team (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The operating segments are identified by management based on the industry in which the entity makes its investments or provides services. Discrete financial information about each of these operating segments is reported to the managing director and his management team on at least a monthly basis.

# Notes to the Financial Statements (continued)

for the half year ended 31 December 2016

Grandbridge Limited and its controlled entities

The group holds investments in two principal industries and these are biotechnology, and oil and gas exploration and development. The group also provides consultancy and management services to a number of different entities and receives a monthly fee for these services.

## Segment Revenue and Results

The following is an analysis of the Group's revenue and results from continuing operations by reportable segment:

	Segment Revenue		Segment Profit/Loss	
	2016	2015	2016	2015
	\$	\$	\$	\$
Consulting Services	532,465	338,954	376,480	11,806
Investing	-	-	(59,512)	(7,557)
Unallocated	481	680	481	680
Total for continuing operations	<u>532,946</u>	<u>339,634</u>	317,449	4,929
Administration expenses			(86,992)	(78,349)
Depreciation and Amortisation			(417)	(899)
Other			652	(1,002)
Profit/ (loss) before tax			<u>230,692</u>	<u>(75,321)</u>

Revenue reported above represents revenue generated from external customers. There were no intersegment sales in the year (2015: \$nil).

Segment Assets and Liabilities	Consolidated	
	31 December 2016	30 June 2016
	\$	\$
<b>Segment Assets</b>		
Consulting Services	-	-
Investing	5,956,309	6,015,821
Corporate	1,836,898	1,605,687
Total Assets	<u>7,793,207</u>	<u>7,621,508</u>
<b>Segment Liabilities</b>		
	31 December 2016	30 June 2016
	\$	\$
Consulting Services	-	-
Investing	-	-
Corporate	2,536,479	2,527,021
Total Liabilities	<u>2,536,479</u>	<u>2,527,021</u>

# Notes to the Financial Statements (continued)

for the half year ended 31 December 2016

Grandbridge Limited and its controlled entities

## 4. REVENUE

	Consolidated	
	31 December 2016 \$	31 December 2015 \$
<b>Revenue</b>		
Management fees	528,215	213,333
Admin Recharges	-	124,324
Corporate Advice/ Brokerage	4,250	1,297
<b>Total revenue</b>	<b>532,465</b>	<b>338,954</b>

## 5. CASH AND CASH EQUIVALENTS

	Consolidated	
	31 December 2016 \$	30 June 2016 \$
For the purpose of the half-year consolidated condensed statement of cash flows, cash and cash equivalents comprise the following:		
Cash at bank and in hand	41,699	49,798
	<b>41,699</b>	<b>49,798</b>

## 6. ISSUED CAPITAL

	Consolidated	
	31 December 2016 \$	30 June 2016 \$
Ordinary shares, fully paid, carrying one vote per share and carrying the right to dividends	3,609,420	3,609,420
	<b>3,609,420</b>	<b>3,609,420</b>
	Number	\$
Movement in ordinary shares on issue		
As at 1 July 2016	30,633,364	3,609,420
Issued during the period	-	-
As at 31 December 2016	<b>30,633,364</b>	<b>3,609,420</b>



# Notes to the Financial Statements (continued)

for the half year ended 31 December 2016

Grandbridge Limited and its controlled entities

## 7. CONTINGENT LIABILITIES

There were no contingent liabilities at balance date.

## 8. EVENTS SUBSEQUENT TO BALANCE DATE

There have not been any matters or circumstances that have arisen since the end of the half year, that have significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company in future financial years, other than as disclosed elsewhere in the financial report.

## 9. FINANCIAL ASSETS

	Consolidated	
	31 December 2016 \$	30 June 2016 \$
<b>Non-Current</b>		
Security deposit (a)	20,000	20,000
Investments in listed entities (b)	257,682	317,194
Investments in unlisted entities (c)	5,678,627	5,678,627
Loans receivable (d)	1,152,241	829,045
	<b>7,108,550</b>	<b>6,844,866</b>

### Fair Value of Financial Assets

The methods and valuation techniques used for the purpose of measuring fair value of the company's financial assets are unchanged compared to the previous reporting period.

For financial instruments that are measured at fair value on a non-recurring basis, the directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair value. This applies to the financial assets described in (d) below.

(a) The security deposit is for a performance bond provided by the Company's bank to the Australian Securities and Investment Commission.

# Notes to the Financial Statements (continued)

for the half year ended 31 December 2016

Grandbridge Limited and its controlled entities

(b) Financial Assets carried at Fair Value through the profit and loss (Level 1):

	<b>Consolidated</b>	
	<b>31 December 2016 \$</b>	<b>30 June 2016 \$</b>
BPH Energy Limited	16,945	23,724
MEC Resources Ltd	233,937	282,670
Strategic Elements Limited	6,800	10,800
	257,682	317,194

(c) Available for sale financial Assets - at fair value (Level 3):

Molecular Discovery Systems Limited	20,334	20,334
*Advent Energy Limited	5,640,000	5,640,000
AFFSDA	18,293	18,293
	5,678,627	5,678,627

\*Advent Energy - During the period the Company reviewed the valuation of its investment in Advent energy and no changes were noted during this reporting period.

Advent Energy Ltd, has commitments for its exploration permits of \$4,797,000 over the next 15 months from the reporting date under the terms of its application licences in order to maintain tenure. Of the above commitments \$1,997,500 is due within 12 months of the reporting period. The recoverability of the investment is dependent on successful exploitation of the licences held by Advent.

(d) Loans Receivable:

	<b>Consolidated</b>	
	<b>31 December 2016 \$</b>	<b>30 June 2016 \$</b>
Unsecured loans due from other entities	1,828,034	1,878,033
Doubtful debt provision against unsecured loans	(675,793)	(1,048,988)
	1,152,241	829,045

The Company released \$373,195 of provisions against unsecured loans from other entities made in previous periods, as it is now expects to be able to recover those loans given the improved financial position of the entity concerned.

# Notes to the Financial Statements (continued)

for the half year ended 31 December 2016

Grandbridge Limited and its controlled entities

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## 10. OTHER CURRENT ASSETS

	Consolidated	
	31 December 2016 \$	30 June 2016 \$
Trade and other receivables	340,692	-
Doubtful debt provision	(340,692)	-
	-	-
Prepayments	18,581	24,677
	18,581	24,677

The Company raised \$340,692 of provisions against trade debtors for revenue connected with the termination of service agreements.

**INDEPENDENT AUDITOR'S REVIEW REPORT**

To the members of Grandbridge Limited

**Report on the Condensed Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Grandbridge Limited ("the company") which comprises the condensed consolidated statement of financial position as at 31 December 2016, the condensed consolidated statement of profit or loss and other comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes, and the directors' declaration, for the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

*Directors' responsibility for the half-year financial report*

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and 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 the consolidated entity's financial position as at 31 December 2016 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 the company, 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 other 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*.

**HLB Mann Judd (WA Partnership) ABN 22 193 232 714**

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*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 Grandbridge Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

***Emphasis of matter***

Without modifying our opinion expressed above, we draw attention to Note 2(c) to the financial report which indicates the current financial position of the group and that should the Group be unsuccessful obtaining related receivables, capital raising and realising listed investments, there exists a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and therefore, its ability to realise its assets and discharge its liabilities in the normal course of business.

A handwritten signature in blue ink that reads 'HLB Mann Judd'.

**HLB Mann Judd  
Chartered Accountants**

A handwritten signature in blue ink that reads 'B G McVeigh'.

**B G McVeigh  
Partner**

**Perth, Western Australia  
22 February 2017**