Grandbridge Limited

Appendix 4D - Half-year report

Results for announcement to the market

Name of Entity	Grandbridge Limited
ABN	64 089 311 026
Financial Half-Year Ended	31 December 2018
Previous Corresponding Reporting Period	31 December 2017

				$A000
Revenue from ordinary activities	up	8.2%	To	178
Net loss from ordinary activities after tax attributable to members.	down	53.4%		225
Net loss for the period attributable to members.	down	53.4%		225

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

NTA Backing	**Current period**	**Previous corresponding Period**
Net tangible asset backing per ordinary security (cents per share)	2.57	1.91

Commentary on Results

The consolidated loss of the economic entity after providing for income tax was $224,674 (2017: loss of $481,198). During the period the Company recorded provisions against receivables of $36,519 (2017: $Nil) and recorded an impairment charge of $Nil (2017: $293,750) against its investment in Advent Energy Limited. The company's listed investments were revalued to market at 31 December 2018 resulting in a non-cash loss of $72,785 (2017: loss of $25,654).

During the period 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 in BPH Energy Ltd, Cortical Dynamics Ltd, MEC Resources Ltd and Advent Energy Ltd.

The Group has applied AASB 9 retrospectively with the effect of initially applying this standard recognised at the date of initial application, being 1 July 2018 and has elected not to restate comparative information. Accordingly, the information presented for 31 December 2017 and 30 June 2018 has not been restated. The effect of applying AASB 9 is to increase financial assets and reduce accumulated losses by $677,820 in respect of the fair value of shares in an unlisted public company previously carried at cost. Primarily as a result of this the net assets of the economic entity have increased by 136% from 30 June 2018 to $786,141 at 31 December 2018.

Developments in the Company's investments include:

BPH Energy Limited ("BPH")

Capital Raising

On 24 October 2018 BPH announced a one for one non-renounceable entitlement issue ("Rights Issue") at an issue price of $0.001 per share to raise up to $1,186,237 (before costs). As at half year end BPH had issued 841,040,241 shares under the Rights Issue and Rights Issue shortfall for gross proceeds of $841,040 of which $682,504 was received in cash and $158,536 satisfied by debt set-off. In addition, during the period BPH raised $103,000 cash from the issue of placement shares, issued 100,000,000 shares in exchange for 5,555,556 shares in MEC Resources Limited, issued 17,050,000 shares as settlement of consulting fees, and issued 20,000,000 shares as part of director remuneration.

Subsequent to period end BPH (i) raised a further $390,000 from the issue of 390,000,000 shares, of which 345,000,000 were part of the Rights Issue shortfall, bringing the total raised under the Rights Issue and Rights Issue shortfall to $1,186,040 and (ii) issued 106,000,000 shares in lieu of cash payment for services rendered.

Operations

BPH intends to pursue a complementary strategy of making investments in the medical cannabis sector. At this stage no specific investment has been considered.

The medical cannabis sector is showing significant growth with current developments boosting the sectors viability including the move to legalise cannabis in Canada and the announcement by the British Government to legalise medical cannabis from November 2018. This follows the announcement by the Australian Federal Government in January 2018 to legalise the export of medical cannabis from Australia. Any investment by the Company in the medical cannabis sector will be reviewed by ASX and the Company may be required to re-comply with chapters 1 and 2 of the Listing Rules and there may be necessary escrow implications for the shares to be issued under the rights issue.

Cortical Dynamics Ltd ("Cortical")

BPH investee Cortical announced a number of developments during the half year which included:

- On 16 October 2018 Mr. Gary Todd was appointed as Managing Director of BPH investee Cortical. Mr Todd has extensive sales experience gained over the last thirty years both in Australia and internationally in Medical Devices, FMCG and IT& T markets

- Cortical has engaged Enable Funding to undertake a Crowd Source Funding (CSF) capital raising of up to $2 million at a price of 10 cents per share

- Cortical's BAR Monitor (BARM) was exhibited by the Cortical Korean distributor GLOBALUCK on 8th to 10th November 2018 at the Congress of Korean Anaesthesiology meeting in Seoul

- Further successful trials of the BARM were carried out at St. Luke's Private Hospital and Strathfield Private Hospital in Sydney. Strathfield is part of the Ramsay Hospital Group. The trials have been conducted by Dr Adrian Sultana MD FRCP (Glasg) FANZCA, a consultant anaesthetist. He is appointed as a Conjoint Lecturer at the Prince of Wales Clinical School, University of New South Wales and is also a Clinical Lecturer in Anaesthesia at the Australian School of Advanced Medicine, Macquarie University. He is also a director of the International Society for the Perioperative Care of the Obese Patient. Key conclusions from these trials by Dr Sultana trialling BARM during 2018 include:

• The BARM has shown "significant reduction in anaesthesia recovery time using TIVA. (Total intravenous anesthesia is a technique of general anesthesia which uses a combination of agents given exclusively by the intravenous route without the use of inhalation agents (Gas Anesthesia)) with the BARM"

• The Cortical BARM was "Remarkably stable and the responsive signal permitted a new level of belief in the awareness monitoring technique and allowed him to run cases at a CCS index of 45 with confidence in early tapering of the patients anaesthesia using TCI (infusions of propofol and remifentanil)

- • The BARM had impressive stability and speed of response. He reported that "he was able to administer significantly less TIVA and was able to have the patient wake within 3 minutes of the end of the operation. Dr Sultana reported that "Often when using the BIS/Entropy (monitors), they dramatically lag the patents emergence and he has had patients that take up to 20 minutes to wake up. Note he reported the patients emerged at CCS index of 70

• In usage with NMB (Neuromuscular Block) he was able to "achieve accuracy, predictability and a smooth wake up"

• The BAR Monitor has now been used with 109 patients at Strathfield and St Luke's Hospitals

Cortical believes these conclusions have significant implications for hospital operations:

• Optimising the dose of anaesthetic agent used can reduce the use of anaesthetic agents, and improve patient turn-around times and lead to cost savings

• Facilitate the delivery of higher quality and more reliable service to hospitals and patients

MEC Resources Limited ("MEC") / Advent Energy Ltd ("Advent")

On 29 March 2018 an Instrument of Direction was issued to Advent's subsidiary, Onshore Energy Pty Ltd, by the Western Australian Government (DMIRS) for the Waggon Creek and Vienta wells in EP386. The Instrument of Direction to plug and abandon the wells must be completed by March 2020. The wet season means this work must be completed during 2019.

Independent proposals put forward to meet these permit commitments have not been accepted by Advent, and the Bonaparte assets have been 'sold' to a company which has not confirmed any funding to meet these commitments. MEC have announced several extensions to this agreement with no termination date confirmed.

On 7 February 2019 MEC confirmed that Sacgasco Ltd had terminated its funding option for the PEP11 project.

The issues at board level in MEC and Advent have been adverse to the development of these key projects and your Company has continued to seek resolution of the issues and has only taken such steps as has been necessary to protect its position. A number of legal actions continue. MEC and its subsidiaries have court actions and claims against them for amounts in excess of $1.29 million. Grandbridge has confirmed mediation is to occur during April 2019 in District Court Action 1160 of 2018.

A number of matters have been and will be referred to the regulatory authorities.

The Company's half year financial report for the six months ending 31 December 2018 is set out on the following pages.

Contents
Grandbridge Limited and its controlled entities

Company Information

Directors
D L Breeze – Executive Chairman
C Maling – Non-Executive Director
M Peterson – 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.grandbridge.com.au
E-mail: admin@grandbridge.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

The directors of Grandbridge Limited ("Grandbridge" or "the Company") submit herewith the financial report for the Company and its controlled entities ("consolidated entity" or "group") for the half-year ended 31 December 2018.

Directors

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

D L Breeze
C Maling
M Peterson

Review of Operations

The consolidated entity has reported a net loss after income tax for the half-year of $224,674 (2017: loss of $481,198). During the period the Company recorded provisions against receivables of $36,519 (2017: $Nil) and recorded an impairment charge of $Nil (2017: $293,750) against its investment in Advent Energy Limited.

Other Activities

The Directors are continuing with the investment strategy outlined in the annual report for the year ended 30 June 2018.

Operating Results

The consolidated loss after income tax from continuing operations for the consolidated entity for the period was $224,674 (2017: loss of $481,198).

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 circumstance 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. No dividends have been paid or declared since the commencement of the period.

Auditor's Independence

The directors received a declaration of independence from the auditor as set 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

D L Breeze
Executive Chairman
Perth, 1 March 2019

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 2018, 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	**B G McVeigh**
1 March 2019	**Partner**

hlb.com.au

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849
T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the half-year ended 31 December 2018
Grandbridge Limited and its controlled entities

	Note	Consolidated 31 December 2018 $	Consolidated 31 December 2017 $
Revenue from ordinary activities	3	178,008	164,527
Interest income		-	480
Impairment charge		-	(293,750)
Administration		(126,119)	(134,852)
Doubtful debts provision		(36,519)	-
Interest expense		(3,872)	(792)
Fair value loss		(72,785)	(25,654)
Consulting		(83,668)	(97,973)
Depreciation		(787)	-
Employee benefits		(56,102)	(57,200)
Insurance		(2,413)	(9,530)
Occupancy		(17,990)	(17,585)
Share based payments		-	(2,148)
Other		(2,427)	(3,456)
(Loss) before income tax		(224,674)	(477,933)
Income tax (expense)		-	(3,265)
(Loss) from continuing operations		(224,674)	(481,198)
(Loss) attributable to members of the parent entity		(224,674)	(481,198)
Other comprehensive income net of income tax		-	-
Total comprehensive (loss) for the period		(224,674)	(481,198)
(Loss) per share -			
Basic (cents per share)		(0.73)	(1.57)
Diluted (cents per share)		(0.73)	(1.57)

The accompanying notes form part of and should be read in conjunction with these financial statements.

Consolidated Statement of Financial Position
as at 31 December 2018
Grandbridge Limited and its controlled entities

	Note	Consolidated 31 December 2018 $	Consolidated 30 June 2018 $
Current Assets			
Cash and cash equivalents	4	6,228	10,052
Financial assets	9	870,643	1,037,158
Other current assets		29,958	9,204
Total Current Assets		906,829	1,056,414
Non-Current Assets			
Financial assets	9	1,305,654	627,834
Property, plant & equipment		4,162	3,326
Total Non-Current Assets		1,309,816	631,160
Total Assets		2,216,645	1,687,574
Current Liabilities			
Trade and other payables		1,233,379	1,170,728
Borrowings		91,542	88,033
Provisions		78,523	71,611
Total Current Liabilities		1,403,444	1,330,372
Non-Current Liabilities			
Provisions		27,060	24,207
Total Non-Current Liabilities		27,060	24,207
Total Liabilities		1,430,504	1,354,579
Net Assets		786,141	332,995
Equity			
Issued capital	6	3,609,420	3,609,420
Reserves		325,714	325,714
Accumulated losses		(3,148,993)	(3,602,139)
Total Equity		786,141	332,995

The accompanying notes form part of and should be in conjunction with these financial statements.

Consolidated Statement of Changes in Equity
for the half-year ending 31 December 2018
Grandbridge Limited and its controlled entities

	Note	Issued Capital $	Accumulated losses $	Option Reserve $	Total $
Balance at 1 July 2017		3,609,420	(2,867,876)	323,566	1,065,110
Net loss for the period		-	(481,198)	-	(481,198)
Other comprehensive income		-	-	-	-
Total comprehensive loss for the period		-	(481,198)	-	(481,198)
Transactions with owners in their capacity as owners					
Share based payments		-	-	2,148	2,148
Balance at 31 December 2017		3,609,420	(3,349,074)	325,714	586,060
Balance at 1 July 2018		3,609,420	(3,602,139)	325,714	332,995
Adjustment on initial application of AASB 9	2(b)	-	677,820	-	677,820
Balance at 1 July 2018		3,609,420	(2,924,319)	325,714	1,010,815
Net loss for the period		-	(224,674)	-	(224,674)
Other comprehensive income		-	-	-	-
Total comprehensive loss for the period		-	(224,674)	-	(224,674)
Transactions with owners in their capacity as owners		-	-	-	-
Balance at 31 December 2018		3,609,420	(3,148,993)	325,714	786,141

The accompanying notes form part of and should be in conjunction with these financial statements.

Consolidated Statement of Cash Flows
for the half-year ended 31 December 2018
Grandbridge Limited and its controlled entities

	Note	Consolidated	
		31 December 2018 $	31 December 2017 $
Cash flows from operating activities			
Cash receipts from customers		176,238	196,582
Cash payments to suppliers and employees		(250,535)	(328,866)
Interest received		-	480
Interest paid		(344)	(792)
Income tax payments		(2,560)	(888)
Net cash used in operating activities		(77,201)	(133,484)
Cash flows used in investing activities			
Purchase of property, plant and equipment		(1,623)	-
Loans repaid by other entities		75,000	83,000
Net cash from investing activities		73,377	83,000
Net decrease in cash and cash equivalents held		(3,824)	(50,484)
Cash and cash equivalents at the beginning of the period		10,052	56,869
Cash and cash equivalents at the end of the period	4	6,228	6,385

The accompanying notes form part of and should be read in conjunction with these financial statements.

1. CORPORATE INFORMATION

The financial report of Grandbridge Limited ("Company") and its controlled entities ('consolidated entity' or 'group') for the half-year ended 31 December 2018 was authorised for issue in accordance with a resolution of the directors on 1 March 2019.

Grandbridge Limited is a company incorporated in Australia and limited by shares which are publicly traded on the Australian Securities Exchange. The Company's shares are currently suspended on the ASX.

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 2018.

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 2018 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 2018 other than noted below.

Standards and Interpretations applicable to 31 December 2018

In the period ended 31 December 2018, 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 current reporting periods beginning on or after 1 July 2018. As a result of this review, the group has initially applied AASB 9 and AASB 15 from 1 July 2018. Due to the transition methods chosen by the group in applying AASB 9 and AASB 15, comparative information throughout the interim financial statements has not been restated to reflect the requirements of the new standards.

AASB 9 Financial Instruments

AASB 9 replaces AASB 139 *Financial Instruments: Recognition and Measurement* and makes changes to a number of areas including classification of financial instruments, measurement, impairment of financial assets and hedge accounting.

Financial instruments are classified as either held at amortised cost or fair value. Financial instruments are carried at amortised cost if the business model concept can be satisfied. All equity instruments are carried at fair value and the cost exemption under AASB 139 which was used where it was not possible to reliably measure the fair value of an unlisted entity has been removed. Previously classified available-for-sale investments, now carried at fair value are exempt from impairment testing and gains or loss on sale are recognised in profit or loss. The AASB 9 impairment model is based on expected loss at day one rather than needing evidence of an incurred loss, which is likely to cause earlier recognition of bad debt expenses. Most financial instruments held at fair value are exempt from impairment testing.

The Group has applied AASB 9 retrospectively with the effect of initially applying this standard recognised at the date of initial application, being 1 July 2018 and has elected not to restate comparative information Accordingly, the information presented for 31 December 2017 and 30 June 2018 has not been restated.

The effect of applying AASB 9 at half-year is to increase financial assets and reduce accumulated losses by $677,820 in respect of the fair value of shares in an unlisted public company previously carried at cost.

AASB 15 Revenue from contracts with Customers

AASB 15 replaces AASB 118 *Revenue* and AASB 111 *Construction Contracts* and related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. AASB 15 establishes a comprehensive framework for determining whether, how much, and when revenue is recognised, including in respect of multiple element arrangements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Significant Accounting Policies

The core principle of AASB 15 is that it requires identification of discrete performance obligations within a transaction and associated transaction price allocation to these obligations, Revenue is recognised upon satisfaction of these performance obligations, which occur when control of goods or services is transferred, rather than on transfer of risks or rewards. Revenue received for a contract that includes a variable amount is subject to revised conditions for recognition, whereby it must be highly probable that no significant reversal of the variable component may occur when the uncertainties around its measurement are removed. There is no material impact to profit or loss or net assets on the adoption of this new standard in the current or comparative years.

Other than the above, the Directors have determined that there is no material impact of the other new and revised Standards and Interpretations on the Company and therefore, no material change is necessary to group accounting policies.

Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the half-year ended 31 December 2018. As a result of this review the Directors have determined that there is no material impact, of the new and revised Standards and Interpretations on the group and, therefore, no change is necessary to group accounting policies.

(c) Financial Position

The consolidated entity had a net loss after tax for the period ended 31 December 2018 of $224,674 (2017: loss of $481,198).

The consolidated entity has a working capital deficit of $496,615 as at 31 December 2018 (30 June 2018: deficit of $273,958) including cash assets of $6,228 (30 June 2018: $10,052) along with trade and other payables of $1,233,379 (30 June 2018: $1,170,728). Included in other payables are current director fees, loans and salary accruals of $742,360 (30 June 2018: $673,851). 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 $345,842 as at 31 December 2018 (30 June 2018: $335,072) which are classified as 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 consolidated entity has unsecured financial receivables totalling $524,801 as at 31 December 2018 (30 June 2018: $702,086) which are classified as current assets in the statement of financial position.

The directors have prepared cash flow forecasts that indicate that the consolidated entity should 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 sell 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Financial Position

The consolidated entity is involved in a legal dispute with MEC. Should the consolidated entity not be successful in raising additional funds through the issue of new equity, borrowings or sale of investments, should the need arise or should there be an unfavourable outcome in the legal dispute with MEC, there Is a material uncertainty that may cast significant doubt as to whether or not the consolidated entity will be able to continue as a going concern and therefore, whether it will realise its assets and discharge its liabilities as and when they fall due and in the normal course of business and at the amounts stated in the financial report.

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

3. REVENUE

	Consolidated	
	31 December 2018 $	**31 December 2017 $**
Revenue- performance obligations satisfied at a point in time		
Management fees	149,718	149,718
Administration recharges	10,500	14,809
Corporate advice	17,790	-
Total revenue	178,008	164,527

4. CASH AND CASH EQUIVALENTS

	Consolidated	
	31 December 2018 $	**30 June 2018 $**
For the purpose of the half-year consolidated statement of cash flows, cash and cash equivalents comprise the following:		
Cash at bank and in hand	6,228	10,052
	6,228	10,052

5. 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.

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 (Loss)	
	2018	2017	2018	2017
	$	$	$	$
Consulting Services	178,008	164,527	121,906	92,518
Investing	-	-	(72,785)	(319,404)
Unallocated	-	480	-	480
Total for continuing operations	178,008	165,007	49,121	(226,406)
Administration expenses			(126,119)	(134,852)
Doubtful debts provision			(36,519)	-
Depreciation			(787)	-
Other			(110,370)	(116,675)
(Loss) before tax			(224,674)	(477,933)

Revenue reported above represents revenue generated from external customers. There were no intersegment sales in the half-year (2017: $Nil).

	Consolidated	
	31 December	30 June
Segment Assets and Liabilities	**2018 ($)**	**2018 ($)**
Segment Assets		
Investing	1,651,499	962,908
Corporate	565,146	724,666
Total Assets	2,216,645	1,687,574
Segment Liabilities		
Investing	91,542	88,033
Corporate	1,338,962	1,266,546
Total Liabilities	1,430,504	1,354.579

6. ISSUED CAPITAL

	Consolidated	
	31 December 2018 $	**30 June 2018 $**
Ordinary shares, fully paid, carrying one vote per share and carrying the right to dividends	3,609,420	3,609,420
	3,609,420	3,609,420

31 December 2018	**Number**	**$**
Movement in ordinary shares on issue during the period:		
At 1 July 2018	30,633,364	3,609,420
At 31 December 2018	30,633,364	3,609,420

31 December 2017	**Number**	**$**
Movement in ordinary shares on issue during the period:		
At 1 July 2017	30,633,364	3,609,420
At 31 December 2017	30,633,364	3,609,420

7. COMMITMENTS AND CONTINGENT LIABILITIES

There have been no other material changes to commitments and contingencies that were disclosed in the 30 June 2018 Annual Financial Report.

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 2018 $	**30 June 2018 $**
Current		
Investments in listed entities (c)	345,842	335,072
Receivables (b)	524,801	702,086
	870,643	1,037,158
Non-Current		
Security deposit (a)	20,000	20,000
Investments in unlisted entities (d)	1,285,654	607,834
	1,305,654	627,834

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.

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

(b) Receivables:	Consolidated	
	31 December 2018 $	**30 June 2018 $**
Unsecured receivables	1,577,806	1,718,572
Provision against unsecured receivables	(1,053,005)	(1,016,486)
	524,801	702,086

As a result of the adoption of AASB 9, effective 1 July 2018, the Company has adopted the expected credit model of assessing impairment of its financial assets. As a result of this change in accounting standards the Directors are obliged to make a provision for $376,699 during the reporting period in respect of the current amounts receivable from Advent Energy Limited, Asset Energy Limited and Onshore Energy Limited. The Directors emphasise that there has been no change in the nature or validity of these receivables during the reporting period, and that the Company is still pursing payment of these balances and exploring all legal options in order to secure repayment.

9. FINANCIAL ASSETS (continued)

(c) Financial Assets carried at Fair Value through the profit or loss (listed investments) (Level1):	**Consolidated**	
	31 December 2018 ($)	**30 June 2018 ($)**
BPH Energy Limited	167,111	83,556
MEC Resources Ltd	175,451	248,556
Strategic Elements Limited	3,280	2,960
	345,842	335,072
(d) Financial assets at fair value through profit or loss (unlisted investments):		
Molecular Discovery Systems Limited (Level 3)	20,334	20,334
Cortical Dynamics Limited (Level 2) (i)	677,820	-
Advent Energy Limited (Level 2) (ii)	587,500	587,500
	1,285,654	607,834

(i) The Group has applied AASB 9 retrospectively with the effect of initially applying this standard recognised at the date of initial application, being 1 July 2018 and has elected not to restate comparative information Accordingly, the information presented for 31 December 2017 and 30 June 2018 has not been restated. The Company acquired a total of 6,778,200 shares in Cortical in 2007 and 2014 that were previously carried at $Nil value. The effect of applying AASB 9 at half-year is to increase financial assets and reduce accumulated losses at 1 July 2018 by $677,820 in respect of the fair value of shares in this unlisted public company at transition date.

(ii) In MEC'S June 2018 Annual Financial Report it was stated that in order to maintain an interest in the exploration tenements in which the group, including Advent Energy Limited (Advent), is involved, the MEC group is committed to meet the conditions under which the tenements were granted. Capital expenditure forecasted for at the reporting date but not recognised as liabilities within a period greater than one year and less than 5 years were $18,225,000.

MEC further advised Advent is continually seeking and reviewing potential sources of both equity and debt funding. Advent completed a strategic review of its core assets and is now embarking on a fresh marketing campaign to attract new investors and/or joint venture partners. Management has confidence that a suitable outcome will be achieved however there is no certainty at this stage that this will result in further funding being made available.

Asset Energy Pty Ltd has invested over $25 million in the PEP11 title in recent history and, along with its JV partner Bounty Oil and Gas NL, is committed to continuing to explore for and ultimately exploit any petroleum accumulations which may be identified in this title area.

If MEC is unable to source further funding for each of PEP11, RL1 and EP 386 each of these permits are at risk.

The above conditions indicate an uncertainty that may affect the ability of Advent to realise the carrying value of the exploration assets in the ordinary course of business and may affect the ability of the Company to realise the carrying value of its investment in Advent in the ordinary course of business.

Director's Declaration
for the half-year ended 31 December 2018
Grandbridge Limited and its controlled entities

In the opinion of the directors the Company:

(a) the financial statements and notes as set out on pages 5 to 16 are in accordance with the *Corporations Act 2001* including:

(i) giving a true and fair view of the financial position of the consolidated entity as at 31 December 2018 and of its performance for the half-year ended on that date; and

(ii) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory reporting requirements; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

D L Breeze
Executive Chairman
Perth, 1 March 2019

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Grandbridge Limited

Report on the Condensed Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Grandbridge Limited ("the Group") which comprises the consolidated statement of financial position as at 31 December 2018, 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.

Based on our review, which is not an audit, except for the matter described in the Basis for Qualified Conclusion section of our report, 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 2018 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*.

Basis for Qualified Conclusion

Included in the Group's non-current financial assets as at 31 December 2018 is a loan to Cortical Dynamics Limited ("Cortical") of $340,180 and an investment in Cortical of $677,820. Cortical is a company whose principal asset is an intangible asset in relation to the development of a Brain Anaesthesia Response Monitor. The directors of Grandbridge Limited have advised us that, in their opinion, the loan and the investment is fully recoverable based upon the value of the principal assets held by Cortical and the ability of Cortical to raise additional capital. We were unable to obtain sufficient appropriate audit evidence regarding the fair value of Cortical's assets or ability to raise additional capital, in order to form a conclusion as to the potential provision for expected credit loss against the loan and the fair value of the investment. Consequently, we are unable to determine whether a provision for expected credit loss against the loan is necessary and the fair value of the investment is correct.

Emphasis of matter - material uncertainty related to going concern

We draw attention to Note 1 in the half-year financial report, which indicates that a material uncertainty exists that may cast significant doubt on the entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

hlb.com.au

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

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

Emphasis of matter - material uncertainty related to carrying value of investment in Advent Energy Limited

We also draw attention to Note 9 in the half-year financial report, which indicates a material uncertainty in relation to the consolidated entity's ability to realise the carrying value of its investment in Advent Energy Limited in the ordinary course of business. Our opinion is not modified in respect of this matter.

Directors' responsibility for the half-year financial report

The directors of the Group 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 Group's financial position as at 31 December 2018 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 Group, 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

HLB Mann Judd
Chartered Accountants

B G McVeigh
Partner

Perth, Western Australia
1 March 2019