

GRP CORPORATION LIMITED

ABN 57 096 781 716

FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

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GRP CORPORATION LIMITED
Interim Financial Report

DIRECTORS' REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2014

Your directors submit the half year report of GRP Corporation Limited ("GRP" or "the Company"), for the half year ended 31 December 2014 ("the Period").

It is recommended that the Directors' Report be read in conjunction with the annual financial statements for the year ended 30 June 2014 and considered together with any public announcement made by the Company during the Period and up to the date of this report.

1. DIRECTORS

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

Director	Position	Duration of Appointment
Mark Rowbottom	Non-Executive Chairman	(Appointed 4 November 2010)
Zane Lewis	Non-Executive Director	(Appointed 10 October 2011)
Grant Gibson	Non-Executive Director	(Appointed 30 June 2014, Resigned 9 October 2014, Re-Appointed 15 January 2015)
Edwin Bulseco ⁽¹⁾	Non-Executive Director	(Appointed 11 August 2014, Resigned 14 January 2015)

⁽¹⁾ Information on Directors appointed during the Period or subsequent to Period end:

Edwin Bulseco

Mr Bulseco has a wealth of experience in capital markets and corporate strategic planning. From 2010 to 2014 Edwin has served as senior equity research analyst at two of Australia's oldest stockbrokers. During this period, Edwin's considerable capital markets and corporate experience resulted in over \$100 million of new capital being raised, in addition to a number of successful corporate restructures.

Mr Bulseco has held prior corporate, strategic planning and commercial roles with Royal Dutch Shell, resulting in the maturation and commercialisation of a number of global projects.

2. COMPANY SECRETARY

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

On 7 August 2014, Mr Roland Berzins resigned as Joint Company Secretary of the Company.

3. REVIEW OF OPERATIONS AND ACTIVITIES

On 11 August 2014, Mr Edwin Bulseco was appointed as Non-Executive Director to the Board, as a nominee Director for Helpa Inc as part of GRP Corporation's acquisition of Helpa and its established global social media business Spring.me, as announced on the 29th April 2014.

On 22 September 2014, the Company's targeted offer of convertible notes was oversubscribed, raising \$1.825 million through the convertible notes issue. The issue was managed by DJ Carmichael who was appointed as Lead Manager and Corporate Advisor to the Company to assist it with the transaction and capital raising associated with the acquisition of Helpa Inc and its global social media business Spring.me.

On 9 October 2014, Mr Grant Gibson resigned as a Non-Executive Director of the Company as part of the Company's preparation for completion of the acquisition of Helpa Inc and its transition to a technology Company.

On 5 November 2014, the Company advised that, as approved by shareholders at the Company's Annual General Meeting on 22 October 2014, the Company's shares have been consolidated on a one (1) for five (5) basis.

GRP CORPORATION LIMITED
Interim Financial Report

DIRECTORS' REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2014

On 1 December 2014, the Company advised that all resolutions presented at the Company's Annual General Meeting of Shareholders on 28 November 2014 had been passed by a show of hands.

On 14 January 2015, Mr Edwin Bulseco resigned as a Non-Executive Director of the Company and was replaced by Mr Grant Gibson who was appointed Non-Executive Director on 15 January 2015.

On 16 January 2015, the Company terminated the Heads of Agreement pursuant to which the Company was to acquire the shares of Helpa Inc and the Springme social media network platform led by Colin Fabig and Ari Klinger due to certain conditions precedent not being satisfied by the extended Sunset Date of 19th December 2014 and the Company and Helpa Inc not being able to reach agreement on a further extension.

On 26 June 2015, the Company reached a commercial settlement with Helpa Inc regarding the outstanding loans provided under the Facility Agreement. GRP and Helpa have agreed that subject to the payment by Helpa to GRP of the sum of \$125,000 in full, GRP and Helpa will mutually release each other from any and all claims relating to the transaction as contemplated by the Heads of Agreement, Facility Agreement and related documents.

The Company has been actively negotiating and conducting due diligence investigations in respect to possible alternative transactions since the termination of the acquisition of Helpa. The completion of the settlement agreement with Helpa removes any potential constraints that would allow GRP to now move forward with a new transaction.

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

4. FINANCIAL RESULTS

The financial results of the Company for the half year ended 31 December 2014 are:

	31-Dec-14	30-Jun-14
Cash & cash equivalents (\$)	20,334	138,350
Net assets (\$)	(452,719)	269,277

	31-Dec-14	31-Dec-13
Revenue (\$)	258	-
Net loss after tax (\$)	(1,587,699)	(41,970)
Loss per share (cents)	(9.02)	(0.23)
Dividend (\$)	-	-

5. AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration under s 307C of the Corporations Act 2001 is set out on page 4 for the half-year ended 31 December 2014.

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



Mark Rowbottam
Non-Executive Chairman
11 September 2015

GRP CORPORATION LIMITED
ABN 57 096 781 716

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

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2014 there have been:

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

Hall Chadwick

Hall Chadwick
Level 40, 2 Park Street
SYDNEY NSW 2000

Graham Webb

Graham Webb
Partner
Dated: 11 September 2015

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GRP CORPORATION LIMITED

Interim Financial Report

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2014**

	Note	31-Dec-14 \$	31-Dec-13 \$
Interest income	3	258	-
Forgiveness of loans		13,711	-
Compliance and regulatory expenses		(46,720)	(26,301)
Consulting and corporate expenses	3	(252,400)	(15,343)
Director fees		(6,000)	-
Finance costs		(355)	-
Foreign exchange loss		(373)	-
Impairment of loan receivables	3	(1,275,000)	-
Other expenses		(20,820)	(326)
Loss before income tax		(1,587,699)	(41,970)
Income tax expense		-	-
Loss after income tax		(1,587,699)	(41,970)
Other comprehensive income			
Other comprehensive income for the period, net of income tax		-	-
Total comprehensive loss for the period		(1,587,699)	(41,970)
		<u>Cents</u>	<u>Cents</u>
Loss per share attributable to the ordinary equity holders of the Company:			
Basic loss per share		(9.02)	(0.23)
Diluted loss per share		(8.38)	(0.22)

The accompanying notes form part of these financial statements.

GRP CORPORATION LIMITED
Interim Financial Report

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

	Note	31-Dec-14 \$	30-Jun-14 \$
ASSETS			
Current Assets			
Cash and cash equivalents		20,334	138,350
Trade and other receivables		44,056	32,499
Financial assets		125,000	625,000
Total Current Assets		189,390	795,849
TOTAL ASSETS		189,390	795,849
LIABILITIES			
Current Liabilities			
Trade and other payables		352,106	233,560
Financial liabilities		290,003	293,012
Total Current Liabilities		642,109	526,572
TOTAL LIABILITIES		642,109	526,572
NET ASSETS		(452,719)	269,277
EQUITY			
Issued capital	4	10,110,828	8,381,093
Convertible loan	4	-	864,032
Accumulated losses		(10,563,547)	(8,975,848)
TOTAL EQUITY		(452,719)	269,277

The accompanying notes form part of these financial statements.

GRP CORPORATION LIMITED

Interim Financial Report

**STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2014**

	Issued Capital \$	Convertible Loan \$	Accumulated Losses \$	Total Equity \$
At 1 July 2013	8,309,093	72,000	(8,863,703)	(482,610)
Comprehensive income:				
Loss for the period	-	-	(41,970)	(41,970)
Total comprehensive loss for the period	-	-	(41,970)	(41,970)
Transactions with owners in their capacity as owners:				
Issue of convertible loan	-	4,000	-	4,000
	-	4,000	-	4,000
At 31 December 2013	8,309,093	76,000	(8,905,673)	(520,580)
	Issued Capital \$	Convertible Loan \$	Accumulated Losses \$	Total Equity \$
At 1 July 2014	8,381,093	864,032	(8,975,848)	269,277
Comprehensive income:				
Loss for the period	-	-	(1,587,699)	(1,587,699)
Total comprehensive loss for the period	-	-	(1,587,699)	(1,587,699)
Transactions with owners in their capacity as owners:				
Issue of convertible loan	-	961,368	-	961,368
Conversion of convertible notes to shares	1,825,400	(1,825,400)	-	-
Transaction costs	(95,665)	-	-	(95,665)
	1,729,735	(864,032)	-	865,703
At 31 December 2014	10,110,828	-	(10,563,547)	(452,719)

The accompanying notes form part of these financial statements.

GRP CORPORATION LIMITED**Interim Financial Report****STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2014**

	31-Dec-14	31-Dec-13
	\$	\$
Cash flows used in operating activities		
Payment to suppliers and employees	(208,977)	(9,186)
Interest received	258	-
Net cash flows used in operating activities	(208,719)	(9,186)
Cash flows used in investing activities		
Loan provided to unrelated party	(775,000)	-
Net cash flows used in investing activities	(775,000)	-
Cash flows from financing activities		
Proceeds from issue of convertible loan, net of transaction costs	865,703	4,000
Loan from related parties	-	5,500
Repayment of loan from related parties	-	(800)
Net cash flows from financing activities	865,703	8,700
Net decrease in cash and cash equivalents	(118,016)	(486)
Cash and cash equivalents at the beginning of the period	138,350	597
Cash and cash equivalents at the end of the period	20,334	111

The accompanying notes form part of these financial statements.

GRP CORPORATION LIMITED

Interim Financial Report

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2014

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

These general purpose interim financial statements for half-year reporting period ended 31 December 2014 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: Interim Financial Reporting. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of GRP Corporation Limited (referred to as GRP or the Company). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Company. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2014, together with any public announcements made during the following half-year.

(a) Accounting Policies

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

(b) Going Concern

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

The Company has incurred a net loss after tax for the half-year ended 31 December 2014 of \$1,587,699 (31 December 2013: \$41,970), and a net cash outflow from operations of \$208,719 (31 December 2013: \$9,186). As at 31 December 2014 the Company had a net asset deficiency of \$452,719 (30 June 2014: net assets: \$269,277).

The Company has been actively negotiating and conducting due diligence investigations in respect to possible alternative transactions since the termination of the acquisition of Helpa. The completion of the settlement agreement with Helpa removes any potential constraints that would allow GRP to now move forward with a new transaction.

Management have prepared cash flow projections that support the Company's ability to continue as a going concern, after expected future capital raisings. This forecast assumes that the Directors will be able to raise at least \$3,000,000 in the next financial year as part of the Group's proposed alternative investment opportunities in order to maximise value to shareholders.

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

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

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

GRP CORPORATION LIMITED
Interim Financial Report

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2014

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

The Company has adopted the following new and revised Australian Accounting Standards from 1 July 2014 together with consequential amendments to other Standards:

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

These Standards became mandatorily applicable from 1 January 2014 and became applicable to the Company for the first time in the current half-year reporting period 1 July 2014 to 31 December 2014.

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

NOTE 2: OPERATING SEGMENTS

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

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

NOTE 3: LOSS FOR THE PERIOD

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

	31-Dec-14	31-Dec-13
	\$	\$
Interest income	258	-
Impairment of loan receivable:		
- Unrelated party - Helpa	(i) (1,275,000)	-
Consulting and corporate expenses		
- Related party	(73,960)	(743)
- Unrelated party	(178,440)	(14,600)

- (i) On 26 June 2015 the Company reached a commercial settlement with Helpa regarding the outstanding loans provided under the Facility Agreement. GRP and Helpa agreed that subject to the payment by Helpa to GRP of the sum of \$125,000 in full, GRP and Helpa will mutually release each other from any and all claims relating to the transaction as contemplated by the Heads of Agreement, Facility Agreement and related documents. As a result, at 31 December 2014 the Directors impaired \$1,275,000 of the outstanding loan of \$1,400,000. On 24 June 2015 the Company received \$100,000 of the outstanding \$125,000. The Company received the remaining balance on 23 July 2015.

GRP CORPORATION LIMITED
Interim Financial Report

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2014

NOTE 4: ISSUED CAPITAL

(a) Ordinary Shares

	31-Dec-14		30-Jun-14	
	\$	No.	\$	No.
Fully paid ordinary shares	10,110,828	15,160,957	8,381,093	18,761,095
Movement in ordinary shares	\$	No.	Issue price	
Balance at 30 June 2014	8,381,093	18,761,095		
Share consolidation (i)	-	(15,008,888)	-	
Conversion of convertible loan to shares (ii)	1,825,400	11,408,750	\$0.16	
Transaction costs	(95,665)	-	-	
Balance at 31 December 2014	10,110,828	15,160,957		

- (i) On 5 November 2014 the Company announced that, as approved by Shareholders at the Company's Annual General Meeting on 22 October 2014, the Company's shares have been consolidated on a one (1) for five (5) basis.
- (ii) On 6 November 2014 the Company issued 11,408,750 fully paid ordinary shares on conversion of convertible notes to shares.

(b) Convertible Loan

		31-Dec-14	30-Jun-14
		\$	\$
Convertible note	(i)	-	921,382
Transaction costs	(i)	-	(57,350)
		-	864,032

- (i) In the previous financial year, the Company entered into a converting loan agreement with various investors. The convertible loan bears no interest rate and was converted into 11,408,750 shares on 6 November 2014 at a share price of \$0.16 per share, refer Note 4(a).

NOTE 5: CONTINGENT LIABILITIES

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

NOTE 6: RELATED PARTY TRANSACTIONS

During the period the following related party transactions were incurred:

(a) Other transactions during the period:

During the period, the Company incurred accounting fees of \$15,200, payable to SmallCap Corporate Pty Ltd (a company of which Zane Lewis is a Director). \$99,925 was outstanding to Smallcap Corporate Pty Ltd at 31 December 2014.

During the period, the Company incurred management fees of \$65,000, payable to Allegra Corporate Pty Ltd (a company of which Mark Rowbottom is a Director). \$39,600 was outstanding to Allegra Corporate Pty Ltd at 31 December 2014.

There have been no other changes to related parties since the 30 June 2014 annual report.

GRP CORPORATION LIMITED

Interim Financial Report

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2014**

NOTE 7: EVENTS AFTER THE END OF THE INTERIM PERIOD

On 14 January 2015, Mr Edwin Bulseco resigned as a Non-Executive Director of the Company and was replaced by Mr Grant Gibson who was appointed Non-Executive Director on 15 January 2015.

On 16 January 2015, the Company terminated the Heads of Agreement pursuant to which the Company was to acquire the shares of Helpa Inc and the Springme social media network platform led by Colin Fabig and Ari Klinger due to certain conditions precedent not being satisfied by the extended Sunset Date of 19th December 2014 and the Company and Helpa Inc not being able to reach agreement on a further extension.

On 26 June 2015, the Company reached a commercial settlement with Helpa Inc regarding the outstanding loans provided under the Facility Agreement. GRP and Helpa have agreed that subject to the payment by Helpa to GRP of the sum of \$125,000 in full, GRP and Helpa will mutually release each other from any and all claims relating to the transaction as contemplated by the Heads of Agreement, Facility Agreement and related documents.

GRP CORPORATION LIMITED

Interim Financial Report

DIRECTORS' DECLARATION

FOR THE HALF YEAR ENDED 31 DECEMBER 2014

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

1. The financial statements and notes, as set out on pages 5 to 12 are in accordance with the *Corporations Act 2001*, including:
 - a. complying with Accounting Standard AASB 134: Interim Financial Reporting; and
 - b. giving a true and fair view of the Company's financial position as at 31 December 2014 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.



Mark Rowbottom
Non-Executive Chairman
11 September 2015

GRP CORPORATION LIMITED

ABN 57 096 781 716

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

SYDNEY

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Report on the Half-year Financial Report

We have reviewed the accompanying half-year financial report of GRP Corporation Limited, which comprises the statement of financial position as at 31 December 2014, the statement of profit or loss and other comprehensive income, and statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of GRP Corporation Limited's financial position as at 31 December 2014 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134: Interim Financial Reporting and the *Corporations Regulations 2001*. As the auditor of GRP Corporation Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

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GRP CORPORATION LIMITED

ABN 57 096 781 716

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

Conclusion

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

- (i) giving a true and fair view of GRP Corporation Limited's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (ii) complying with AASB 134: Interim Financial Reporting and the *Corporations Regulations 2001*.

Emphasis of Matter

Without modifying our conclusion, we draw attention to Note 1(b) in the financial report which indicates that the company incurred an operating loss after income tax of \$1,587,699 during the half-year ended 31 December 2014 and as of that date the company's current liabilities exceeded its total assets by \$452,719. These conditions, along with other matters as set forth in Note 1(b) indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

Hall Chadwick

Hall Chadwick
Level 40, 2 Park Street
SYDNEY NSW 2000

Graham Webb

Graham Webb
Partner

Dated: 11 September 2015