

## Appendix 4E - Preliminary Final Report

Name of Entity	Grandbridge Limited
ABN	64 089 311 026
Financial Year Ended	Year ended 30 June 2016
Previous Corresponding Reporting Period	Year ended 30 June 2015

### Results for announcement to the market

\$A'000

Revenues and other income from ordinary activities	Down	4%	to	678
Net profit/(loss) from ordinary activities after tax attributable to members	Up	103%	to	27
Net profit/(loss) for the period attributable to members	Up	103%	to	27
<b>Dividends (distributions)</b>		<b>Amount per security</b>		<b>Franked amount per security</b>
Final dividend		nil		nil
Interim dividend				
Previous corresponding period		n/a		n/a

### Other notes to the condensed financial statements

	Current period	Previous corresponding Period
<b>Ratios</b>		
<b>Profit before tax / revenue</b>		
Consolidated profit (loss) from ordinary activities before tax as a percentage of revenue	5.66%	(152.14%)
<b>Profit after tax / equity interests</b>		
Consolidated net profit (loss) from ordinary activities after tax attributable to members as a percentage of equity (similarly attributable) at the end of the period	(0.53%)	(16.04%)

	Current period	Previous corresponding period
<b>NTA Backing</b>		
Net tangible asset backing per ordinary security	19.00cps	18.88cps



	Current period	Previous corresponding period
<b>Statement of Retained Earnings</b>		
Balance at beginning of the year	(2,454,929)	(1,641,922)
Net loss attributable to members of the parent entity	(32,735)	(813,007)
Total available for appropriation	(2,428,099)	(2,454,929)
Dividends paid	-	-
Balance at year end	(2,428,099)	(2,454,929)

### Commentary on Results

The consolidated profit of the economic entity after providing for income tax amounted to \$26,830 (2015: \$813,007).

The net assets of the economic entity have increased by \$26,914 to \$5,094,487 at 30 June 2016.

The increase in the value of listed investments has resulted in a net loss on the revaluation of investments of \$99,873 (2015: \$175,241) for the year end 30 June 2016.

Developments in the company's listed investments include:

#### BPH Energy Limited

#### Cortical Dynamics Ltd

- In September 2015 Cortical Dynamics Ltd advised that it had received formal notification from the Therapeutic Goods Administration that a decision has been made to issue a conformity assessment certificate to Cortical under section 41EC of the Therapeutic Goods Act 1989. TGA certification will allow Cortical to market the Brain Anaesthesia Response ("BAR") monitor within Australia and via the TGA's mutual recognition agreement enable Cortical Dynamics to apply for CE Marking to sell the BAR monitor in Europe.
- During the period the results from the clinical trial written by Cortical's principal research scientist Dr Mehrnaz Shoushtarian, "Evaluation of the Brain Anaesthesia Response Monitor during anaesthesia for cardiac surgery: a double-blind, randomised controlled trial using two doses of fentanyl" were accepted for publication in the Journal of Clinical Monitoring and Computing.
- During the period the poster entitled "Comparisons of EEG measures of Hypnosis and Anti-Nociception in Response to Stimuli During Propofol Remifentanil Anesthesia" was presented at the 2015 Annual Meeting of the American Society of Anesthesiologists in San Diego. The paper was presented by Mr Marko Sahinovic who was one of the co-authors on this paper with Cortical's principal research scientist Dr Mehrnaz Shoushtarian.



- During the period Cortical Dynamics successfully completed a small scale offering to existing shareholders of the company. A total of 1,005,000 shares were issued at \$0.10 per share raising \$100,500 for the Company.
- During the period Cortical Dynamics signed a letter of intent ("LOI") with Device Technologies Australia Pty Ltd ("Device"). Under the LOI Device will have exclusive distribution rights for Australia and New Zealand for the sale of products for a period of six (6) months. Subject to the overall market assessment outcome Device will have the right to continue the exclusive distribution rights for an addition 4 and a half (4.5) years.

#### **Molecular Discover Systems Ltd**

- The Molecular Cancer Research Group at the Harry Perkins Institute of Medical Research continued with their research of HLS5 during the year. In a significant further phase of this research the Perkins Institute researchers have developed a pre-clinical model of liver cancer and have demonstrated, in this model that removing the expression of HLS5 (TRIM35) can accelerate the development of liver disease.

#### **MEC Resources Ltd**

#### **Advent Energy Ltd**

- On 28 January 2016 Advent announced that the National Offshore Petroleum Titles Administrator (NOPTA) had approved a suspension of the PEP11 Year 2 work program of a 200 km 2D seismic survey and geotechnical studies until 12th August 2016. Further application has been made to NOPTA to allow the planned seismic program to occur in 2017. As at the time of writing this report, that application is still pending.
- Following application by Onshore Energy Pty Ltd the WA Department of Mines & Petroleum granted a suspension of the condition requiring the completion of the existing work commitments for a period of twelve (12) months to 31 March 2017.
- Advent signed a Letter Of Intent ("LOI") with Northern Minerals (ASX: NTU) for the potential future supply of gas to their Browns Range heavy rare earth element project in north-eastern Western Australia. The non-binding LOI provides an initial framework for discussion, information sharing and negotiation towards a possible gas supply agreement.
- During the period Asset Energy Pty Ltd executed a contract for the seismic activities within PEP11 in the offshore Sydney Basin. The contracted vessel will perform a high resolution 2D seismic survey covering approximately 200 line km to assist in the drilling of the Baleen target approximately 30 km south east of Newcastle, New South Wales

For further commentary please refer to the attached audited annual report

# Additional Securities Exchange Information

Grandbridge Ltd and its controlled entities

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## Compliance Statement

1. This report has been prepared under accounting policies, which comply with accounting standards as defined in the Corporations Act or other standards acceptable to the ASX.
2. This report, and the accounts upon which the report is based (if separate), use the same accounting policies.
3. This report does give a true and fair view of the matters disclosed.
4. This report is based on accounts to which one of the following applies.

The accounts have been audited

The accounts are in the process of being audited or subject to review.

The accounts have been subject to review.

The accounts have not yet been audited.



Sign here: ..... Date: 26 August 2016  
Director

Print name: Deborah Ambrosini

**ABN 64 089 311 026**

**GRANDBRIDGE LIMITED**

**Annual Financial Report 2016**

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## Company Information

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### Directors

David Breeze – Executive Chairman  
Kevin Hollingsworth – Non-Executive Director  
Deborah Ambrosini – Executive Director

### 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 Securities

#### Exchange Listing

Australian Securities 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 present their report on the company and its controlled entities for the financial year ended 30 June 2016.

## Directors

The names of directors in office at any time during or since the end of the year are:

D L Breeze  
K G Hollingsworth  
D Ambrosini

## Company Secretary

Ms Deborah Ambrosini continues in her role of company secretary. She also holds the position of Chief Financial Officer of the Company and has over 15 years' experience in Corporate accounting roles.

## Principal Activities

The principal activity of the consolidated entity during the financial year was the development of the company's investments in investees BPH Energy Limited, MEC Resources Ltd and Advent Energy Ltd.

There were no significant changes in the nature of the consolidated entity's principal activities during the financial year.

## Operating Results

The consolidated profit of the consolidated entity after providing for income tax amounted to \$26,830 (2015: \$813,007).

## 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.

## Review of Operations

The increase in the value of listed investments has resulted in a net gain on the revaluation of investments of \$99,873 (2015: loss of \$175,241) for the year end 30 June 2016. 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 Limited, Advent Energy Ltd and MEC Resources Ltd.

## Financial Position

The net assets of the consolidated entity have increased by \$26,914 to \$5,094,487 at 30 June 2016.

## Significant Changes in State Of Affairs

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

## After Balance Date Events

There have not been any matters or circumstances that have arisen since the end of the financial 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.

# Directors' Report

Grandbridge Limited and its controlled entities

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## Future Developments

The consolidated entity will continue to develop and expand the business of investing in the private and equity markets.

## Current Investments

### BPH Energy Limited

BPH Energy Limited ("BPH") is a diversified company holding investments in the biotechnology and resources sector. BPH holds a significant interest in unlisted oil and gas exploration company, Advent Energy Ltd, targeting multi-trillion cubic feet (Tcf) prospective resources. BPH is also commercialising a portfolio of Australian biomedical technologies emerging from collaborative research by leading universities, medical institutes and hospitals across Australia.

Biomedical technologies in the commercialisation stage include:

- Diagnostic Array Systems Pty Ltd; BacTrak (a faster and more effective method for detecting infectious disease)
- Cortical Dynamics Limited's Brain Anaesthesia Response (BAR) Monitor; a device that measures a patient's brain electrical activity (EEG) to indicate the response to drugs administered during surgery
- HLS5 Tumour Suppress Gene; a genetic marker for early and accurate cancer detection

### Molecular Discovery Systems Limited

Molecular Discovery Systems Limited ("MDSystems"), launched in 2006 and spun off from BPH in 2010, is an associate of BPH and conducts drug discovery and validation of biomarkers for disease, therapy and diagnostics.

In 2014 after careful consideration of general market conditions and available resources, MDSystems made a decision to suspend its early stage drug discovery program. This change was made effective from July 2014.

Molecular Discovery Systems Ltd is continuing its work with the Molecular Cancer Research Group at the Harry Perkins Institute of Medical Research to validate HLS5 as a novel tumour suppressor gene, particularly for liver cancer.

The Molecular Cancer Research Group has developed a pre-clinical model of liver cancer where the expression of HLS5 is ablated ie it mimics, in part, patients that have low HLS5 (TRIM35) and develop liver cancer.

### MEC Resources Ltd

Grandbridge Limited successfully coordinated the spin off and Australian Securities Exchange listing of the energy and minerals investment company MEC Resources Ltd.

MEC Resources Ltd ("MEC") is registered as a Pooled Development Fund under the Pooled Development Fund Act (1992). It has been formed to invest in exploration companies that are targeting potentially large energy and mineral resources.

MEC provides carefully selected companies in the energy and mineral exploration sectors with development and exploration funding. MEC has identified investment opportunities with a number of specific characteristics including: large targets; a stage of development that permits a strategic investor or IPO within several years; strong and experienced management team and a definitive competitive advantage.

Most individual investors will pay no capital gains tax on the sale of their MEC shares and have the opportunity to receive dividends completely tax free.

### Advent Energy Ltd - Oil and Gas

Advent has assembled a range of hydrocarbon permits which contain near term production opportunities with pre-existing infrastructure and exploration upside.

Advent's assets include EP386 and RL1 (100%) in the onshore Bonaparte Basin in the north of Western Australia and Northern Territory and PEP11 (85%) in the offshore Sydney Basin.



# Directors' Report

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Advent is investigating a considerable potential shale gas resource within EP386 and RL1. Studies indicate significant potential upside in prospective shale gas resources with an estimated (Best Estimate) prospective recoverable resource of 9.8 Tcf (Low Estimate is 1.9 Tcf and High Estimate is 25.4 Tcf)

A 2C Contingent Resource of 11.5 Bcf (1C is 0.3 Bcf and 3C is 45.8 Bcf) for the Weaber Gas Field (RL1) has been assessed by an independent third party as a component of Advent's drive to commercialise its 100% owned onshore Bonaparte Basin assets. Included in these assets in EP386 recoverable resource estimates range from 53.3 Bcf (Low) to 1,326.3 Bcf (High) of Prospective Resources, with a Best Estimate of 355.9 Bcf of gas.

The rapid development of the Kununurra region in northern Western Australia, including the Ord Irrigation Expansion Project and numerous resource projects, provides an exceptional opportunity for Advent to potentially develop its nearby gas resources for the benefit of the region along with Advent and its shareholders.

The Sydney Basin is a proven petroleum basin with excellent potential for the discovery of gas and oil. Advent has demonstrated an active hydrocarbon system with seeps reported in the offshore area and sampling has indicated the presence of thermogenic hydrocarbon gas. This is considered to occur in basins actively generating hydrocarbons and/or that contain excellent migration pathways. Previous drilling has shown that the early Permian geological sequence is mature for hydrocarbons.

Undiscovered gross prospective recoverable gas resources for structural targets within the PEP11 offshore permit have been estimated at 5.7 Tcf (at the Best Estimate level). A Low Estimate of 0.3 Tcf and High Estimate of 67.8 Tcf has been assessed by Pangean Resources in 2010. PEP 11 lies adjacent to the most populous region of Australia and the major industrial hub and port of Newcastle.

## Information on Directors

### **D L Breeze**

*Managing Director and Executive Chairman – Age 62*

Shares held – 10,023,502

Unlisted Options held – nil

David is a Corporate Finance Specialist with extensive experience in the stock broking industry and capital markets. He has been a corporate consultant to Daiwa Securities; and held executive and director positions in the stock broking industry.

David has a Bachelor of Economics and a Masters of Business Administration, and is a Fellow of the Financial Services Institute of Australasia, and a Fellow of the Institute of Company Directors of Australia. He has published in the Journal of Securities Institute of Australia and has also acted as an Independent Expert under the Corporations Act. He has worked on the structuring, capital raising and public listing of over 70 companies involving in excess of \$250M. These capital raisings covered a diverse range of areas including oil and gas, gold, food, manufacturing and technology.

David also holds directorships in other listed entities including MEC Resources Ltd and BPH Energy Limited.

### **K G Hollingsworth**

*Non-Executive Director – Age 63*

Shares held – 70,002

Unlisted Options held – 250,000

Kevin Hollingsworth is a Certified Practising Accountant, a Cost and Management Accountant and a Registered Tax Agent. Mr Hollingsworth is a Fellow of CPA Australia. He is also a Past Councillor and Past Chairman of their National Industry and Commerce Committee. Mr Hollingsworth is also a Fellow of The Chartered Institute of Management Accountants (UK) (CIMA). He is also Past National President of CIMA Australia and is currently a National Councillor of CIMA Australia.

Mr Hollingsworth spent 10 years working for small and medium size enterprises in England before returning to Australia to set up his own accountancy business and advisory company in the early 1980's.

# Directors' Report

Grandbridge Limited and its controlled entities

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His company specialises in providing services to small and medium enterprises including Strategic Business Advice, Financial Management, Business Planning and Controls, Business Appraisals, Management and Analytical Assessments and Strategic Management Accounting.

## **D Ambrosini**

*Executive Director and Company Secretary – Age 42*

Shares held – nil

Unlisted Options held– nil

Deborah is a chartered accountant with over 15 years' experience in accounting and business development spanning the biotechnology, mining, IT communications and financial services sectors. She has extensive experience both nationally and internationally in financial and business planning, compliance and taxation.

Deborah is a member Chartered Accountants, Australia and New Zealand. She was a state finalist in the 2009 Telstra Business Woman Awards and was a recipient of the highly regarded 40 under 40 award held by the WA Business News.

Deborah is also a director of ASX listed MEC Resources Ltd.

## **Remuneration Report (Audited)**

This report details the nature and amount of remuneration for key management personnel of Grandbridge Ltd. The remuneration report details the remuneration arrangements for KMP who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Group.

This information provided in this remuneration report has been audited as a required by Section 308(3C) of the Corporations Act 2001.

### ***Key Management Personnel***

The Directors and other key management personnel of the Group during or since the end of the financial year were:

D L Breeze - Executive Chairman and Managing Director (CEO)

K G Hollingsworth - Non-Executive Director

D Ambrosini – Executive Director and Company Secretary

All the parties have held their current position for the whole of the financial year and since the end of the financial year unless otherwise stated.

## **Remuneration Policy**

The remuneration policy of Grandbridge Limited has been designed to align director and executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives as determined by the board and/or shareholders. The remuneration report as contained in the 2015 financial accounts was adopted at the company's 2015 annual general meeting. The board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and directors to run and manage the consolidated entity, as well as create goal congruence between directors, executives and shareholders.

The board's policy for determining the nature and amount of remuneration for board members and senior executives of the consolidated entity is as follows:

- The remuneration policy, setting the terms and conditions for the executive directors and other senior executives, was developed and approved by the board.
- All executives receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits, options and performance incentives.
- The remuneration for all executive packages is reviewed annually by reference to the consolidated entity's performance, executive performance and comparable information from industry sectors and other listed companies in similar industries.

# Directors' Report

Grandbridge Limited and its controlled entities

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## Remuneration philosophy

The performance of the Company depends upon the quality of the Directors and executives. The philosophy of the Company in determining remuneration levels is to:

- set competitive remuneration packages to attract and retain high calibre employees;
- link executive rewards to shareholder value creation; and
- establish appropriate, demanding performance hurdles for variable executive remuneration

The performance of executives is measured against criteria agreed biannually with each executive and is based predominantly on the forecast growth of the consolidated entity's profits and shareholders' value. The board may, however, exercise its discretion in relation to approving incentives, bonuses and options, and can recommend changes to the committee's recommendations. Any changes must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance that results in long-term growth in shareholder wealth.

Executives are also entitled to participate in the employee share and option arrangements.

The executive directors and executives receive a superannuation guarantee contribution required by the government, which is currently 9.5%, and do not receive any other retirement benefits. Some individuals, however, have chosen to sacrifice part of their salary to increase payments towards superannuation.

Shares given to directors and executives are valued as the difference between the market price of those shares and the amount paid by the director or executive. Options are valued using an appropriate valuation methodology.

The board's policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. Payments to non-executive directors are based on market practice, duties and accountability. Independent external advice is sought when required on payments to non-executive directors. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting. Fees for non-executive directors are not linked to the performance of the consolidated entity. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the company and are able to participate in the employee option plan.

The board does not have a policy in relation to the limiting of risk to directors and executives in relation to the shares and options provided.

## Employment contracts of directors and senior executives

The employment conditions of the managing director, David Breeze, and Chief Financial Officer Deborah Ambrosini are formalised in contracts of employment. The directors are permanent employees of Grandbridge Limited. The employment contract of the managing director stipulates a six month resignation period. The company may terminate an employment contract without cause by providing six months written notice or making payment in lieu of notice, based on the individual's annual salary component together with a redundancy payment of six months of the individual's fixed salary component. The CFO's contract stipulates a four week notice period. Termination payments are generally not payable on resignation or dismissal for serious misconduct. In the instance of serious misconduct the company can terminate employment at any time. Any options not exercised before or on the date of termination will lapse.

## Details of Remuneration for the year ended 30 June 2016

The remuneration for each director and each of the executive officers of the consolidated entity receiving the highest remuneration during the year was as follows:

# Directors' Report

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## Key Management Personnel Compensation

### 2016

Key Management Person	Short-term Benefits			Post-employment Benefits	
	Cash, Salary & Fees	Bonus	Non-cash benefit	Other	Superannuation
D L Breeze	127,624	-	-	-	7,374
K G Hollingsworth	25,000	-	-	-	-
D Ambrosini	165,760	-	-	-	13,372

### 2016 (continued)

Key Management Person	Long-term Benefits		Share-based payment		Total	Performance Related	Compensation relating to options
	Other	Equity	Options	\$			
D L Breeze	-	-	-	-	134,998	-	-
K G Hollingsworth	-	-	-	-	25,000	-	-
D Ambrosini	-	-	-	-	179,132	-	-

### 2015

Key Management Person	Short-term Benefits			Post-employment Benefits	
	Cash, Salary & Fees	Bonus	Non-cash benefit	Other	Superannuation
D L Breeze	127,624	-	-	-	7,374
K G Hollingsworth	25,000	-	-	-	-
D Ambrosini	171,704	-	-	-	13,936

### 2015 (continued)

Key Management Person	Long-term Benefits		Share-based payment		Total	Performance Related	Compensation relating to options
	Other	Equity	Options	\$			
D L Breeze	-	-	-	-	134,998	-	-
K G Hollingsworth	-	-	-	-	25,000	-	-
D Ambrosini	-	-	-	-	185,640	-	-

## Interest in the shares and options of the Company and related bodies corporate

The following relevant interests in shares and options of the Company or a related body corporate were held by Directors as at the date of this report

### Shareholdings

#### Number of Shares Held by Key Management Personnel

### 2016

	Balance 1.7.2015	Received as Compensation	Options Exercised	Net Change Other	Balance 30.6.2016
D Breeze	10,023,502	-	-	-	10,023,502
K Hollingsworth	70,002	-	-	-	70,002
D Ambrosini	-	-	-	-	-

# Directors' Report

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## Options and Rights Holdings Number of Options Held by Key Management Personnel 2016

	Balance 1.7.2015	Granted as Compensation	Options Exercised	Net Change Other*	Balance 30.6.2016	Total Vested 30.6.2016	Total Exercisable 30.6.2016	Total Unexercisable 30.6.2016
D Breeze	-	-	-	-	-	-	-	-
K Hollingsworth	250,000	-	-	-	250,000	250,000	250,000	-
D Ambrosini	-	-	-	-	-	-	-	-

\*The Net Change Other reflected above includes those options that have expired or have been forfeited by holders as well as options issued during the year under review.

The following share-based payment arrangements were in existence relating to directors remuneration.

### 2016

Option Series	Grant date	Expiry date	Exercise Price	Grant date fair value	Vesting date	No. of Options
28 November 2013	28/11/2013	31/12/2018	\$0.12	\$0.0104	Vest at grant date	250,000

### 2015

Option Series	Grant date	Expiry date	Exercise Price	Grant date fair value	Vesting date	No. of Options
28 November 2013	28/11/2013	31/12/2018	\$0.12	\$0.0104	Vest at grant date	250,000

There are no further service or performance criteria that need to be met in relation to options granted.

There were no share based payments compensation provided to directors in the current year.

There were nil options cancelled during the year.

Nil lapsed exercised during the year.

### Company performance, shareholder wealth and director and executive remuneration

The following table shows the gross revenue and the operating result for the last 5 years for the listed entity, as well as the share price at the end of the respective financial years. Analysis of the actual figures shows a significant decrease in the net loss of the current after the Company raised a provision against its unsecured loans in 2015 resulting in a non-cash expense of \$955,817 for the 2015 year.

	2012	2013	2014	2015	2016
Revenue	827,786	834,768	815,663	708,429	677,754
Net Profit	(469,770)	(325,745)	(40,410)	(813,007)	26,830
Share price at Year end	\$0.05	\$0.03	\$0.03	\$0.03	\$0.03
Earnings per share (cents)	(1.66)	(1.15)	(0.14)	(2.84)	0.08

End of remuneration report.

### Meetings of Directors

During the financial year, one meeting of directors (including committees of directors) was held. Attendances by each director during the year were:

# Directors' Report

Grandbridge Limited and its controlled entities

## Directors' Meetings

	Number eligible to attend	Number attended
D L Breeze	1	1
K G Hollingsworth	1	1
D Ambrosini	1	1

## Indemnifying Officers or Auditors

During or since the end of the financial year the company has not given an indemnity or entered an agreement to indemnify, but has paid or agreed to pay insurance premiums for directors and officers of the company.

The company has paid premiums to insure each of the following directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in relation to the company. The amount of the premium was \$12,528.

- D Breeze
- D Ambrosini
- K Hollingsworth

The company has not indemnified the current or former auditor of the company.

## Options

At the date of this report, the unissued ordinary shares of Grandbridge Limited under option are as follows:

Grant Date	Date of Expiry	Exercise Price	Number Under Option	Fair Value at Grant Date	Vesting Date
01/07/2013	30/06/2018	\$0.15	173,334	\$0.004	01/07/2014 – 1/3 01/07/2015 – 1/3 01/07/2016 – 1/3
28/11/2013	31/12/2018	\$0.12	250,000	\$0.010	28/11/2013

During the year ended 30 June 2016 nil (2015: nil) ordinary shares of Grandbridge Limited were issued on the exercise of options granted under the Grandbridge Limited Employee Option Plan. No further shares have been issued since that date. No amounts are unpaid on any of the shares.

No person entitled to exercise the option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

## Proceedings on Behalf of Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

## Environmental Issues

The consolidated group's operations are not subject to significant environmental regulation under Commonwealth law and State.

## Non-audit Services

No fees for non-audit services were paid or payable to the external auditors during the year ended 30 June 2016 (2015: Nil).

# Directors' Report

Grandbridge Limited and its controlled entities

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## Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2016 has been received and can be found on page 10.

This directors' report is signed in accordance with a resolution of directors made pursuant to S298(2) of the Corporations Act 2001.

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

David Breeze

Dated this 26th August 2016

## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Grandbridge Limited for the year ended 30 June 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 audit; and
- b) any applicable code of professional conduct in relation to the audit.



Perth, Western Australia  
26 August 2016

**B McVeigh**  
Partner



# Corporate Governance

Grandbridge Limited and its controlled entities

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The Board of Directors of Grandbridge Limited is responsible for the corporate governance of the consolidated entity. The Board guides and monitors the business and affairs of the company on behalf of the shareholders by whom they are elected and to whom they are accountable.

To ensure that the Board is well equipped to discharge its responsibilities, it has established guidelines and accountability as the basis for the administration of corporate governance.

A copy of the Company's Corporate Governance Statement can be found on the Company's website at [www.grandbridge.com.au](http://www.grandbridge.com.au)

# Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2016

Grandbridge Limited and its controlled entities

	Note	Consolidated	
		2016 \$	2015 \$
Revenue	2	677,754	708,429
Other income/(losses)	2	104,273	(137,274)
Administration expenses		(181,444)	(195,594)
Provision against loans	9(d)	(93,171)	(955,817)
Consulting and legal expenses		(21,796)	(32,891)
Depreciation and amortisation expenses		(1,742)	(2,114)
Employee expenses	3	(342,778)	(340,231)
Insurance expenses		(21,681)	(24,515)
Occupancy expenses		(71,066)	(85,292)
Other expenses from ordinary activities		(9,965)	(11,310)
Profit/(Loss) Before Income Tax		38,384	(1,076,609)
Income tax (expense)/benefit	4	(11,554)	263,602
Profit/(Loss) from continuing operations		26,830	(813,007)
Profit/(Loss) attributable to members of the parent entity		26,830	(813,007)
Other Comprehensive income			
Items that are or may be reclassified to profit and loss			
Net losses on available-for-sale financial assets	18(c)	-	(9,047,500)
Income tax relating to components of other comprehensive income		-	2,714,250
Total other comprehensive income		-	(6,333,250)
Total Comprehensive income for the period		26,830	(7,146,257)
<i>Earnings Per Share –</i>			
<i>Basic and Diluted earnings per share (cents per share)</i>	7	0.08	(2.84)

The accompanying notes form part of these financial statements.

# Statement of Financial Position as at 30 June 2016

Grandbridge Limited and its controlled entities

		Consolidated	
	Note	2016 \$	2015 \$
<b>Current Assets</b>			
Cash and cash equivalents	8	49,798	101,765
Financial Assets	9	-	-
Other current assets		24,677	24,895
<b>Total Current Assets</b>		<b>74,475</b>	<b>126,660</b>
<b>Non-Current Assets</b>			
Financial assets	9	6,844,866	6,589,516
Property, plant & equipment	10	1,100	2,225
Deferred tax assets	11	701,067	683,340
<b>Total Non-Current Assets</b>		<b>7,547,033</b>	<b>7,275,081</b>
<b>Total Assets</b>		<b>7,621,508</b>	<b>7,401,741</b>
<b>Current Liabilities</b>			
Trade and other payables	12	970,545	817,187
Short-term provisions	13	71,333	66,399
<b>Total Current Liabilities</b>		<b>1,041,878</b>	<b>883,586</b>
<b>Non Current Liabilities</b>			
Long-term provisions	13	57,195	51,915
Deferred tax liabilities	11	1,427,948	1,398,667
<b>Total Non Current Liabilities</b>		<b>1,485,143</b>	<b>1,450,582</b>
<b>Total Liabilities</b>		<b>2,527,021</b>	<b>2,334,168</b>
<b>Net Assets</b>		<b>5,094,487</b>	<b>5,067,573</b>
<b>Equity</b>			
Issued capital	14	3,609,420	3,609,420
Reserves	15	3,913,166	3,913,082
Accumulated losses		(2,428,099)	(2,454,929)
<b>Total Equity</b>		<b>5,094,487</b>	<b>5,067,573</b>

The accompanying notes form part of these statements

# Statement of Changes in Equity

for the year ended 30 June 2016

Grandbridge Limited and its controlled entities

	Ordinary Share Capital \$	Accumulate d losses \$	Option Reserve \$	Fair Value Reserve \$	Total \$
<b>Balance at 1 July 2014</b>	3,539,920	(1,641,922)	323,290	9,922,850	12,144,138
Net loss for the year	-	(813,007)	-	-	(813,007)
Other comprehensive income net of income tax	-	-	-	(6,333,250)	(6,333,250)
<b>Total Comprehensive income for the year</b>	-	(813,007)	-	(6,333,250)	(7,146,257)
Transactions with owners in their capacity as owners					
Shares issued under share purchase plan	69,500	-	-	-	69,500
Option expense during the year	-	-	192	-	192
<b>Balance at 30 June 2015</b>	<b>3,609,420</b>	<b>(2,454,929)</b>	<b>323,482</b>	<b>3,589,600</b>	<b>5,067,573</b>
<b>Balance at 1 July 2015</b>	3,609,420	(2,454,929)	323,482	3,589,600	5,067,573
Net profit for the year	-	26,830	-	-	26,830
Other comprehensive income net of income tax	-	-	-	-	-
<b>Total Comprehensive income for the year</b>	-	26,830	-	-	26,830
Transactions with owners in their capacity as owners					
Option expense during the year	-	-	84	-	84
<b>Balance at 30 June 2016</b>	<b>3,609,420</b>	<b>(2,428,099)</b>	<b>323,566</b>	<b>3,589,600</b>	<b>5,094,487</b>

The accompanying notes form part of these financial statements.

# Statement of Cash Flows for the year ended 30 June 2016

Grandbridge Limited and its controlled entities

	Note	Consolidated	
		2016 \$	2015 \$
<b>Cash Flows From Operating Activities</b>			
Receipts from customers		432,827	456,844
Payments to suppliers and employees		(484,857)	(607,742)
Interest received/paid		680	771
Income taxes paid		-	-
<b>Net cash used in operating activities</b>	17	(51,350)	(150,127)
<b>Cash Flows From Investing Activities</b>			
Proceeds from sale of equity investments		-	57,167
Loans and advances from related entities		-	40,000
Payment for property, plant and equipment		(617)	(294)
<b>Net cash (used in)/provided by investing activities</b>		(617)	96,873
<b>Cash Flows From Financing Activities</b>			
Receipts from issue of shares		-	69,500
<b>Net cash provided by financing activities</b>		-	69,500
<i>Net increase (decrease) in Cash and Cash Equivalents Held</i>		(51,967)	16,246
<i>Cash and Cash Equivalents At the Beginning Of The Financial Year</i>		101,765	85,519
<b>Cash and Cash Equivalents At The End Of The Financial Year</b>	8	49,798	101,765

The accompanying notes form part of these statements

# Notes to the Financial Statements for the year ended 30 June 2016

Grandbridge Limited and its controlled entities

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## 1. Statement of Significant Accounting Policies

### Corporate Information

The financial report includes the consolidated financial statements and the notes of Grandbridge Limited and its controlled entities ('Consolidated group' or 'group').

Grandbridge Limited is a company incorporated and domiciled in Australia. The company is listed on the ASX.

The financial report was authorised for issue on 26 August 2016 by the board of directors.

### Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, and the Corporations Act 2001. Grandbridge Ltd is a for-profit entity for the purpose of preparing the financial statements.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where stated below.

### Compliance with IFRS

The consolidated financial statements of the Grandbridge Limited group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

### Financial Position and Going Concern

The consolidated entity has incurred a net profit before tax for the year ended 30 June 2016 of \$38,384 (30 June 2015: loss \$1,076,609), which is mainly attributable to the unrealised gains that the company has made on its investee companies during the year.

The consolidated entity has a working capital deficit of \$920,747 (excluding employee provisions and prepayments) as at 30 June 2016 (30 June 2015: deficit of \$715,422) which includes cash assets of \$49,798 as at 30 June 2016 (30 June 2015: \$101,765) and trade creditors and other payables of \$970,545 (30 June 2015: \$817,187).

Included in trade creditors and payables is director fee and salary accruals of \$786,070 (30 June 2015: \$647,258). 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 directors' fees and salary to conserve cash resources until such time that the consolidated entity has sufficient cash resources.

The consolidated entity has investments in listed entities totalling \$317,194 (Note 18 (c)) as at 30 June 2016, which are classified as non-current assets in the statement of financial position. As in prior years these assets are considered to be liquid and if required, a portion of these investments can be sold to obtain cash reserves for the consolidated entity however no sales have been forecast as the Company does not believe this to be necessary.

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, directors voluntarily suspending cash payments and the value of the listed investments 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

# Notes to the Financial Statements for the year ended 30 June 2016

Grandbridge Limited and its controlled entities

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## 1. Statement of Significant Accounting Policies (continued)

business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

### Accounting Policies

#### (a) Principles of Consolidation

##### *(i) Subsidiaries*

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

A list of controlled entities is contained in Note 16 to the financial statements. All controlled entities have a June financial year-end.

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate.

The acquisition method of accounting is used to account for business combinations by the group.

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

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

##### *(ii) Associates*

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (iii) below), after initially being recognised at cost.

##### *(iii) Equity method*

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit or loss, and the group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

# Notes to the Financial Statements for the year ended 30 June 2016

Grandbridge Limited and its controlled entities

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## 1. Statement of Significant Accounting Policies (continued)

### Accounting Policies (continued)

#### (a) Principles of Consolidation (continued)

##### (iv) *Changes in ownership interests*

Changes in the group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the company.

When the group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 139 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

#### (b) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the statement of financial position date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is recognised in the profit and loss except where it relates to items that may be recognised directly to equity, in which case the deferred tax is adjusted directly outside profit and loss.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the consolidated entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Grandbridge Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. Grandbridge Limited is responsible for recognising the current and deferred tax assets and liabilities for the tax consolidated group. The group notified the Australian Taxation Office on 30 June 2006 that it had formed an income tax consolidated group to apply from 30 June 2006. The tax consolidated group has entered a tax sharing agreement whereby each company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.



# Notes to the Financial Statements for the year ended 30 June 2016

Grandbridge Limited and its controlled entities

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## 1. Statement of Significant Accounting Policies (continued)

### Accounting Policies (continued)

#### (c) Property, Plant & Equipment

Each class of property, plant and equipment is carried at cost less accumulated depreciation and impairment losses.

##### Plant and equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the consolidated entity includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit and loss income during the financial period in which they are incurred.

##### Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the consolidated entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Computers	33 %
Office Furniture	15 %

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

#### (d) Financial Instruments

##### Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit and loss income immediately. Financial instruments are classified and measured as set out below.

# Notes to the Financial Statements for the year ended 30 June 2016

Grandbridge Limited and its controlled entities

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## 1. Statement of Significant Accounting Policies (continued)

### Accounting Policies (continued)

#### (d) Financial Instruments (continued)

##### **Derecognition**

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity is no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in the profit and loss.

##### **Classification and Subsequent Measurement**

###### *(i) Financial assets at fair value through profit or loss*

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives, or designated as measured at fair value to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

###### *(ii) Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

###### *(iii) Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories.

The group also has investments in unlisted shares that are not traded in an active market but that are also classified as AFS financial assets and stated at fair value (because the directors consider that fair value can be reliably measured). Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss.

###### *(iv) Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

##### **Fair value**

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and valuation models using market inputs prepared by independent experts.

# Notes to the Financial Statements for the year ended 30 June 2016

Grandbridge Limited and its controlled entities

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## 1. Statement of Significant Accounting Policies (continued)

### Accounting Policies (continued)

#### (d) Financial Instruments (continued)

##### Impairment

At each reporting date, the group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged or significant decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the statement of profit or loss and other comprehensive income.

##### *Assets carried at amortised cost*

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

##### *Assets classified as available-for-sale*

If there is objective evidence of impairment for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss.

Impairment losses on equity instruments that were recognised in profit or loss are not reversed through profit or loss in a subsequent period.

If the fair value of a debt instrument classified as available-for-sale increases in a subsequent period and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through profit or loss.

#### (e) Impairment of Assets

The group reviews non-financial assets, other than deferred tax assets, at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU"). An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

# Notes to the Financial Statements for the year ended 30 June 2016

Grandbridge Limited and its controlled entities

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## 1. Statement of Significant Accounting Policies (continued)

### Accounting Policies (continued)

#### (e) Impairment of Assets (continued)

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

#### (f) Employee Benefits

Provision is made for the company's liability for employee benefits arising from services rendered by employees to statement of financial position. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits using the government bond rate.

Past services costs are recognised immediately in profit or loss.

#### (g) Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

#### (h) Leases

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the group as lessee are classified as operating leases (note 24). Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

#### (i) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

#### (j) Revenue

Interest revenue is recognised when it is probable that the economic benefits will flow to the group and the amount of revenue can be measured reliably. Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Revenue from the rendering of a service is recognised upon the delivery of the service to clients.

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

#### (k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

# Notes to the Financial Statements for the year ended 30 June 2016

Grandbridge Limited and its controlled entities

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## 1. Statement of Significant Accounting Policies (continued)

### Accounting Policies (continued)

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

#### (l) Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days. The carrying amounts of trade and other payables are assumed to be the same as their fair values due to their short-term nature. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

#### (m) Share based payments

Share based compensation benefits are provided to employees via the company's Employee Option plan. The fair value of options granted under the Company's Employee Option Plan is recognized as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognized over the period during which the employees become unconditionally entitled to the options.

The fair value at grant date is independently determined using an option pricing model that takes into account the exercise price, the term of the option, the vesting and performance criteria, the impact of dilution, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and risk free interest rate for the term of the option.

The fair value of the options granted excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate. Upon the exercise of options, the balance of the share-based payments reserve relating to those options is transferred to share capital.

#### (n) Earnings per share

Basic earnings per share (EPS) is calculated as net profit/loss attributable to members, adjusted to exclude costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

#### (o) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

#### (p) Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

# Notes to the Financial Statements for the year ended 30 June 2016

Grandbridge Limited and its controlled entities

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## 1. Statement of Significant Accounting Policies (continued)

### Accounting Policies (continued)

#### (p) Critical accounting estimates and judgments (continued)

##### *Key estimates — Impairment*

The group assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Included in the assets of the consolidated entity are amounts receivable of \$829,045 (30 June 2015: \$673,568). During the period the Company raised a provision against its unsecured loans with BPH Energy Ltd, Cortical Dynamics Ltd and Molecular Discovery Systems Ltd resulting in a non-cash expense of \$93,171. This provision can be reversed upon payment of the loans.

##### *Recognition of deferred tax assets for unused tax losses*

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Group will derive sufficient future assessable income or have sufficient taxable temporary differences to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law. The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements.

##### *Key Judgments – Fair Value of Financial Assets*

The fair values of unlisted securities not traded in an active market are measured at fair value, using valuation methodologies- Information about assumptions and estimation uncertainties that have significant risk of resulting in a material adjustment in the year ending 30 June 2016 is included in the following note. Note 18(c) – Fair Value of available for sale assets.

#### (q) Application of New and Revised Accounting Standards

##### Standards and Interpretations applicable to 30 June 2016

In the year ended 30 June 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 current annual reporting period.

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 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 new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2016. 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.

# Notes to the Financial Statements for the year ended 30 June 2016

Grandbridge Limited and its controlled entities

## 2. Revenue and Other Income

	Consolidated	
	2016	2015
	\$	\$
<b>Revenue</b>		
Advisory / Corporate revenue	677,074	707,658
Interest revenue : other entities	680	771
<b>Total revenue</b>	<b>677,754</b>	<b>708,429</b>
<b>Other income</b>		
Unrealised gains/losses on financial investments (i)	99,873	(175,241)
Australian Taxation – account refund	4,400	-
Net gain on sale of equity investments	-	37,967
	<b>104,273</b>	<b>(137,274)</b>

(i) The company revalued its listed investments to market rates.

## 3. Expenses Included in the Profit for the Year

### Expenses

#### Employee Expenses

Salary	304,359	321,305
Superannuation	28,121	29,989
Share based payments	84	192
Other Payroll expenses	10,214	(11,255)
<b>Total expenses</b>	<b>342,778</b>	<b>340,231</b>

# Notes to the Financial Statements for the year ended 30 June 2016

Grandbridge Limited and its controlled entities

	Consolidated	
	2016	2015
	\$	\$
<b>4. Income Tax Expense</b>		
a) The components of tax expense comprise:		
Adjustments recognised in the current year in relation to the current tax of prior years	-	2,692
Current tax	-	-
Deferred income tax expense/(credit)	11,554	(266,294)
	<u>11,554</u>	<u>(263,602)</u>
Deferred Tax recognised directly in equity	-	(2,714,250)
	Consolidated	
	2016	2015
	\$	\$
Deferred income tax expense/(credit) included in income tax expense comprises:		
Decrease/(Increase) in deferred tax assets (note 11(c))	(17,727)	(246,985)
Increase/(Decrease) in deferred tax liabilities (note 11(c))	29,281	(19,309)
	<u>11,554</u>	<u>(266,294)</u>
b) The prima facie tax on profit from ordinary activities before income tax is reconciled to the income tax as follows:		
Prima facie tax payable on profit from ordinary activities before income tax at 30% (2015: 30%)	11,515	(322,983)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
-Non-deductible expenses	512	(192)
Tax benefit of revenue losses not recognised		
Effect of previously unrecognised and unused tax losses now recognised as deferred tax assets	(2,427)	83,825
Temporary differences	1,954	(24,252)
Income tax expense/(benefit) recognised	<u>11,554</u>	<u>(263,602)</u>



# Notes to the Financial Statements for the year ended 30 June 2016

Grandbridge Limited and its controlled entities

## 5. Key Management Personnel Compensation

Names and positions held of consolidated and parent entity key management personnel in office at any time during the financial year are:

### Key Management Personnel

D L Breeze - Executive chairman and managing director (CEO)

K G Hollingsworth - Non-executive director

D Ambrosini – Executive director and company secretary

	Consolidated	
	2016 \$	2015 \$
Short term employee benefits	318,384	324,328
Post-employment benefits	20,746	21,310
Share based payments	-	-
	<u>339,130</u>	<u>345,638</u>

Key management personnel remuneration has been included in the Remuneration report section of the directors' report.

Included in trade creditors and payables is director fee and salary accruals of \$786,070 (30 June 2015: \$647,258). Director	Amount Owing 30 June 2016
David Breeze	350,286
Kevin Hollingsworth	239,976
Deborah Ambrosini	106,238
Directors who have previously resigned	89,570
Balance owing at 30 June 2016	786,070

## 6. Auditors' Remuneration

	Consolidated	
	2016 \$	2015 \$
Remuneration of the auditor of the parent entity for:		
- auditing or reviewing the financial report		
HLB Mann Judd	10,000	-
Nexia Perth Audit Services	5,200	13,737
Remuneration of other auditors of subsidiaries for:		
- auditing or reviewing the financial report of subsidiaries		
HLB Mann Judd	2,500	-
Nexia Perth Audit Services	-	1,500
	<u>17,700</u>	<u>15,237</u>

No non-audit services were provided.

# Notes to the Financial Statements for the year ended 30 June 2016

Grandbridge Limited and its controlled entities

	Consolidated	
	2016	2015
	\$	\$
<b>7. Earnings per share</b>		
(a) Reconciliation of Earnings to Profit or Loss		
Net profit/(loss) and profit attributable to members of the parent entity	26,830	(813,007)
Profit/(Loss) used to calculate basic EPS	26,830	(813,007)
Profit/(Loss) used in the calculation of dilutive EPS	26,830	(813,007)
(b) Weighted average number of ordinary shares outstanding during the year	<b>No.</b>	<b>No.</b>
used in calculating basic EPS	30,633,364	28,583,805
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	30,633,364	28,583,805
Earnings/Loss per share	0.08	(2.84)
Diluted Earnings/Loss per share	0.08	(2.84)

	Consolidated	
	2016	2015
	\$	\$
<b>8. Cash and cash equivalents</b>		
Cash at Bank and in hand	43,390	95,357
Short-term bank deposits	6,408	6,408
	49,798	101,765
<b>Reconciliation of cash</b>		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:		
Cash and cash equivalents	49,798	101,765

# Notes to the Financial Statements for the year ended 30 June 2016

Grandbridge Limited and its controlled entities

	Consolidated	
	2016 \$	2015 \$
<b>9. Financial Assets</b>		
<b>Current</b>		
Loans receivable (d)	-	-
<b>Non-Current</b>		
Security deposit (a)	20,000	20,000
Shares:		
Investments in listed entities (b)	317,194	217,321
Investments in unlisted entities (c)	5,678,627	5,678,627
Loans receivable (d)	829,045	673,568
	6,844,866	6,589,516
(a) The security deposit is for a performance bond provided by the company's bank to the Australian Securities and Investments Commission.		
(b) Financial Assets carried at Fair Value through Profit and Loss -		
BPH Energy Limited	23,724	23,724
MEC Resources Limited	282,670	185,197
Strategic Elements Limited	10,800	8,400
Total	317,194	217,321
(c) Available for sale financial assets – at fair value		
Molecular Discovery Systems Limited	20,334	20,334
Advent Energy Limited	5,640,000	5,640,000
AFFSDA	18,293	18,293
Total	5,678,627	5,678,627
(d) Loans receivable -		
Unsecured loans to other entities	1,878,033	1,629,385
Provisions against unsecured loans	(1,048,988)	(955,817)
Unsecured loans to other entities	829,045	673,568

# Notes to the Financial Statements for the year ended 30 June 2016

Grandbridge Limited and its controlled entities

## 9. Financial Assets (continued)

These loans to other entities are non-interest bearing and payable on demand. During the period the Company raised a provision against its unsecured loans with BPH Energy Ltd, Cortical Dynamics Ltd and Molecular Discovery Systems Ltd resulting in a non-cash expense of \$93,171. This provision can be reversed upon payment of the loans.

Refer to Note 18 for the fair value disclosures in relation to financial assets.

	<b>Consolidated</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>10. Property, Plant and Equipment</b>		
Plant and Equipment:		
At cost	117,391	116,774
Accumulated depreciation	(116,291)	(114,549)
Total Property, Plant and Equipment	1,100	2,225

### (a) Movements in Carrying Amounts

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

Consolidated Entity:		
Balance at the beginning of the year	2,225	4,045
Additions	617	294
Disposals	-	-
Depreciation expense	(1,742)	(2,114)
Carrying amount at the end of the year	1,100	2,225

## 11. Tax

### (a) Liabilities

#### CURRENT

Income tax	-	-
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#### NON CURRENT

Deferred tax liabilities comprises:

Prepayments	-	8,834
Fair value gain adjustments	1,427,948	1,389,833
	1,427,948	1,398,667

# Notes to the Financial Statements for the year ended 30 June 2016

Grandbridge Limited and its controlled entities

## 11. Tax (continued)

	<b>Consolidated</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>(b) Assets</b>		
Deferred tax assets comprise:		
Provisions	353,252	322,240
Accrued expenses	-	10,467
Other – unused losses	347,815	350,633
	<u>701,067</u>	<u>683,340</u>

	<b>Consolidated</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>(c) Reconciliations</b>		
<b>(i) Deferred tax liabilities</b>		
The movements in deferred tax liability for each temporary difference during the year is as follows:		
Fair value gain adjustments		
Opening balance	1,398,667	4,134,476
Net revaluations during the current year	29,281	(25,085)
Movements in deferred tax recognised in equity	-	(2,714,250)
Prepayments	-	3,526
Deferred tax liabilities closing balance	<u>1,427,948</u>	<u>1,398,667</u>

<b>(ii) Deferred Tax Assets</b>		
The movements in deferred tax assets for each temporary difference during the year is as follows:		
Provisions		
Opening balance	322,240	38,871
Debited to the statement of comprehensive income	31,012	283,369
Closing balance	<u>353,252</u>	<u>322,240</u>
Accrued expenses		
Opening balance	10,467	5,124
Debited to the statement of comprehensive income	(10,467)	5,343
Closing balance	<u>-</u>	<u>10,467</u>

# Notes to the Financial Statements for the year ended 30 June 2016

Grandbridge Limited and its controlled entities

	Consolidated	
	2016 \$	2015 \$
Other		
Opening balance	350,633	392,359
Debited to the statement of comprehensive income	(2,818)	(41,726)
Closing balance	347,815	350,633
Deferred tax assets closing balance	701,067	683,340

## 12. Trade and Other Payables

Trade payables	160,601	122,012
Sundry payables and accrued expenses	809,944	695,175
	970,545	817,187

## 13. Provisions

Employee entitlements:		
Opening balance at 1 July	118,314	129,569
Additional/Reduction in provision	10,214	(11,255)
Balance at 30 June	128,528	118,314
Current	71,333	66,399
Non-Current	57,195	51,915
	128,528	118,314

### Provision for Employee Entitlements

Provisions have been recognised for employee entitlements relating to annual leave and long service leave. The measurement and recognition criteria relating to employee benefits has been included in Note 1 to this report.

# Notes to the Financial Statements for the year ended 30 June 2016

Grandbridge Limited and its controlled entities

## 14. Issued Capital

	Consolidated	
	2016 \$	2015 \$
30,633,364 (2015: 30,633,364) fully paid ordinary shares	3,609,420	3,609,420
The company does not have an authorised share capital and the shares issued have no par value.		
<b>a. Ordinary Shares:</b>	<b>2016 No.</b>	<b>2015 No.</b>
At the beginning of reporting period	30,633,364	28,220,174
Shares Issued during the year	-	2,413,190
At reporting date	30,633,364	30,633,364

### Fully Paid Ordinary Share Capital

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

### b. Options *Employee Options*

There were 423,334 employee options on issue at the end of the year:

Total number	Exercise price	Expiry date
173,334	\$0.15	30 June 2018
250,000	\$0.12	31 December 2018
423,334		

The market price of the company's ordinary shares at 30 June 2016 was 2.5 cents.

The holders of employee options do not have the right, by virtue of the option, to participate in any share issue or interest issue of any other body corporate or registered scheme.

### Capital risk management

The group's and the parent entity's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they may continue to provide returns for shareholders and benefits for other stakeholders.

The focus of the group's capital risk management is:

- the current working capital position against the requirements of the group to meet corporate overheads;
- to ensure appropriate liquidity is maintained to meet anticipated operating requirements, with a view to initiating appropriate capital raisings as required.

# Notes to the Financial Statements for the year ended 30 June 2016

Grandbridge Limited and its controlled entities

## 14. Issued Capital (continued)

The working capital position excluding employee provisions of the group and the parent entity at 30 June 2016 and 30 June 2015 are as follows:

	<b>Consolidated</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Cash and cash equivalents	49,798	101,765
Financial assets	-	-
Trade and other payables	(970,545)	(817,187)
Financial liabilities	-	-
Working capital position	<u>(920,747)</u>	<u>(715,422)</u>

Please refer to note 1 of the financial report for disclosure and details regarding the Group's financial position.

	<b>Consolidated</b>	
	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>15. Reserves (net of income tax)</b>		
Options Reserve <b>(a)</b>	323,566	323,482
Asset Revaluation Reserve <b>(b)</b>	3,589,600	3,589,600
	<u>3,913,166</u>	<u>3,913,082</u>

### **(a) Option Reserve**

The option reserve records items recognized as expenses in respect Employee share options.

#### **Reconciliation of movement**

Opening balance	323,482	323,290
Option expense during the year	84	192
Closing balance	<u>323,566</u>	<u>323,482</u>

### **(b) Asset Revaluation Reserve**

The asset revaluation reserve records the revaluation of available for sale investments to fair value.

#### **Reconciliation of movement**

Opening balance	3,589,600	9,922,850
Impairment of asset	-	(6,333,250)
Closing balance	<u>3,589,600</u>	<u>3,589,600</u>



# Notes to the Financial Statements for the year ended 30 June 2016

Grandbridge Limited and its controlled entities

## 16. Controlled Entities

Name of Entity	Principal Activity	Country of Incorporation	Ownership Interest %	
			2016	2015
<b>Parent Entity</b>				
Grandbridge Limited	Investment	Australia		
<b>Subsidiaries of Grandbridge Limited</b>				
Grandbridge Securities Pty Limited	On-line Share Trader	Australia	100	100
Grandbridge Equities Pty Limited	Dormant	Australia	100	100
e-Shares.com.au Pty Limited	Domain Names	Australia	100	100

17. Cash Flow Information	Consolidated	
	2016 \$	2015 \$
<b><i>Reconciliation of Cash Flow from Operations with Profit from Ordinary Activities after income tax</i></b>		
Operating profit after income tax	26,830	(813,007)
Depreciation	1,742	2,114
Options expensed	84	192
Unrealised losses of FVTPL assets	(99,873)	137,274
Provision against unsecured loans	93,171	955,817
Administration Recharges	(248,648)	(250,814)
Changes in net assets and liabilities, net of effects of purchase and disposal of subsidiaries		
Decrease/(increase) in other assets	218	(7,119)
Increase in provisions	1,847	(11,255)
Increase/(decrease) in net deferred taxes liabilities	11,554	(268,544)
Increase in trade payables and accruals	161,725	105,215
<b>Net cash used in operating activities</b>	<b>(51,350)</b>	<b>(150,127)</b>

# Notes to the Financial Statements for the year ended 30 June 2016

Grandbridge Limited and its controlled entities

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## 18. Financial Risk Management

### a) Financial Risk Management

The group's financial instruments consist mainly of deposits with banks, short-term investments, investments held for trading, accounts receivable and payable, and loans to and from related parties. The main purpose of non-derivative financial instruments is to raise finance for group operations policies.

#### i. Financial Risk Exposures and Management

The main risks the group is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk, equity price risk.

##### Interest rate risk

The group's financial assets that are affected by interest rate risk are the group's cash and cash equivalents and term deposits held. The group's financial liabilities are currently not exposed to interest rate risk as the group has no interest bearing financial liabilities.

##### Liquidity risk

The group manages liquidity risk by monitoring forecast cash flows.

##### Credit risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

The directors obtained an independent expert's valuation report at year end which supports the recoverable amount of loan receivables. The recoverable amount exceeded the carrying value of the loans and hence no impairment loss was recognised.

##### Equity price risk

The group is exposed to equity price risks arising from equity investments. The performance of equity investments are reviewed biannually to market. The group holds diversified portfolio with investments in biotech and oil & gas exploration to manage this risk.

##### Equity Price Sensitivity Analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices for investments had been 5% higher/lower:

- net loss for the year ended 30 June 2016 would increase/decrease \$15,860 (2015: increase/decrease by \$10,866) as a result of the changes in fair value of financial assets at fair value through profit and loss ; and
- other comprehensive income would increase/decrease by \$283,931 (2015: \$283,931) as a result of changes in fair values of available for sale financial assets.

The group's sensitivity to equity prices has not changed significantly from the prior year.

##### Foreign currency risk

The group is not exposed to any material risks in relation to fluctuations in foreign exchange rates.

# Notes to the Financial Statements for the year ended 30 June 2016

Grandbridge Limited and its controlled entities

## 18. Financial Risk Management (continued)

### b) Financial Instruments

#### i. Interest rate risk

The consolidated entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

#### Consolidated Group

2016	Average Interest Rate %	Variable Interest Rate \$	Non- Interest Bearing \$	Total \$
<b>Financial Assets</b>				
Cash and cash equivalents	0.08	43,390	-	43,390
Deposits	3.4	6,408	-	6,408
Trade and other receivables		-	-	-
Financial Assets		-	829,045	829,045
Investments		-	6,015,821	6,015,821
Total Financial Assets		49,798	6,844,866	6,894,664

<b>Financial Liabilities</b>				
Trade and sundry payables		-	970,545	970,545
Financial Liabilities		-	-	-
Total Financial Liabilities		-	970,545	970,545

2015	Average Interest Rate %	Variable Interest Rate \$	Non- Interest Bearing \$	Total \$
<b>Financial Assets</b>				
Cash and cash equivalents	0.08	95,357	-	95,357
Deposits	3.4	6,408	-	6,408
Trade and other receivables		-	-	-
Financial Assets		-	673,568	673,568
Investments		-	5,895,948	5,895,948
Total Financial Assets		101,765	6,569,516	6,671,281
<b>Financial Liabilities</b>				
Trade and sundry payables		-	817,187	817,187
Financial Liabilities		-	-	-
Total Financial Liabilities		-	817,187	817,187

# Notes to the Financial Statements for the year ended 30 June 2016

Grandbridge Limited and its controlled entities

## 18. Financial Risk Management (continued)

### b) Financial Instruments (continued)

#### ii. Fair Values

The fair values of:

- Term receivables are determined by discounting the cash flows, at the market interest rates of similar securities, to their present value.
- Listed investments have been valued at the quoted market bid price at balance date. For unlisted investments where there is no organised financial market, the fair value has been based on valuation techniques incorporating non-market data prepared by independent valuers.
- Other loans and amounts due are determined by discounting the cash flows, at market interest rates of similar borrowings to their present value.
- Other assets and liabilities approximate their carrying value.

No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments.

Aggregate fair values and carrying amounts of financial assets and financial liabilities at balance date.

#### Consolidated Group

	2016		2015	
	Carrying Amount	Net Fair Value	Carrying Amount	Net Fair Value
<b>Financial Assets</b>				
Financial assets at fair value through profit or loss	317,194	317,194	217,321	217,321
Available for sale assets	5,678,627	5,678,627	5,678,627	5,678,627
Loan receivables*	829,045	829,045	673,568	673,568
	<u>6,824,866</u>	<u>6,824,866</u>	<u>6,569,516</u>	<u>6,569,516</u>
<b>Financial Liabilities</b>				
Other loans and amounts due	-	-	-	-
Other liabilities	970,545	970,545	817,187	817,187
	<u>970,545</u>	<u>970,545</u>	<u>817,187</u>	<u>817,187</u>

\* These loans to other entities are non-interest bearing and payable on demand.

# Notes to the Financial Statements for the year ended 30 June 2016

Grandbridge Limited and its controlled entities

## 18. Financial Risk Management (continued)

### b) Financial Instruments (continued)

#### iii. Sensitivity Analysis

##### Interest Rate Risk

The group has performed sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in these risks

##### *Interest Rate Sensitivity Analysis*

At 30 June 2016, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	Consolidated Group	
	2016	2015
<b>Change in profit</b>		
— Increase in interest rate by 1%	907	1,055
— Decrease in interest rate by 0.5%	(453)	(528)

### c) Fair value measurements recognised in the statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no transfers between and of the levels for recurring fair value measurements during the year.

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments; and
- the fair value of the remaining financial instruments is determined with reference to similar instruments and valuation models using non-market inputs prepared by independent experts.

# Notes to the Financial Statements for the year ended 30 June 2016

Grandbridge Limited and its controlled entities

## 18. Financial Risk Management (continued)

### c) Fair value measurements recognised in the statement of financial position (continued)

#### 30 June 2016

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
- Investments in listed entities	317,194	-	-	317,194
Available for sale financial assets				
- Investments in unlisted entities	-	-	5,678,627	5,678,627
<b>Total</b>	<b>317,194</b>	<b>-</b>	<b>5,678,627</b>	<b>5,995,821</b>

#### 30 June 2015

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
- Investments in listed entities	217,321	-	-	217,321
Available for sale financial assets				
- Investments in unlisted entities	-	-	5,678,627	5,678,627
<b>Total</b>	<b>217,321</b>	<b>-</b>	<b>5,678,627</b>	<b>5,895,948</b>

#### Reconciliation of fair value measurements of financial assets

	2016		2015	
	Level 1	Level 3	Level 1	Level 3
Opening balance	217,321	5,678,627	411,761	14,726,127
Reclassifications	-	-	-	-
Purchases/(Sales)	-	-	(19,199)	-
Total gains or losses in other comprehensive income	-	-	-	(9,047,500)
Total gains or losses in the profit and loss	99,873	-	(175,241)	-
<b>Closing balance</b>	<b>317,194</b>	<b>5,678,627</b>	<b>217,321</b>	<b>5,678,627</b>

Based on valuations prepared by independent experts in the prior year and recent commercial discussions, management have made an assessment and believe that there is a no material change in the fair value of their investments at reporting date.

#### *Valuation processes*

The directors informally assess the fair value of its investments biannually. A formal assessment is performed as necessary by obtaining an external independent valuation report. The fair value of the Group's investment in Advent Energy Ltd as at 30 June 2016 has been supported by a valuation report prepared at 30 June 2015 by an independent expert valuer. The expert holds appropriate qualifications and recent experience in the valuation of investments of this nature. The fair value was determined using the expected monetary value and enterprise value valuation methods; valuation estimations have been undertaken in accordance with the requirements of the Valmin Code (2005) for the technical assessment and valuation of mineral and petroleum assets. A review of the key assumptions was performed by management to ensure that they remain appropriate for use at 30 June 2016.

The fair value of the Group's investment in Molecular Discovery Systems Ltd as at 30 June 2016 has been arrived at on the basis of a valuation performed on 30 June 2014 by an independent expert valuer to the company and updated by management at 30 June 2016. The valuer holds the appropriate qualifications and recent experience in the valuation of investments of this nature. The fair value was determined using the relative valuation methodology.

# Notes to the Financial Statements for the year ended 30 June 2016

Grandbridge Limited and its controlled entities

## 18. Financial Risk Management (continued)

### c) Fair value measurements recognised in the statement of financial position (continued)

The approach considers the value of broadly comparable listed entities which are at a similar stage of biotechnology product life cycle to Molecular Discovery Systems. The valuation supported the carrying value of GBA's AFS investment in the company.

#### *Valuation inputs and relationships to fair value*

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See above for the valuation techniques adopted.

Description	Carrying value at 30 June 2016	Significant inputs	Range of inputs
Advent Energy Ltd	\$5,640,000	Discount rate	10 – 15%
		Gas price	\$5 - \$12 per mcf
		Exchange rate	AUD\$1:USD\$0.7693
		Gas resource	PEP11: 5.7 Tcf (best estimate) EP386: 344.5 bcf (best estimate) RL1: 11.5 bcf (best estimate)

## 19. Operating Segments

### 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.

### Accounting policies and inter-segment transactions

The accounting policies used by the group in reporting segments are the same as those contained in Note 1 to the accounts and in the prior period.

# Notes to the Financial Statements for the year ended 30 June 2016

Grandbridge Limited and its controlled entities

## 19. Operating Segments (continued)

### 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	677,074	707,658	363,910	224,729
Investing	99,873	(137,274)	99,873	(137,274)
Unallocated	5,080	771	4,400	771
Total for continuing operations	<u>782,027</u>	<u>571,155</u>	<u>468,183</u>	<u>88,226</u>
Administration expenses			(181,444)	(195,594)
Depreciation and Amortisation			(1,742)	(2,114)
Other			(246,613)	(967,127)
Profit/Loss before tax (continuing operations)			<u>38,384</u>	<u>(1,076,609)</u>

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

### Segment Assets and Liabilities

	2016	2015
	\$	\$
<b>Segment Assets</b>		
Consulting Services	-	-
Investing	6,015,821	5,915,948
Corporate	1,605,687	802,453
Total Assets	<u>7,621,508</u>	<u>6,718,401</u>
<b>Segment Liabilities</b>		
Consulting Services	-	-
Investing	-	-
Corporate	2,527,021	1,605,828
Total Liabilities	<u>2,527,021</u>	<u>1,605,828</u>

## 20. Events after the Balance Sheet Date

There have not been any matters or circumstances that have arisen since the end of the financial 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.



# Notes to the Financial Statements for the year ended 30 June 2016

Grandbridge Limited and its controlled entities

## 21. Related Party Transactions

(a) *Equity interests in controlled entities*

Details of the percentage of ordinary shares held in controlled entities are disclosed in note 16 to the financial statements.

(b) *Directors' Remuneration*

Details of directors' remuneration and retirement benefits are disclosed in director's report and note 5.

(c) *Transactions Within the Wholly-Owned Group*

During the financial year Grandbridge Limited provided administration services, for a nominal management fee, to entities in the wholly-owned group. Management fees were charged to Grandbridge Securities Proprietary Limited of \$2,960 (2015: \$3,074).

All transactions that occurred during the financial year between entities in the wholly-owned group were eliminated on consolidation.

(d) *Controlling Entities*

The parent entity in the consolidated entity is Grandbridge Limited.

(e) *Transactions with Key Management Personnel*

Occupancy fees are paid monthly to a director related entity. For the period ending 30 June 2016 a total of \$58,701 (2015: \$72,309) fees had been paid.

(f) *Loans to and from subsidiaries*

Loans to and from subsidiaries are non-interest bearing and repayable on demand. These loans are unsecured. As at reporting date, the balance of the net loan was \$631,076 (2015: \$634,036).

## 22. Share-Based Payments

The following share-based payment arrangements existed at 30 June 2016:

Number Under Option	Grant Date	Date of Expiry	Exercise Price	Fair Value at Grant Date	Vesting Date
173,334	01/07/2013	30/06/2018	\$0.15	\$0.004	30/06/2016
250,000	28/11/2013	31/12/2018	\$0.12	\$0.010	28/11/2013
423,334					

All options granted to key management personnel are for ordinary shares in Grandbridge Limited, which confer a right of one ordinary share for every option held.

	Consolidated Group			
	2016		2015	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
		\$		\$
Outstanding at the beginning of the year	523,334	\$0.18	2,523,334	\$0.32
Expired	(100,000)	\$0.45	(2,000,000)	\$0.35
Outstanding at year-end	423,334	\$0.13	523,334	\$0.18
Exercisable at year-end	423,334	\$0.13	464,400	\$0.19

Nil options were exercised during the year ended 30 June 2016 (2015: nil).

Included under employee benefits expense in the statement of comprehensive income is \$84 (2015: \$192), and relates, in full, to equity.

# Notes to the Financial Statements for the year ended 30 June 2016

Grandbridge Limited and its controlled entities

## 23. Contingent Liabilities

There were no contingent liabilities at balance date.

## 24. Commitments

Operating leases relate to premises used by the company in its operations. The operating lease contains an option to extend for further periods and an adjustment to bring the lease payments into line with market rates prevailing at that time. The leases do not contain an option to purchase the leased property.

### Payments recognised as an expense

	Consolidated	
	2016	2015
	\$	\$
Minimum lease payment	72,309	72,309
<b>Operating Lease Commitments</b>		
- not later than 12 months	19,497	74,715
- between 12 months and 5 years	-	19,497
Minimum lease payments	19,497	94,212

## 25. Parent Entity Disclosures

	2016	2015
	\$	\$
<b>Financial Position</b>		
<b>Assets</b>		
Current assets	71,166	123,160
Non-current assets	7,065,959	7,661,833
Total asset	7,137,125	7,784,993
<b>Liabilities</b>		
Current liabilities	959,388	1,671,810
Non-current liabilities	1,485,143	1,450,582
Total liabilities	2,444,531	3,122,392
<b>Equity</b>		
Issued Capital	3,609,420	3,609,420
Retained earnings	(2,829,992)	(2,859,901)
<b>Reserves</b>		
Asset Revaluation Reserve	3,589,600	3,589,600
Option Reserve	323,566	323,482
Total equity	4,633,279	4,662,601
<b>Financial Performance</b>		
Loss for the year	(29,909)	(812,176)
Other comprehensive income	-	(6,333,250)
Total comprehensive income	(29,909)	(7,145,426)

# Directors Declaration

Grandbridge Limited and its controlled entities

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The directors of the company declare that:

1. the financial statements and notes, as set out on pages 12 to 44, are in accordance with the Corporations Act 2001 and:
  - (a) comply with Accounting Standards and the Corporations Regulations 2001;
  - (b) give a true and fair view of the financial position as at 30 June 2015 and of the performance for the year ended on that date of the consolidated entity;
2. the Financial Statements and Notes comply with International Accounting Standards as disclosed in Note 1;
3. the directors have been given the declarations required by S295A of the Corporations Act 2001;
4. 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.

Signed in accordance with a resolution of the directors made pursuant to S295(5) of the Corporations Act 2001.



.....  
David Breeze  
Managing Director

Dated this 26th August 2016

## INDEPENDENT AUDITOR'S REPORT

To the members of Grandbridge Limited

### Report on the Financial Report

We have audited the accompanying financial report of Grandbridge Limited ("the company"), which comprises the consolidated statement of financial position as at 30 June 2016, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flow for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration, of the Group comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

#### ***Directors' Responsibility for the Financial Report***

The directors of the company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In Note 1, the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, the consolidated financial statements comply with International Financial Reporting Standards.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's and its controlled entities' internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Independence***

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

### **Auditor's Opinion**

In our opinion:

- (a) the financial report of Grandbridge Limited is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the Group's financial position as at 30 June 2016 and its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

### **Report on the Remuneration Report**

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2016. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

### **Opinion**

In our opinion, the Remuneration Report of Grandbridge Limited for the year ended 30 June 2016 complies with section 300A of the *Corporations Act 2001*.

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

**HLB Mann Judd**  
**Chartered Accountants**

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

**B G McVeigh**  
**Partner**

**Perth, Western Australia**  
**26 August 2016**

# Additional Securities Exchange Information

Grandbridge Limited and its controlled entities

Additional information required by Australian Securities Exchange Limited and not shown elsewhere in this report as follows.

The information is made up to 16th August 2016

## 1. Substantial Shareholder

The name of the substantial shareholder listed in the company's register is:

Shareholder	Shares	%
Trandcorp Pty Limited	9,845,500	32.14

## 2. Distribution of Shareholders

Range of Holding	Shareholders	Number Ordinary Shares	%
1 – 1,000	166	102,933	0.34
1,001 – 5,000	184	469,776	1.53
5,001 – 10,000	58	479,325	1.56
10,001 – 100,000	163	6,148,063	20.07
100,001 and over	42	23,433,267	76.50
	<b>613</b>	<b>30,633,364</b>	<b>100.00</b>

## 3. Distribution of Optionholders

Range of Holding	Optionholders	Number of Options	%
1-50,000	1	13,334	2.55
100,001 and over	3	410,000	97.45

## 4. Voting Rights - Shares

All ordinary shares issued by Grandbridge Limited carry one vote per share without restriction.

## 5. Voting Rights - Options

The holders of employee options do not have the right to vote.

## 6. Restricted Securities

### Shares

Number of Shares free of escrow 30,633,364

**Total Shares** **30,633,364**

### Options

Number of employee options not subject to escrow (not listed) 423,334

**Total Options** **423,334**

# Additional Securities Exchange Information

Grandbridge Limited and its controlled entities

## 7. Twenty Largest Shareholders (as at 16th August 2016)

The names of the twenty largest shareholders of the ordinary shares of the company are:

<b>Name</b>	<b>Number of ordinary fully paid shares</b>	<b>% held of issued ordinary capital</b>
Trandcorp Pty Limited (Super Fund)	5,355,478	17.48
Trandcorp Pty Limited	4,490,022	14.66
Jones Emyr Wyn	1,262,383	4.12
Lisica John Paul and Ziolkowski Celyna	1,027,027	3.35
Hulse Dennis Graham	844,076	2.76
Boonyin Investments Pty Ltd	800,000	2.61
Latimer Geoffrey Howard and Latimer Judith Ann	745,833	2.43
Marciniak Maria	621,527	2.03
Boillat Roland and Boillat Sheena	511,865	1.67
Avotins Anthony Keith	500,922	1.64
Granborough Pty Ltd	500,000	1.63
Forsyth Barr Cust Ltd	448,000	1.46
Kinetas PL	424,000	1.38
GRP Trading Pty Ltd	418,823	1.37
Jomot PL	346,299	1.13
Graham Walter	340,942	1.11
Alert Empire Pty Ltd	338,630	1.11
Lyon Geoffrey Robert	320,000	1.04
BT Portfolio Services Ltd	300,000	0.98
Alert Empire Pty Ltd (Super Fund)	280,000	0.91
	<b>19,875,827</b>	<b>64.88</b>

## Appendix 4G

### Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity:

Grandbridge Limited

ABN / ARBN:

64089311026

Financial year ended:

30 June 2016

Our corporate governance statement<sup>2</sup> for the above period above can be found at:<sup>3</sup>

- These pages of our annual report:
- This URL on our website: <http://grandbridge.com.au/corporate-governance>

The Corporate Governance Statement is accurate and up to date as at 26 August 2016 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.

Date: 26 August 2016

Name of Director or Secretary authorising  
lodgement:



Deborah Ambrosini

<sup>1</sup> Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

<sup>2</sup> "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

<sup>3</sup> Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.



## ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
<b>PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT</b>			
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location] ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

<sup>4</sup> If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
1.5	<p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	<p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input checked="" type="checkbox"/> <a href="http://grandbridge.com.au/corporate-governance">http://grandbridge.com.au/corporate-governance</a></p> <p>... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>	
<b>PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE</b>			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at [insert location]</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>... our board skills matrix:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	... the names of the directors considered by the board to be independent directors: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location] ... and, where applicable, the information referred to in paragraph (b): <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location] ... and the length of service of each director: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
<b>PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY</b>			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	... our code of conduct or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>	
<b>PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING</b>			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	<p>... the fact that we follow this recommendation:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable
<b>PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE</b>			
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	<p>... our continuous disclosure compliance policy or a summary of it:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
<b>PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS</b>			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	<p>... information about us and our governance on our website:</p> <input checked="" type="checkbox"/> at <a href="http://grandbridge.com.au/corporate-governance">http://grandbridge.com.au/corporate-governance</a>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	<p>... the fact that we follow this recommendation:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	<p>... our policies and processes for facilitating and encouraging participation at meetings of security holders:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	<p>... the fact that we follow this recommendation:</p> <input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b> <input type="checkbox"/> at <i>[insert location]</i>	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>	
<b>PRINCIPLE 7 – RECOGNISE AND MANAGE RISK</b>			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>[If the entity complies with paragraph (a):] ... how our internal audit function is structured and what role it performs:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):] ... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
7.4	<p>A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	<p>... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>



Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>	
<b>PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY</b>			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our policy on this issue or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable <b>OR</b></p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation	We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... <sup>4</sup>	
<b>ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES</b>			
-	<p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity;</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p>	<p>... the information referred to in paragraphs (a) and (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p>... the terms governing our remuneration as manager of the entity:</p> <p><input type="checkbox"/> in our Corporate Governance Statement <b>OR</b></p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>