



Appendix 4D - Half year report

Results for announcement to the market

Name of Entity	Grandbridge Limited
ABN	64 089 311 026
Financial Year Ended	31 December 2013
Previous Corresponding Reporting Period	31 December 2012

\$A'000

Revenues from ordinary activities	down	5%	To	407
Net profit from ordinary activities after tax attributable to members	up	478%	To	202
Net profit for the period attributable to members	up	478%	To	202
The decrease in net loss to a profit positions can be attributed to the unrealised profits recorded on the listed investments of GBA. The overall value of investments held by the company increased during the half year.				
Dividends (distributions)		Amount per security		Franked amount per security
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
Ratios		
Profit before tax / revenue Consolidated profit (Loss) from ordinary activities before tax as a percentage of revenue	61.86%	(17.35)%
Profit after tax / equity interests 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	5.72%	(1.51)%

	Current period	Previous corresponding Period
NTA Backing		
Net tangible asset backing per ordinary security	57.28cps	58.0cps



Commentary on Results

The consolidated profit of the economic entity after providing for income tax amounted to \$202,432 (2012 loss: \$53,590).

The company's listed investments were revalued to market at 31 December 2013 resulting in a profit of \$222,442 (31 December 2012: loss \$51,016). During the year the main focus of the company has been preparing and executing strategic initiatives and investment activities in the resources sector and corporate advisory work principally involving the company's investments into BPH Energy Ltd, Advent Energy Ltd and MEC Resources Ltd.

The net assets of the economic entity have increased to \$12,386,764 at 31 December 2013.

Developments in the company's listed investments include:

BPH Energy Limited

Cortical Dynamics Ltd

- Cortical Dynamics Ltd ("Cortical") had a key patent granted during the period. The patent entitled, 'EEG analysis system' was granted by the US Patent and Trademark which has previously been granted in Australia, China, Japan and New Zealand. The US patent provides an exclusivity period until July 2030. It is Cortical's third granted patent within the US. The US is the world's largest market for depth of anaesthesia monitoring, with an estimated 21 million people administered general anaesthesia for surgical procedures annually.
- Cortical had a second key patent granted during the period. The patent entitled, 'Neurodiagnostic monitoring and display system' was granted by the Australian patent office. The granted Australian Patent has an expiry date of November 2027.

Molecular Discover Systems Ltd

- Molecular Discovery Systems Ltd ("MDS") has had two new Australian patent applications granted during the period increasing the total of Australian patents granted to four. The issued patents entitled 'Agent for the treatment of hormone-dependent disorders and uses thereof' and 'Transcription Factor modulator' are valid to March 2027 and April 2027 respectively. The two patents complement MDS' previously granted patents 'Tumour suppressor factor', which has been granted in the United States and Australia, and the Australian patent entitled 'Sumoylation control agent and uses thereof'.



MEC Resources Ltd

- Advent Energy, through wholly owned subsidiary Onshore Energy Pty Ltd's application to the Western Australian Department of Mines & Petroleum, successfully obtained a suspension of the condition requiring the completion of the EP386 Year 2 work until 31 March 2015.
- The Australian Council of Learned Academies (ACOLA) released a report entitled *Engineering energy: unconventional gas production, as a study of shale gas in Australia*. The report independently verified the potential of Advent Energy's onshore Bonaparte Basin acreage (EP386 and RL1) to possess significant recoverable shale gas volumes. Advent has previously advised of a 9.8 Tcf (Best estimate) prospective resource estimate for the shale gas potential present in its 100% owned EP386 and RL1. The Low Estimate and High Estimate of prospective resources are 1.9 and 25.4 Tcf respectively.
- The legal dispute between Fugro Survey Pty Ltd, RPS Energy Pty Ltd and Asset Energy Pty Ltd (wholly owned subsidiary of Advent Energy) was settled at a court appointed mediation. The dispute arose over performance and fees in connection with pre-drilling site survey works conducted by Fugro Survey Pty Ltd at PEP11, offshore Sydney Basin, in 2010. Asset Energy Pty Ltd settled Fugro Survey Pty Ltd's claim of \$2.2 million with a payment of \$100,000.
- Retention Licence 1 (RL1) in the onshore Bonaparte Basin, Northern Territory, was successfully renewed for a further five (5) year term.
- Advent Energy signed a non-binding Letter Of Intent (LOI) with CO2 Group subsidiary Western Australian Resources Limited (WARL) for the potential future supply of gas to WARL's proposed aquaculture project in northern Australia. The LOI provides an initial framework for discussion information sharing and negotiation towards a possible gas supply agreement by the fourth quarter of 2014. This timeframe corresponds with WARL's intended feasibility studies and financial investment decision timetable.

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Grandbridge Limited and its controlled entities

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Company Information

Directors

D L Breeze – Executive Chairman
K G Hollingsworth – Non-Executive Director
D Ambrosini –Executive Director

Company Secretary

Deborah Ambrosini

Registered Office

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NORTH PERTH WA 6006

Principal Business Address

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NORTH PERTH WA 6006
Telephone: (08) 9328 8400
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Website: www.e-shares.com.au
www.grandbridge.com.au
E-mail: admin@e-shares.com.au

Auditor

Nexia Perth Audit Services Pty Ltd
Level 3, 88 William Street
PERTH WA 6000

Share Registry

Security Transfer Registrars Pty Ltd
770 Canning Highway
APPLECROSS WA 6153

Australian Stock

Exchange Listing

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

Australian Business Number

64 089 311 026

Directors' Report

Grandbridge Limited and its controlled entities

The directors of Grandbridge Limited submit herewith the financial report for the half year ended 31 December 2013. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

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

D L Breeze

K G Hollingsworth

D Ambrosini

Review of Operations

Grandbridge Limited has reported a net profit before tax for the first half of the financial year of \$252,005 (2012: Loss \$74,236).

Other Activity

The Directors are currently continuing their investment strategy as outlined in the annual report for 30 June 2013.

Operating Results

Operating profit for the consolidated entity after tax for the period was \$202,432 (2012: Loss \$53,590).

Changes in State Of Affairs

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

Subsequent Events

Other than referred to in note 8 of these financial accounts, there have not been any matters or circumstance that have arisen since the end of the period, that have significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Dividends

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

Auditor's Independence

The directors received a declaration of independence from the auditor. This is included in the financial report on page 3.

Directors' Report (continued)

Grandbridge Limited and its controlled entities

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

On behalf of the Directors

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

D L Breeze
Executive Chairman
PERTH, 7 February 2014

Auditor's independence declaration under section 307C of the Corporations Act 2001

To the directors of Grandbridge Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half year ended 31 December 2013, there have been:

- (i) no contraventions of the auditor's independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

NPAS

Nexia Perth Audit Services Pty Ltd

Amar Nathwani

Amar Nathwani B.Eng, CA
Director

Perth 7 February 2014

Directors' Declaration

Grandbridge Limited and its controlled entities

The directors declare that:

- (a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- (b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

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

On behalf of the Directors

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

D L Breeze
Executive Chairman
PERTH, 7 February 2014

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the half year ended 31 December 2013

Grandbridge Limited and its controlled entities

	Note	Consolidated	
		31 December 2013	31 December 2012
		\$	\$
Revenue from ordinary activities	4	407,371	427,961
Other Income	4	244,911	(50,489)
Administration expenses		(93,774)	(94,209)
Consulting expenses		(17,072)	(25,765)
Depreciation and amortisation expense		(2,239)	(3,121)
Employee benefits expense		(217,364)	(242,047)
Insurance expenses		(16,512)	(16,327)
Occupancy expenses		(42,713)	(50,747)
Other expenses		(10,603)	(19,492)
Profit/(Loss) before income tax		252,005	(74,236)
Income tax (expense)/benefit		(49,573)	20,646
Profit/(Loss) from continuing operations		202,432	(53,590)
Profit/(Loss) attributable to members of the parent entity		202,432	(53,590)
Other Comprehensive Income			
Net Gains on available-for-sale financial assets		-	-
Income tax relating to components of other comprehensive income		-	-
Total other comprehensive income		-	-
Total Comprehensive Income for the period		202,432	(53,590)
Earnings Per Share -			
Basic (cents per share)		0.717	(0.190)
Diluted (cents per share)		0.717	(0.190)

The accompanying notes form part of these financial statements.

Condensed Consolidated Statement of Financial Position as at 31 December 2013

Grandbridge Limited and its controlled entities

		Consolidated	
		31 December 2013	30 June 2013
		\$	\$
	Note		
Current Assets			
Cash and cash equivalents	5	92,240	107,522
Financial assets	9	450,039	383,760
Other current assets		16,959	24,693
Total Current Assets		559,238	515,975
Non-Current Assets			
Financial assets	9	16,250,346	15,990,414
Property, plant & equipment		5,759	8,000
Deferred tax assets		546,370	529,914
Total Non-Current Assets		16,802,475	16,528,328
Total Assets		17,361,713	17,044,303
Current Liabilities			
Trade and other payables		650,103	618,303
Short-term provisions		84,592	86,636
Total Current Liabilities		734,695	704,939
Non-Current Liabilities			
Long-term provisions		42,996	26,482
Deferred tax liabilities		4,197,258	4,131,645
Total Non-Current Liabilities		4,240,254	4,158,127
Total Liabilities		4,974,949	4,863,066
Net Assets		12,386,764	12,181,237
Equity			
Issued capital	6	3,539,920	3,539,920
Reserves		10,245,924	10,242,829
Retained Earnings		(1,399,080)	(1,601,512)
Total Equity		12,386,764	12,181,237

The accompanying notes form part of these financial statements.

Condensed Consolidated Statement of Changes in Equity

For the half year ending 31 December 2013

Grandbridge Limited and its controlled entities

Consolidated	Ordinary Share Capital \$	Retained Profits / (Accumulated losses) \$	Option Reserve \$	Asset Revaluation Reserve \$	Total \$
Balance as at 1 July 2012	3,539,920	(1,275,767)	319,007	9,922,850	12,506,010
Net profit for the period	-	(53,590)	-	-	(53,590)
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	(53,590)	-	-	(53,590)
Transactions with owners in their capacity as owners					
Net option expense movement	-	-	696	-	696
Shares issued during the period	-	-	-	-	-
Balance for the half year ended 31 December 2012	3,539,920	(1,329,357)	319,703	9,922,850	12,453,116
Balance as at 1 July 2013	3,539,920	(1,601,512)	319,979	9,922,850	12,181,237
Net loss/profit for the period	-	202,432	-	-	202,432
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	202,432	-	-	202,432
Transactions with owners in their capacity as owners					
Net option expense movement	-	-	3,095	-	3,095
Shares issued during the period	-	-	-	-	-
Balance for the half year ended 31 December 2013	3,539,920	(1,399,080)	323,074	9,922,850	12,386,764

The accompanying notes form part of these financial statements.

Condensed Consolidated Statement of Cash Flows for the half year ended 31 December 2013

Grandbridge Limited and its controlled entities

		Consolidated	
	Note	31 December 2013 \$	31 December 2012 \$
<i>Cash Flows From Operating Activities</i>			
Cash receipts from customers		275,077	253,618
Cash payments to suppliers and employees		(339,788)	(386,783)
Interest received		1,012	1,643
Income Taxes Paid		(416)	-
Net cash provided (used in)/by operating activities		(64,115)	(131,522)
<i>Cash Flows From Investing Activities</i>			
Payment for property, plant and equipment		-	(308)
Loans Repaid by other entities		50,000	50,000
Net cash provided by investing activities		50,000	49,692
<i>Cash Flows From Financing Activities</i>			
Interest paid		(1,167)	(1,006)
Net cash provided by financing activities		(1,167)	(1,006)
<i>Net (decrease)/increase in Cash and Cash Equivalents Held</i>		(15,282)	(82,836)
<i>Cash and Cash Equivalents at the Beginning Of The Period</i>		107,522	116,339
<i>Cash and Cash Equivalents at The End Of The Period</i>	5	92,240	33,503

The accompanying notes form part of these financial statements.

Notes to the Financial Statements for the half year ended 31 December 2013

Grandbridge Limited and its controlled entities

1. CORPORATE INFORMATION

The financial report of Grandbridge Limited (the company) and its controlled entities for the half-year ended 31 December 2013 was authorised for issue in accordance with a resolution of the directors on 7 February 2014.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

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

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

The half-year financial report should be read in conjunction with the Annual Financial Report of Grandbridge Limited as at 30 June 2013.

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

It is also recommended that the half-year financial report be considered together with any public announcements made by Grandbridge Limited and its controlled entities during the half-year ended 31 December 2013 in accordance with the continuous disclosure obligations arising under the Corporations Act 2001.

(a) Basis of Preparation

Reporting Basis and Conventions

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

(b) Significant Accounting Policies

The half-year condensed consolidated financial statements have been prepared using the same accounting policies as used in the annual financial statements for the year ended 30 June 2013, except for the impact of the standards below in Note 2(c). The accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Notes to the Financial Statements (continued)

for the half year ended 31 December 2013

Grandbridge Limited and its controlled entities

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) New standards

The Group has adopted all of the new and revised Standards issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year.

New and revised Standards and amendments thereof effective for the current half-year that are relevant to the Group include:

- AASB 10 Consolidated Financial Statements and AASB 2011-7 Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards
- AASB 11 Joint Arrangements and AASB 2011-7 Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards
- AASB 12 Disclosure of Interests in Other Entities and AASB 2011-7 Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards
- AASB 127 Separate Financial Statements (2011) and AASB 2011-7 Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards
- AASB 128 Investments in Associates and Joint Ventures (2011) and AASB 2011-7 Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards
- AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13
- AASB 2012-2 Amendments to Australian Accounting Standards - Disclosures – Offsetting Financial Assets and Financial Liabilities

The effects of applying these standards are described below.

- AASB 10 Consolidated Financial Statements

AASB 10 supersedes AASB 127 Consolidated and Separate Financial Statements and Interpretation 112 Consolidation – Special Purpose Entities. AASB 10 revises the definition of control and provides extensive new guidance on its application. These new requirements have the potential to affect which of the Group's investees are considered to be subsidiaries and therefore change the scope of consolidation. The requirements on consolidation procedures, accounting for changes in non-controlling interests and accounting for loss of control of a subsidiary are unchanged.

Management has reviewed its control assessments in accordance with AASB 10 and has concluded that there is no effect on the classification (as subsidiaries or otherwise) of any of the Group's investees held during the period or comparative periods covered by these financial statements.

- AASB 11 Joint Arrangements

AASB 11 replaces AASB 131 Interests in Joint Ventures and the guidance contained in a related interpretation, Interpretation 113 Jointly Controlled Entities – Non-Monetary Contributions by Venturers, has been incorporated in AASB 128 (as revised in 2011). AASB 11 deals with how a joint arrangement of which two or more parties have joint control should be classified and accounted for. Under AASB 11, there are only two types of joint arrangements – joint operations and joint ventures. The classification of joint arrangements under AASB 11 is determined based on the rights and obligations of parties to the joint arrangements by considering the structure, the legal form of the arrangements, the contractual terms agreed by the parties to the arrangement, and, when relevant, other facts and circumstances. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint venturers) have rights to the net assets of the arrangement.

Notes to the Financial Statements (continued)

for the half year ended 31 December 2013

Grandbridge Limited and its controlled entities

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) New standards (continued)

Previously, AASB 131 Interests in Joint Ventures contemplated three types of joint arrangements – jointly controlled entities, jointly controlled operations and jointly controlled assets. The classification of joint arrangements under AASB 131 was primarily determined based on the legal form of the arrangement (e.g. a joint arrangement that was established through a separate entity was accounted for as a jointly controlled entity).

The initial and subsequent accounting of joint ventures and joint operations is different. Investments in joint ventures are accounted for using the equity method (proportionate consolidation is no longer allowed). Investments in joint operations are accounted for such that each joint operator recognises its assets (including its share of any assets jointly held), its liabilities (including its share of any liabilities incurred jointly), its revenue (including its share of revenue from the sale of the output by the joint operation) and its expenses (including its share of any expense incurred jointly). Each joint operation accounts for the assets and, liabilities, as well as revenue and expenses, relating to its interest in the joint operation in accordance with the applicable Standards.

During the period, the Company did not hold investments in joint arrangements and consequently, the new standard did not have any impact in the interim financial report.

- **AASB 12 Disclosure of Interests in Other Entities**

AASB 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of AASB 12 will result in more extensive disclosures in the annual consolidated financial statements. However, this has not resulted in any changes to the interim financial report.

- **AASB 13 Fair Value Measurement**

AASB 13 clarifies the definition of fair value and provides related guidance and enhanced disclosures about fair value measurements. It does not affect which items are required to be fair-valued. AASB 13 applies prospectively for annual periods beginning on or after 1 January 2013. AASB 134 requires particular AASB 13 disclosures in the interim financial statements which are provided in Note 9.

- **AASB 2012-2 Amendments to Australian Accounting Standards - Disclosures – Offsetting Financial Assets and Financial Liabilities**

The Group has applied the amendments to AASB 7 ‘Disclosures – Offsetting Financial Assets and Financial Liabilities’ for the first time in the current year. The amendments to AASB 7 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.

The amendments have been applied retrospectively. As the Group does not have any offsetting arrangements in place, the application of the amendments has had no material impact on the disclosures or on the amounts recognised in the consolidated financial statements.

Notes to the Financial Statements (continued)

for the half year ended 31 December 2013

Grandbridge Limited and its controlled entities

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Financial Position

The consolidated entity has incurred a net profit before tax for the period ended 31 December 2013 of \$252,005 (2012 loss: \$74,236), which is mainly attributable to unrealised gains on financial assets.

The consolidated entity has a working capital deficit of \$107,824 as at 31 December 2013 (30 June 2013: deficit of \$127,021) and cash assets of \$92,240 as at 31 December 2013 (30 June 2013: \$107,522) along with trade creditors and other payables of \$650,103 (30 June 2013: \$618,303). Included in the working capital deficit are loan receivables of \$450,039 at 31 December 2013 (30 June 2013: \$383,760) from other entities.

Included in other payables are amounts payable to the directors of the company of \$465,000 (30 June 2013: \$415,000). The directors have reviewed their expenditure and commitments for the consolidated entity and have implemented methods of costs reduction. The directors as a part of their cash monitoring, have voluntarily suspended cash payments for their director's fees to conserve cash resources.

The consolidated entity has investments in listed entities totalling \$638,729 as at 31 December 2013, which are classified as non-current assets in the statement of financial position. These assets are liquid and if required, a portion of these investments can be sold to obtain cash reserves for the consolidated entity.

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

Based on the cash flow forecasts and the ability to sell investments in listed entities if necessary, the directors are satisfied that, the going concern basis of preparation is appropriate. The financial report has therefore been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

3. SEGMENT INFORMATION

Identification of reportable segments

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

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

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.

Notes to the Financial Statements (continued)

for the half year ended 31 December 2013

Grandbridge Limited and its controlled entities

3. SEGMENT INFORMATION (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	
	2013	2012	2013	2012
	\$	\$	\$	\$
Consulting Services	406,359	426,318	136,180	93,602
Investing	222,442	(51,016)	222,442	(51,016)
Unallocated	1,012	2,170	-	-
Total for continuing operations	<u>629,813</u>	<u>377,472</u>	358,622	42,586
Administration expenses			(93,774)	(94,209)
Depreciation and Amortisation			(2,239)	(3,121)
Other			(10,604)	(19,492)
Profit/(Loss) before tax			<u>252,005</u>	<u>(74,236)</u>

Revenue reported above represents revenue generated from external customers. There were no intersegment sales in the year (2012: \$nil).

Segment Assets and Liabilities	Consolidated	
	31 December 2013	30 June 2013
	\$	\$
Segment Assets		
Consulting Services	-	-
Investing	15,387,440	15,164,998
Corporate	1,974,273	1,879,305
Total Assets	<u>17,361,713</u>	<u>17,044,303</u>
Segment Liabilities		
Consulting Services	-	-
Investing	-	-
Corporate	4,974,949	4,863,066
Total Liabilities	<u>4,974,949</u>	<u>4,863,066</u>

Notes to the Financial Statements (continued)

for the half year ended 31 December 2013
Grandbridge Limited and its controlled entities

4. REVENUE, INCOME AND EXPENSES

	Consolidated	
	31 December 2013 \$	31 December 2012 \$
<i>Revenue</i>		
Advisory / Corporate revenue	406,359	426,318
Interest revenue : other entities	1,012	1,643
<i>Total revenue</i>	407,371	427,961
<i>Other income</i>		
Unrealised gains/losses on financial investments	222,442	(51,016)
Other income	22,469	527
	244,911	(50,489)

5. CASH AND CASH EQUIVALENTS

	Consolidated	
	31 December 2013 \$	30 June 2013 \$
For the purpose of the half-year consolidated condensed statement of cash flows, cash and cash equivalents comprise the following:		
Cash at bank and in hand	92,240	107,522
	92,240	107,522

6. CONTRIBUTED EQUITY

	Consolidated	
	31 December 2013 \$	30 June 2013 \$
Ordinary shares (i)	3,539,920	3,539,920
	3,539,920	3,539,920

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

Notes to the Financial Statements (continued)

for the half year ended 31 December 2013

Grandbridge Limited and its controlled entities

6. CONTRIBUTED EQUITY (CONTINUED)

	Number	\$
Movement in ordinary shares on issue		
As at 1 July 2013	28,220,114	3,539,920
Issued during the period	-	-
As at 31 December 2013	28,220,114	3,539,920

7. CONTINGENT LIABILITIES

There were no contingent liabilities at balance date.

8. EVENTS SUBSEQUENT TO BALANCE DATE

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

9. FINANCIAL ASSETS

	Consolidated	
	31 December 2013 \$	30 June 2013 \$
<i>Current</i>		
Loans receivable (d)	450,039	383,760
<i>Non-Current</i>		
Security deposit (a)	22,584	22,584
Investments in listed entities (b)	638,729	416,287
Investments in unlisted entities (c)	14,726,127	14,726,127
Loans receivable (d)	862,906	825,416
	16,250,346	15,990,414

Notes to the Financial Statements (continued)

for the half year ended 31 December 2013

Grandbridge Limited and its controlled entities

9. FINANCIAL ASSETS (CONTINUED)

Fair Value of Financial Assets

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

Due to the application of AASB 13 this half-year, however, the company needs to disclose the fair value measurements by level of the fair value hierarchy for financial instruments that are measured at fair value on a recurring basis. The levels of the hierarchy are as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: 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: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

This applies to the financial assets described in (b) and (c) below.

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

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

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

BPH Energy Limited	33,891	33,891
MEC Resources Ltd	584,838	370,396
Strategic Elements Limited	20,000	12,000
	<u>638,729</u>	<u>416,287</u>

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

Molecular Discovery Systems Limited	20,334	20,334
Advent Energy Limited	14,687,500	14,687,500
AFFSDA	18,293	18,293
	<u>14,726,127</u>	<u>14,726,127</u>

(d) Loans Receivable:

Unsecured loans due from other entities	<u>1,312,945</u>	<u>1,209,176</u>
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Independent Auditor's Review Report to the members of Grandbridge Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Grandbridge Limited and its controlled entities (the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2013, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, other selected explanatory notes and the directors' declaration of the Group comprising the Company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Interim Financial Report

The directors of the Group are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards, including the Australian Accounting Interpretations, and the *Corporations Act 2001*. This responsibility includes: establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Grandbridge Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

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Conclusion

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

- (a) giving a true and fair view of the Group's financial position as at 31 December 2013 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

NPAS

Nexia Perth Audit Services Pty Ltd

Amar Nathwani

Amar Nathwani
Director

Perth 7 February 2014