

GRP CORPORATION LIMITED
ABN 57 096 781 716
AND ITS CONTROLLED ENTITIES
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2011

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GRP Corporation Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is Level 1, 981 Wellington Street, West Perth WA 6005. The previous registered office and place of business was Level 2, 350 Kent Street, Sydney, NSW 2000 and Level 2 Spectrum, 100 Railway Road, Subiaco, WA 6008.

CORPORATE GOVERNANCE STATEMENT

Background

The Board of Directors of GRP Corporation Limited is responsible for the Corporate Governance of GRP Corporation Limited and its controlled entities. The Board guides and monitors the business and affairs of the group on behalf of the shareholders by whom they are elected and to whom they are accountable.

The GRP Corporation Limited Corporate Governance Statement on the governance practices adopted by the Company is structured with reference to the ASX Corporate Governance Council's Principles and Recommendations. The practice are summarised below.

The Board is committed to improving its corporate governance practices and embracing the principles put out by the ASX Corporate Governance Council, however the Board is of a view that the adoption of the practices and principles should be in line with the growth in size, changes in the nature and increase in complexity of the Company's business.

The Board aims to achieve all of the Best Practice Recommendations in stages as the Company grows and its circumstances change over time. As reported in the current years' and previous years' annual report, the Company has been concentrating on its efforts to restore the financial position of the Company and does not have sufficient resources to adopt and improve its corporate governance practices at present.

A number of the principles previously adopted by the company were not consistently adhered to during the period from February 2008 to December 2010. During this period, the company was suspended from quotation from the ASX (May 2008) and was placed in voluntary administration in May 2010. It is the Boards intention to apply all principles previously adopted on the resumption of quotation on the ASX and achieve all of the Best Practice Recommendations in stages as the company grows and its circumstances change over time.

Principle 1: Lay solid foundations for management and oversight

For the reasons outlined above, this principle previously adopted by the company was not consistently adhered to during the period from February 2008 to December 2010.

On resumption of quotation of GRP's securities on the ASX, it is Board's intention to ensure the Company is structured such that there are clearly defined roles, segregation of duties and responsibilities and approved levels of authority between the management and the governance of the company. The Board will set the overall corporate governance policy for the company including determining the strategic direction, establishing policies and goals for management and monitoring the achievement of them. The Board will delegate responsibility for the day to day management of the company to the Chief Executive Officer and the senior executive team.

The key responsibilities of the Board will include:

- setting the long-term strategy and annual business plan including objectives and milestones to be achieved;
- evaluating capital, cash and operating risk budgets and making appropriate recommendations on an annual basis;
- reviewing and approving the company's financial, strategic and operational goals and assessing key business developments as formulated by management in line with the objectives and goals set by the Board;
- monitoring the performance of the company against the financial objectives and operational goals set by the Board and reviewing the implementation of Board approved strategies;
- assessing the appropriateness of the skill sets and the levels of experience of the members of the Board, individually and as a whole and selecting new members to join the Board when a vacancy exists;
- appointing, removing and determining the terms of engagement of the Directors, Chief Executive Officer and Company Secretary;
- overseeing the delegation of authority for the day to day management of the company;
- ensuring that the risk management systems, financial reporting and information systems, personnel, policies and procedures are all operating efficiently and effectively by establishing a framework of internal controls and compliance;
- reviewing major contracts, goods or services on credit terms, acceptance of counter-party risks and issuing guarantees on behalf of the company;

CORPORATE GOVERNANCE STATEMENT (continued)

- approving the capital structure and major funding requirements of the company;
- making recommendations as to the terms of engagement, independence and the appointment and removal of the external auditors;
- setting the Code of Conduct for the company and ensuring that appropriate standards of corporate governance and ethics are effectively communicated throughout the company and complied with;
- reviewing the adherence by each director to the Directors' Code of Ethics;
- establishing policies to ensure that the company complies with the ASX Continuous Disclosure Policy;
- approving the company's half year and full year reports to the shareholders, ASX and ASIC; and
- ensuring that recruitment, retention, termination, remuneration, performance review and succession planning policies and procedures are in place and complied with.

Principle 2: Structure the Board to add value

For the reasons outlined above, this principle previously adopted by the company was not consistently adhered to during the period from February 2008 to December 2010.

The Board is presently structured to maximise value to the company and the shareholders. The Board is of a size and composition that is conducive to making decisions expediently, with the benefit of a variety of perspectives, experiences and skills.

Board composition

The Board is composed of three directors. The skills, experience and expertise relevant to the position of Director held of each Director in office at the date of the annual report are included in the Directors Report.

It is noted that the Company's board composition is not in keeping with the commentary and guidance to Best Practice Recommendations 2.1. The Board is of the opinion that the current stage of uncertainty in relation to the future operation of the company requires the company to have a board, which has more of a hands-on and technical experience in order to stabilise the company. However, the board is committed to follow the guidance to Best Practice Recommendations 2.1 by appointing independent directors to the Board once the future direction of the company is resolved.

The Board has determined that there are sufficient appropriate alternative governance measures in place to ensure that non compliance with the recommendations does not give rise to undue risk or other material concerns relating to the management and oversight of the Company.

Term of office

The members of the Board are elected by the shareholders to ensure that the Board has the appropriate mix of expertise and experience.

In accordance with the Corporations Act 2001, if a person is appointed as Director during the year, the Company must confirm appointment by resolution at the Company's next Annual General Meeting.

When a vacancy exists on the Board, the Board appoints the most suitable candidate from a panel of candidates, who then must stand for election at the next Annual General Meeting if he or she wishes to continue as a member of the Board in the following year.

At the Company's annual general meeting one-third of the Directors shall retire from office, provided always that no Director except a Managing Director shall hold office for a period in excess of 3 years without submitting himself for re-election.

CORPORATE GOVERNANCE STATEMENT (continued)

Personal interests & conflicts

Directors must not take advantage of their position as directors and must not allow their personal interests, or the interests of any associated person to interfere or exert undue influence on their conduct or decisions as a director.

Directors also have a duty to avoid conflicts of interest between the best interests of the company and their own personal or commercial interests. Conflicts of interest can be either actual or potential. If a conflict of interest arises, directors must disclose their interests to the Board immediately. The directors concerned must not be present at the meeting while the matter is being considered and must not be allowed to vote on the matter either.

Independent professional advice

There are procedures in place, agreed by the Board, to enable directors in furtherance of their duties to seek independent professional advice at the company's expense.

Board Standing Committees

Due to the size of the Company and present uncertainties the Board has decided not to formally establish a Nomination Committee.

Although the board established an Audit and Risk Management Committee, at the date of this report, the company has not appointed any member to the Committee and as such, the responsibilities and duties of this Committee were taken up by the Board during the year. The small size and the hands on approach of the Board enable it to handle particular issues relevant to verifying and safeguarding the integrity of the company's financial reporting with the same efficiency as an Audit and Risk Management Committee.

Consequently the Company does not comply with Best Practice Recommendations. However the Board will keep this position under review.

Summary

In summary, the Company does not meet the requirements of Principle 2 of the Corporate Governance Guidelines in that:

- (i) The Board does not comprise a majority of independent Directors;
- (ii) The Chairperson is not an independent Director;

As explained throughout this section, the Board feels that at the present time each of the recommendations is not cost effective for adoption in a small public company such as GRP Corporation Limited. However the Board will constantly monitor and review the situation.

Principle 3: Promote ethical and responsible decision-making

For the reasons outlined above, this principle previously adopted by the company was not consistently adhered to during the period from February 2008 to December 2010.

Code of Conduct & Ethics

The company has a Code of Conduct, which sets the standards in accordance with which each director, manager and employee of the company is expected to act. The code is communicated to all levels of the company and deals with areas such as professional conduct, customers/consumers, suppliers, advisers/regulators, competitors, the community and the employees.

In addition to the Code of Conduct, the company also has a Directors' Code of Ethics, which sets out particular issues relevant to directors' obligations to the company.

Share trading policy

The constitution permits directors, senior executives and other officers of the company to trade in company shares as long as they comply with the company's Share Trading Policy. The Share Trading Policy is a code that is designed to minimise the potential for insider trading.

Directors must notify the Chairman of the Board, before they buy or sell shares in the company. If the Chairman of the Board intends to trade in the company shares, the Chairman of the Board must give prior notice to the Chairman of the Audit & Risk Management Committee. The details of the share trading must be given to the Company Secretary who must lodge such details of such changes in with the ASX.

Senior executives must give prior notice to the Chief Executive Officer, while other officers must notify the Company Secretary, before trading in the company shares and details of all such transactions must be given, in writing, to the Company Secretary within 7 business days.

CORPORATE GOVERNANCE STATEMENT (continued)

Any changes in substantial shareholding of the directors, senior executives or other officers must be reported to the ASX within 2 business days of such trading. The policy also recommends that trading in the company shares only occur in the following trading windows:

- 30 days after the announcement of the company's half year results; and
- 30 days after the announcement of the company's full year results.

Principle 4: Safeguard integrity in financial reporting

For the reasons outlined above, this principle previously adopted by the company was not consistently adhered to during the period from February 2008 to December 2010.

It is the Board's responsibility to ensure an effective internal control framework exists within the entity. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records and the reliability of financial information as well as non financial considerations such as benchmarking of operational key performance indicators.

Executive Certification

Historically, the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) are required to and have provided assurance to the Board stating that the financial statements and reports of the Company:

- Present a true and fair view, in all material respects, of the operating results and financial condition in accordance with the Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001;
- Are founded on a system of risk management and internal compliance and control, and these are operating efficiently and effectively in all material aspects.

However, as stated above, the principles previously adopted by the company were not adhered to during the period from February 2008 to December 2010 – including the requirement to obtain assurance from the CEO and the CFO that the financial statements present a true and fair view, in accordance with the Australian Accounting Standards and are founded on a system of risk management and internal compliance and control. It is the Board's intention to apply all principles previously adopted on the resumption of quotation on the ASX - including the requirement to obtain assurances from the CEO and the CFO in relation to the financial statements, systems of risk management and internal controls - in stages as the company grows and its circumstances change over time.

Audit & Risk Management Committee – audit responsibilities

Historically, the Board had an Audit & Risk Management Committee, which operates under a charter approved by the Board. It is the Board's responsibility to ensure an effective internal control framework exists within the entity.

At the date of this report, the company has not appointed any member to the Audit & Risk Management Committee and as such, the responsibilities and duties of this Committee were taken up by the Board during the year. The small size and the hands on approach of the Board enable it to handle particular issues relevant to verifying and safeguarding the integrity of the company's financial reporting with the same efficiency as an audit committee.

The Board had previously adopted a formal charter for the Audit & Risk Management Committee to reflect the matters set out in the commentary and guidance to Best Practice Recommendation 4.2. The Board is aware that the small size of the current Board and the absence of independent Directors do not allow the Board to structure the Audit & Risk Management Committee in accordance to the commentary and guidance to Best Practice Recommendation 4.3, but is committed to follow the recommendation once independent directors are appointed in the future.

Principle 5: Make timely and balanced disclosure

Historically, the company's market disclosure policy is to ensure that shareholders and the market are fully informed of the company's strategy, performance and details of any information or events that could be material to the value of the company's securities. The company is committed to ensuring that all information that may have a material impact on the company's share value is disclosed to the market in a timely and balanced manner.

The Chief Executive Officer and the Company Secretary, in consultation with the Board, are responsible, for the review, authorisation and disclosure of information to the ASX and for overseeing and coordinating information disclosures to the ASX, shareholders, brokers, analysts, the media and the public.

CORPORATE GOVERNANCE STATEMENT (continued)

The company ensures that it also complies with the requirements of the Listing Rules of the Australian Stock Exchange (“ASX”) and the Corporations Act in providing information to shareholders through:

- The half-yearly report to the ASX;
- The annual Report which is distributed to the ASX and to shareholders prior to the AGM;
- The AGM and other meetings called to obtain approval from shareholders where appropriate;
- Ad-hoc releases to the ASX as required under the ASX Listing Rules.

However, for the period February 2008 to December 2010, the company did not comply with this principle in a timely manner. Half yearly reports of the periods December 2008 and December 2009 were reported to the ASX in March 2011. The Half yearly reports of the period December 2010 were reported to the ASX in May 2011. The annual reports for the years ending June 2008 and June 2009 were distributed to the ASX in March 2011. The annual reports for the year ending June 2010 were distributed to the ASX in April 2011. The Annual General Meetings for years June 2008, June 2009 and June 2010 were held in July 2011.

It is the Boards intention to apply all principles previously adopted in a timely manner on the resumption of quotation on the ASX and achieve all of the Best Practice Recommendations in stages as the company grows and its circumstances change over time.

Principle 6: Respect the rights of shareholders

Communication to shareholders

The Company recognises the rights of its shareholders and other interested stakeholders to have easy access to balanced, understandable and timely information concerning the operations of the Group. The Chief Executive Officer and the Company Secretary are primarily responsible of ensuring communications with shareholder are delivered in accordance with this strategy and with our policy of continuous disclosure.

The Company strives to communicate with shareholders and other stakeholders in a regular manner as outlined in Principle 5 of this statement. However as noted on page 3 in the period from February 2008 to December 2010 the company did not communicate with shareholders and other stakeholders in a timely manner.

The Board encourages participation of shareholders at the Annual General Meeting or any other shareholder meetings to ensure a high level of accountability and identification with the Company’s strategy and goals. Shareholders are requested to vote on the appointment and aggregate remuneration of Directors, the granting of options and shares to Directors, issue of shares and changes to the constitution.

Annual General Meeting

Historically, the Board encourages full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the company’s strategy and goals.

The Board has also requested representatives from Hall Chadwick, the company’s external auditor, to be present at the Annual General Meeting to answer questions that shareholders might have about the scope and conduct of the audit, the preparation and content of the auditor’s report, the accounting policies adopted by the Company and the independence of the auditor.

It is the Boards intention to apply all principles previously adopted on the resumption of quotation on the ASX and implement all of the Best Practice Recommendations in stages as the company grows and its circumstances change.

Principle 7: Recognise and manage risk

Risk management responsibilities

The Company’s risk management framework is designed to identify, assess, monitor and manage material business risks, both financial and non financial, to minimise their impact on the achievement of organisational goals.

As no member has been appointed to the Audit & Risk Management Committee, the board is responsible for reviewing and ratifying the system of risk management, internal compliance and control, codes of conduct and legal compliance.

Historically, the Board delegates to the Chief Executive Officer and the Chief Financial Officer the responsibilities for the establishment, implementation and maintenance of the system of risk management including measures of its effectiveness.

CORPORATE GOVERNANCE STATEMENT (continued)

In the period February 2008 to December 2010, the Board did not receive a report from management as required under section 295A of the Corporation Act that the Company's risk management framework is effective for the Company's purpose. As disclosed on page 3 the principles previously adopted by the company were not always adhered to during the period from February 2008 to December 2010. It is the Board's intention to apply all principles previously adopted on the resumption of quotation on the ASX and achieve all of the Best Practice Recommendations in stages as the company grows and its circumstances change over time.

Principle 8: Remunerate fairly and responsibly**Remuneration responsibilities**

The Company's remuneration policy is disclosed in the Directors' Report. The policy has been set out to ensure that the performance of Directors, key executives and staff reflect each person's accountabilities, duties and their level of performance, and to ensure that remuneration is competitive in attracting, motivating and retaining staff of the highest quality. A program of regular performance appraisals and objective setting for key executives and staff is in place. These annual reviews take into account individual and company performance, market movements and expert advice.

The Board determines any changes to the remuneration of key executives on an annual basis.

The Board determines and reviews compensation arrangements for the directors and the executive team.

DIRECTORS' REPORT

The Directors present their report on the consolidated entity consisting of GRP Corporation Limited and the entities it controlled. The following persons held office as Directors at any time during or since the end of the financial year:

The details of each of the three Directors' position, date of appointment, qualifications, experience and expertise and assessment of

Mark Rowbottam	Chairman (Non Executive) – appointed 4 November 2010
Qualifications:	Mr Rowbottam has undergraduate science qualifications and a Master of Business Administration with specialties in corporate administration and marketing. He is a Fellow of the Securities Institute of Australia and active member of the Chartered Secretaries Australia
Special Responsibilities	Chairman of the board
Interest in Shares & Options:	33,333,334 (13.8% of total share capital) and Nil Options
Experience:	Mr Rowbottam is an experienced corporate executive, advisor and company director. Mr Rowbottam has more than 15 years experience in the corporate finance arena and has been involved in a number of ASX capital raisings, mergers / acquisitions and corporate transactions in the energy and mineral resources sector. He is the Managing Director of Allegra Capital Pty Ltd.
Directorships held in Other Listed Entities	Mr Rowbottam is non executive director of Latin Resources Limited.
Miguel Laborde	Director (Non Executive) - appointed 4 November 2010
Qualifications:	Miguel Laborde holds qualifications in Marketing and information systems
Special Responsibilities	Director
Interest in Shares & Options:	33,333,333 (13.8% of total share capital) Nil Options
Experience:	Miguel Laborde has consulted to many public companies assisting in marketing and corporate development specializing in healthcare, IT and the resource sector. He brings a wealth of experience in mergers and acquisitions and has a large network of business associates.
Directorships held in Other Listed Entities	None
Zane Lewis	Director (Non Executive) and Company Secretary - appointed 10 October 2011
Qualifications:	Zane Lewis holds a Bachelor of Economics from the University of Western Australia
Special Responsibilities	Director and Company Secretary
Interest in Shares & Options:	Nil
Experience:	Zane Lewis has 20 years corporate experience in finance, management and M&A in the Resources and IT sectors. He is the founder of Smallcap Corporate, a Corporate Advisory services company. He is a Company Secretary and CFO for various unlisted public companies. Zane Lewis studied a Bachelor of Economics at the University of Western Australia and is a member of Chartered Secretaries Australia.
Directorships held in Other Listed Entities	None

DIRECTORS' REPORT (continued)

Stephen Quantrill	Director (Executive) - appointed 7 July 2011 and resigned on 10 October 2011
Qualifications:	He is a professional engineer and attained his university degrees with first class in South Africa.
Special Responsibilities	Managing Director
Interest in Shares & Options:	NIL
Experience:	Mr Quantrill has a high level of commercial and managerial expertise across multiple geographical locations including Australia, South Africa, and Europe. He is currently the Managing Director at Cady Energy and has over 10 year's experience as a company director and more than 15 years experience as a business leader in financial and engineering services.
Directorships held in Other Listed Entities	None
Steve Nicols	Director (Non Executive) and Company Secretary - appointed 4 November 2010 & resigned 7 July 2011
Qualifications:	B Com, CPA
Special Responsibilities	Director (until 7 July 2011) and Company Secretary (until 13 July 2011)
Interest in Shares & Options:	33,333,333 (13.8% of total share capital) Nil Options
Experience:	Steve Nicols is the principal of Nicols and Brien, a specialised accounting practice with offices in Sydney and Wollongong. He provides advice to businesses for the purposes of reconstruction or profit enhancement. He has over 25 years experience in this field. He has recapitalised 7 ASX listed companies recently.
Directorships held in Other Listed Entities	Previous directorships of ASX Listed companies include Tangiers Petroleum Ltd, Resource Star Ltd, FTD Corporation limited and Blackrest Resources Ltd. He is a current director of Welcome Stronger Mining Limited and RKS Consolidated Ltd.
Alfred Wong	Removed 4 November 2010
Special Responsibilities	Chairman of the board until removal on 4 November 2010
Interest in Shares & Options:	750,000 shares (0.31% of total share capital) Nil Options
Experience:	Alfred is the founder and the Managing Director of the Great Pacific Financial Group, a private financial institution with over 10 years experience in property investment banking. Alfred has also held a number of executive management positions in leading financial institutions and banks in Australia, including Capita Financial Group and State Bank NSW.
Directorships held in Other Listed Entities	Mr Wong is the non executive chairman of Qmastor Limited an ASX listed company and the Chairman of Green Pacific Energy Limited (in liquidation).
Ivan Wong	Removed 4 November 2010
Special Responsibilities	Director (Non Executive) until removal on 4 November 2010
Interest in Shares & Options:	250,000 shares (0.10% of total share capital) Nil Options
Experience:	Ivan is an IT specialist. He has extensive experience in the mortgage industries being the Director of Great Pacific Finance Pty Ltd, a leading specialist mortgage originator with over \$500 million in funds under management. He also has access to in-depth and instantaneous information on the property industry as the founder of Universal Title Searchers, a leading provider of public, legal and business information with the first and only windows-based software package for electronic information transfer in Australia.
Directorships held in Other Listed Entities	none

DIRECTORS' REPORT (continued)

Directors Meetings

Attendance by each director in relation to their period of responsibilities were as follows:

Meetings attended during the financial year are as follows:

Name	Full Meetings of Directors	
	Number eligible to attend	Number attended
Mr Mark Rowbottam	2	2
Mr Miguel Laborde	2	2
Mr Steve Nicols (resigned 7 July 2011)	2	2
Mr Stephen Quantrill (appointed 7 July 2011)	Nil	Nil
Mr Alfred Wong (removed 4 November 2010)	Nil	Nil
Mr Ivan Wong (removed 4 November 2010)	Nil	Nil

Principal activity

The principal activity of the consolidated entity is to pursue opportunities in the Resource Sector including Methane Gas Projects.

Consolidated Results

For the year ended 30 June 2011, the net result of the consolidated entity after applicable income tax for was a profit of \$745,174 (30 June 2010: Loss of \$ 35,082).

Operations during the year ended 30 June 2011

The profit of the year is derived from the 'forgiveness' and write back of liabilities previously carried as a result of the deed of company arrangement executed in November 2010.

In the period July 2010 to October 2010 the company was in administration, managed by Murray Godfrey of RMG. At a General meeting of the Company on 4 November 2010 the creditors agreed to a deed of company arrangement and the Company was able to extinguish all existing liabilities.

During the year, the Company also entered into an agreement to acquire 100% of the issues shares in Cady Energy Pty Limited, which is an Australian company based in Perth, Western Australia. Cady is focused on the commercial development of its 100% owned coal bed methane project known as the Hanging Woman Project located in the Powder Region Basin, Wyoming USA ("Project"). In June 2010 Cady purchased the Project from Kennedy Oil. The Project is 13,393 acres in area and was originally acquired and drilled by Kennedy Oil, which is an established private coal bed methane producing company based in Gillette, Wyoming. Subsequent to year end GRP's prospectus was withdrawn on 31 October 2011 as the company was not in a position to complete the capital raising and achieve the important dates with regards to re-listing. Subsequently the Share Sale Agreement to acquire Cady Energy Pty Ltd was terminated as not all conditions precedent including due diligence satisfaction were achieved.

On 25 May 2012 the Company entered into a Binding Term Sheet to acquire European Energy Limited, subject to satisfactory due diligence and various conditions precedent including the successful re-listing of GRP on the ASX. During June to August 2012 GRP successfully raised \$420,000 via convertible notes.

Dividends

No dividends were declared for the year ended 30 June 2011 (30 June 2010:\$NIL).

Likely developments

For the likely developments in the operations of the economic entity refer to the review of operations.

DIRECTORS' REPORT (continued)

Significant Changes in the State of Affairs

During the financial year, the following significant events materially impact on the Group's operations:

On 4 November 2010, the shareholders unanimously approved the following resolutions proposed at the General Meeting of GRP Corporation Limited including:

- i) Allotment and issue of 200 million shares, amounting to \$630,000;
- ii) Removal of previous Directors and Company Secretary;
- iii) Election of Mr Steve Nicols, Mr Mark Rowbottam and Mr Miguel Laborde as Directors;
- iv) Appointment of Mr Steve Nicols as Company Secretary;
- v) Change of the company name to GRP Corporation Limited.

On 4 November 2010, the Company executed a deed of arrangement and creditors trust with its creditors, extinguished all liabilities and removed itself from Administration. The payment made to the creditors trust under the deed of arrangement to extinguish all liabilities was \$ 83,293.

On 4 March 2011, the company announced it signed an agreement to acquire Cady Energy Pty Ltd (CADY) an Australian company which owns the Hanging Woman project in the Powder River Basin in Wyoming USA. On receipt of all of the relevant approvals, the company will acquire 100% of the issued capital of CADY in return for the shareholders of CADY receiving 90 million shares in GRP Corporation and options to acquire a further 11.25 million shares, exercisable at 20 cents. The options will expire on 30 September 2014. Subsequently the Share Sale Agreement to acquire Cady Energy Pty Ltd was terminated on 31 October 2011.

Events Subsequent to Balance Date

On 6 July 2011, the shareholders unanimously approved the following resolutions proposed at the Annual General Meeting of GRP Corporation Limited including:

- i) Consolidation of the issued capital of GRP on the basis of 20 shares being consolidated into one share
- ii) The change in the nature of the Company's activities from a property development company to an oil and gas exploration and production company, pursuant to ASX Listing Rule 11.1.
- iii) The acquisition of 100% of the issued shares in Cady on the terms set out in the Agreement;
- iv) Approving and authorising the directors of GRP to allot and issue up to 75 million shares in GRP (on a 'post-consolidation' basis) at an issue price of 20 cents each.
- v) Election of Mr Murray Durham, Mr Saxon Palmer and Mr John (Gus) Simpson as Directors;
- vi) Change in the Company's name to Cady Energy Limited;
- vii) Adoption of a new Constitution.

The above conditions were not completed following the Share Sale Agreement to acquire Cady Energy Pty Ltd was terminated on 31 October 2011.

As a consequence of the change in the nature of the Company's activities, the ASX requires the Company to re-comply with Chapters 1 and 2 of the ASX Listing Rules. On 11 July 2011 a prospectus was issued to assist the Company to re-comply with these requirements. The Company lodged the Prospectus with ASIC on the same date with an offer of 35 million shares at an issue price of \$0.20 per share together with 1 free attaching option exercisable at \$0.20 on or before 30 September 2014 for every two shares issued to raise \$7 million. The aforementioned prospectus was withdrawn on 31 October 2011 as the company was not in a position to complete the capital raising and achieve the important dates with regards to re-listing. Subsequently the Share Sale Agreement to acquire Cady Energy Pty Ltd was terminated as not all conditions precedent including due diligence satisfaction were achieved.

On 7 July 2011 Mr Stephen Quantrill was appointed as Managing Director to the board and accepted the resignation of Mr Steve Nichols.

On 7 July 2011, the Company moved its share registry to Security Transfer Registrars Pty Limited and on 10 February 2012 the Company moved its share registry to Computershare Investors Services Pty Limited.

On 11 July 2011, Ms Eryn Kestel was appointed as company secretary and Mr Steve Nichols resigned.

On 10 October 2011 the Mr Zane Lewis was appointed as Non Executive Director to the Board and accepted the resignation of Mr Steven Quantrill.

DIRECTORS' REPORT (continued)

On 23 December 2011 the Company moved its Registered Office and Principle Place of Business to Level 1, 981 Wellington St, West Perth WA 6005.

On 2 May 2012 the Company completed a placement to Sophisticated Investors of 1,509,100 shares for \$75,455.

On 25 May 2012 the Company entered into a Binding Term Sheet to acquire European Energy Limited, subject to satisfactory due diligence and various conditions precedent including the successful re-listing of GRP on the ASX.

On 28 May 2012, Mr Zane Lewis was appointed as company secretary and Ms Eryn Ketsel resigned.

On 30 July 2012, the Company announced that it had successfully raised \$420,000 via convertible loans.

The Company's securities remain suspended from trading on ASX and will not be reinstated until the ASX confirm the Company's re-compliance with the admission requirements of Chapters 1 and 2 of the ASX Listing Rules.

Other than those disclosed above, there are no other matters or circumstances that have arisen since 30 June 2011 that have significantly affect, or may significantly affect:

- The consolidated entity's operations in the future financial years, or
- The results of those operations in future financial years, or
- The consolidated entity's state of affairs in the future financial years.

Insurance of directors and officers

During the financial year, the Company did not have an insurance policy to insure the Directors and officers of the Company and its controlled entities.

DIRECTORS' REPORT (continued)

Remuneration Report

This report details the nature and amount of remuneration for each director of GRP Corporation Limited and for the executive receiving the highest remuneration.

A. Principles used to determine the nature and amount of remuneration

Non executive Directors

Under the previous Board, the total non-executive directors' remuneration pool was approved by the shareholders. The remuneration pool currently stands at a maximum of \$200,000 per annum and shall remain the same until amended and approved by the shareholders.

In recommending the remuneration pool, the board takes into account current market and industry specific practice to ensure non-executive directors' fee and payments are appropriate and in line with market situation.

No remuneration has been paid to the three non-executive directors.

Executive Directors and executives

Executive Directors and executives are remunerated in accordance with their executive service contracts as approved by the Board. In approving the reward for executives, the Board will ensure it rewards competency and experience while remain competitive and reasonable as compared to current market and industry specific practice and are in line with the shareholders' interests.

A. Executive pay

The total remuneration package of executives consists of the followings:

- (a) Base pay;
- (b) Benefits;
- (c) Superannuation contribution.

(a) Base pay

Base pay is the fixed cash salary set by the service contract. The base pay is set to be in line with the market rate for a comparable role in an organisation similar to the size of the Company. Base pay is reviewed annually to ensure it remains competitive in the market but there is no guarantee of annual increases in the service contract.

The base pay will also be reviewed if the executive is promoted or takes on additional roles within the Company.

(b) Benefits

Benefits are prescribed benefit to be provided at the executives' discretion. Prescribed benefits include the use of motor vehicle, reimbursement of the running cost and the use of car park in the office building.

(c) Superannuation contribution

The Company contributes to the executives' superannuation fund at the statutory prescribed rate which is currently at 9%. The contribution rate applies to the cash salary only.

B. Share options

The Company has set up a Directors, executives and staff share option plan under which share options can be issued in lieu of payment for services or as rewards for performance.

During the year, no share options have been issued to any directors, executives or staff.

DIRECTORS' REPORT (continued)

C. Key Management Remuneration

The directors and key management personnel of the Company did not receive any remuneration in respect of their duties in relation to GRP Corporation Limited.

Shareholdings

The directors and key management personnel of the Company did not receive any shares as part of their remuneration in respect of their duties in relation to GRP Corporation Limited.

Share Options

No share options had been issued to any directors during or since the end of the financial the year.

During the year ended 30 June 2011 no ordinary shares were issued on options granted in prior years.

Environmental regulations

The consolidated entity's operations are not subject to environmental regulations under either Commonwealth or State legislation.

Proceedings on Behalf of the 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.

Non-Audit Services

The Board of Directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- All non-audit services are reviewed and approved by the board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditors; and
- The nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

During the year Hall Chadwick, the company's auditor did not provide any services other than their statutory duties.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2011 has been received and can be found on page 13 of this Annual Report.

Signed this 8th day of October 2012 in accordance with a resolution of the Directors.



Mark Rowbottam
Director

AUDITOR'S INDEPENDENCE DECLARATION

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011

		Consolidated	Consolidated
	Notes	2011	2010
		\$	\$
Revenue			
Debt Forgiveness		1,107,838	-
Interest Income	2	1,144	55
		<u>1,108,982</u>	<u>55</u>
Accounting Fees		(13,715)	-
Audit Fees		(25,861)	-
ASX Listing Fees		(20,325)	-
Recapitalisation Fees		(271,194)	-
Company Secretarial Fees		(3,258)	-
Depreciation and amortisation expense	3	-	(6,168)
Impairment of Plant and Equipment		-	(19,881)
Lease and Rental Expenses		-	(1,610)
Legal and Professional Fees		(18,217)	-
General & Administrative Exp		(3,677)	(7,478)
Printing and Postage		(4,936)	-
Share Registry Fees		(2,625)	-
Profit / (Loss) before income tax		<u>745,174</u>	<u>(35,082)</u>
Income tax (expense)/benefit	4	-	-
Profit / (Loss) for the year		<u>745,174</u>	<u>(35,082)</u>
Other Comprehensive Income		-	-
Total Comprehensive Income/(Loss) for the year		<u>745,174</u>	<u>(35,082)</u>
		Cents per share	Cents per share
Basic earnings per share	6	0.55	(0.09)
Diluted earnings per share	6	0.55	(0.09)

The above statement of comprehensive income is to be read in conjunction with the notes to the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2011

		Consolidated	Consolidated
	Notes	2011	2010
		\$	\$
Assets			
<u>Current Assets</u>			
Cash and cash equivalents	9	5,393	1,126
Trade and Other Receivables	10	16,859	-
Total Current Assets		22,252	1,126
<u>Non Current Assets</u>			
Property, plant and equipment	11	-	-
Total Non Current Assets		-	-
Total Assets		22,252	1,126
<u>Current Liabilities</u>			
Trade and other payables	12	33,698	1,147,766
Total Current Liabilities		33,698	1,147,766
Total Liabilities		33,698	1,147,766
Net Assets		(11,446)	(1,146,640)
<u>Equity</u>			
Issued capital	13	7,765,035	7,375,015
Retained profits		(7,776,481)	(8,521,655)
Total Equity		(11,446)	(1,146,640)

The above statement of financial position is to be read in conjunction with the notes to the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2011

Consolidated	Note	Issued Capital \$	Retained Earnings \$	Total \$
Balance at 1.07.2009		7,375,015	(8,486,573)	(1,111,558)
Total comprehensive loss for the year		-	(35,082)	(35,082)
Balance at 30.06.2010		7,375,015	(8,521,655)	(1,146,640)
Balance at 1.07.2010		7,375,015	(8,521,655)	(1,146,640)
Issue of Shares	13	390,020	-	390,020
Total comprehensive income for the year		-	745,174	745,174
Balance at 30.06.2011		7,765,035	(7,776,481)	(11,446)

The above statement of changes in equity is to be read in conjunction with the notes to the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011

	Notes	Consolidated 2011 \$	Consolidated 2010 \$
Cash flows from operating activities			
Interest received		1,144	55
Operating payments		(385,383)	(4,088)
Net cash used in operating activities	16(a)	(384,239)	(4,033)
Cash flows from financing activities			
Proceeds from issue of shares		390,020	-
Dividends paid in relation to prior years		(1,514)	(12,978)
Net cash provided by / (used in) financing activities		388,506	(12,978)
Net increase / (decrease) in cash held		4,267	(17,011)
Cash at the beginning of the financial year		1,126	18,137
Cash at the end of the financial year	16(b)	5,393	1,126

The above statement of cash flows is to be read in conjunction with the notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

This financial statements include the consolidated financial statements and notes of GRP Corporation Limited and controlled entities ('Consolidated Group' or 'Group'). The separate financial statements of the parent entity, GRP Corporation limited, have not been presented within this financial report as permitted by the Corporations Act 2001. The financial statements are authorised for issue on 8th of October 2012 by the directors of the company.

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

a. Going concern

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

On 9 May 2008, the Company's securities were suspended from Official Quotation by the ASX in accordance with listing rule 17.3 pending the Company's compliance with ASX listing rule 12.1.

On 13 May 2010, the Company under section 436A of the Corporations Act 2001, appointed Murray Godfrey of RMG Partners Business Solutions as administrator.

In an extraordinary general meeting of shareholders held on 4 November 2010, the shareholders unanimously approved all resolutions including: the allotment and issue of 200 million shares, removal of the previous Directors and Company Secretary, the election of new Directors, and a change of the Company name to GRP Corporation Limited.

The Company also executed a deed of arrangement and creditors trust with its creditors, extinguish all liabilities and removed itself from Administration.

The Group has a deficiency of net assets of \$11,446 at 30 June 2011.

The Directors nevertheless believe that it is appropriate to prepare the financial statements on a going concern basis because the Company is seeking profitable opportunities with a focus in the Resource sectors.

During the period, the Company also entered into an agreement to acquired 100% of the issues shares in European Energy Limited, which is an Australian company based in Perth, Western Australia. European Energy Limited is focused on the commercial development of its oil and gas joint venture opportunities in the Czech Republic.

During July and August 2012 the Company raised \$420,000 via a convertible loan where by GRP Corporation Limited has the election to convert the loan amount into shares in GRP Corporation limited at the conversion rate of 8 cents per share.

In the event that GRP Corporation Limited is unable to realise its object of obtaining profitable opportunities or complete any further capital raisings it will be required to realise its assets and extinguish its liabilities in a manner other than in the normal course of business such as voluntarily administration.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

1: Statement of Significant Accounting Policies (continued)

b. Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled GRP Corporation Limited at the end of the reporting period. A controlled entity is any entity over which GRP Corporation Limited has the ability and right to govern the financial and operating policies so as to obtain benefits from the entity's activities.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities is included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 14 to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are reported separately within the Equity section of the consolidated Statement of Financial Position and Statement of Comprehensive Income. The non-controlling interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions) when measuring the consideration transferred in the business combination any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or a liability is remeasured each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the statement of comprehensive income. The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

1: Statement of Significant Accounting Policies (continued)

c. Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. 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 assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Tax consolidation

GRP Corporation Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under tax consolidation legislation. Each entity in the Group recognises its own current and deferred tax assets and liabilities. Such taxes are measured using the 'stand-alone taxpayer' approach to allocation. Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the head entity. The Group notified the Australian Taxation Office that it had formed an income tax consolidated group to apply from 1 July 2006. The tax consolidated group has entered a tax funding arrangement whereby each company in the Group contributes to the income tax payable by the Group in proportion to their contribution to the Group's taxable income. Differences between the amounts of net tax assets and liabilities derecognised and the net amounts recognised pursuant to the funding arrangement are recognised as either a contribution by, or distribution to the head entity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

1: Statement of Significant Accounting Policies (continued)

d. Impairment of assets

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually and tangible assets with indefinite lives. Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

e. Investments

Non-current investments are measured on the cost basis. The carrying amount of non-current investments is reviewed annually by directors to ensure it is not in excess of the recoverable amount of these investments. The recoverable amount is assessed from the quoted market value for listed investments or the underlying net assets for other non-listed investments and reviewed for impairment.

f. Receivables

Receivables are measured on cost basis and recorded upon payment of the amount recoverable. In the case of receivables from controlled entities, amounts are recorded upon the advance of loans or payments on their behalf.

Receivables and other debtors, including amount receivable from controlled entities, are assessed annually to determine the recoverable amounts. The difference between the recoverable amount and the original cost are provided for either as doubtful debts or impairment loss in the current year.

g. Plant and Equipment

The carrying amount is reviewed annually by the 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 employed and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

Items of plant and equipment are measured on the cost basis less accumulated depreciation and impairment losses.

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

<u>Class of fixed asset</u>	<u>Depreciation rate</u>
Office fittings	12 %
Computer equipment	25 %
Communication equipment	10 – 15 %
Furniture and fixtures	7.5 - 10 %

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

1: Statement of Significant Accounting Policies (continued)

Depreciation (continued)

These rates are consistent with those adopted in the prior year. The asset's 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 value 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.

h. Employee benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employee to balance date. 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.

i. Borrowing costs

Borrowing costs are recognised as expenses in the period in which they are incurred, except where they are included as part of the costs of acquiring land and building for redevelopment. Borrowing costs carried forward are amortised over the life of the loan or 5 years, whichever is earlier.

j. 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.

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

k. Financial Instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligation exist. Subsequent to initial recognition, these instruments are measured as set out below.

Available-for-sale financial assets

(i) Recognition

Available-for-sale financial asset are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

(ii) Fair value

Fair value is determined based on current bid price 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 option pricing models.

(iii) 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 decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

1: Statement of Significant Accounting Policies (continued)

l. 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.

m. Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short term high liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within short term borrowings in current liabilities in the balance sheet.

n. Comparatives

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current year.

o. 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.

Key Estimates — Impairment

At each reporting date, the group reviews the carrying value of tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amounts of the asset, being the higher of the asset's fair value costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

No impairment has been recognised in respect of goodwill at reporting date. Impairment has been recognised in regard of Plant and Equipment in relation to furniture and fittings following the termination of the company's lease of its former registered office.

p. New Accounting Standards for Application in Future Periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the Group has decided not to early adopt. A discussion of those future requirements and their impact on the Group is as follows:

- AASB 9: Financial Instruments (December 2010) (applicable for annual reporting periods commencing on or after 1 January 2013).

This Standard is applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments. The Group has not yet determined any potential impact on the financial statements.

The key changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

1: Statement of Significant Accounting Policies (continued)

p. New Accounting Standards for Application in Future Periods (continued)

- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
 - requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
 - requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.
- AASB 124: Related Party Disclosures (applicable for annual reporting periods commencing on or after 1 January 2011).

This Standard removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities and clarifies the definition of a "related party" to remove inconsistencies and simplify the structure of the Standard. No changes are expected to materially affect the Group.

- AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052] (applicable for annual reporting periods commencing on or after 1 July 2013).

AASB 1053 establishes a revised differential financial reporting framework consisting of two tiers of financial reporting requirements for those entities preparing general purpose financial statements:

- ☐ Tier 1: Australian Accounting Standards; and
- ☐ Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements.

Tier 2 of the framework comprises the recognition, measurement and presentation requirements of Tier 1, but contains significantly fewer disclosure requirements.

The following entities are required to apply Tier 1 reporting requirements (ie full IFRS):

- ☐ for-profit private sector entities that have public accountability; and
- ☐ the Australian Government and state, territory and local governments.

Since the Group is a for-profit private sector entity that has public accountability, it does not qualify for the reduced disclosure requirements for Tier 2 entities.

AASB 2010-2 makes amendments to Australian Accounting Standards and Interpretations to give effect to the reduced disclosure requirements for Tier 2 entities. It achieves this by specifying the disclosure paragraphs that a Tier 2 entity need not comply with as well as adding specific "RDR" disclosures.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

1: Statement of Significant Accounting Policies (continued)

p. New Accounting Standards for Application in Future Periods (continued)

- AASB 2009–12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011).
This Standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. The Standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. The amendments are not expected to impact the Group.
- AASB 2009–14: Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement [AASB Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2011).
This Standard amends Interpretation 14 to address unintended consequences that can arise from the previous accounting requirements when an entity prepays future contributions into a defined benefit pension plan.
This Standard is not expected to impact the Group.
- AASB 2010–4: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101 & AASB 134 and Interpretation 13] (applicable for annual reporting periods commencing on or after 1 January 2011).
This Standard details numerous non-urgent but necessary changes to Accounting Standards arising from the IASB's annual improvements project. Key changes include:
 - clarifying the application of AASB 108 prior to an entity's first Australian-Accounting-Standards financial statements;
 - adding an explicit statement to AASB 7 that qualitative disclosures should be made in the context of the quantitative disclosures to better enable users to evaluate an entity's exposure to risks arising from financial instruments;
 - amending AASB 101 to the effect that disaggregation of changes in each component of equity arising from transactions recognised in other comprehensive income is required to be presented, but is permitted to be presented in the statement of changes in equity or in the notes;
 - adding a number of examples to the list of events or transactions that require disclosure under AASB 134; and
 - making sundry editorial amendments to various Standards and Interpretations.
 This Standard is not expected to impact the Group.
- AASB 2010–5: Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042] (applicable for annual reporting periods beginning on or after 1 January 2011).
This Standard makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. However, these editorial amendments have no major impact on the requirements of the respective amended pronouncements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

1: Statement of Significant Accounting Policies (continued)

p. New Accounting Standards for Application in Future Periods (continued)

- AASB 2010–6: Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & AASB 7] (applicable for annual reporting periods beginning on or after 1 July 2011).

This Standard adds and amends disclosure requirements about transfers of financial assets, especially those in respect of the nature of the financial assets involved and the risks associated with them. Accordingly, this Standard makes amendments to AASB 1: First-time Adoption of Australian Accounting Standards, and AASB 7: Financial Instruments: Disclosures, establishing additional disclosure requirements in relation to transfers of financial assets.

This Standard is not expected to impact the Group.

- AASB 2010–7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127] (applies to periods beginning on or after 1 January 2013).

This Standard makes amendments to a range of Australian Accounting Standards and Interpretations as a consequence of the issuance of AASB 9: Financial Instruments in December 2010. Accordingly, these amendments will only apply when the entity adopts AASB 9.

As noted above, the Group has not yet determined any potential impact on the financial statements from adopting AASB 9.

- AASB 2010–8: Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112] (applies to periods beginning on or after 1 January 2012).

This Standard makes amendments to AASB 112: Income Taxes.

The amendments brought in by this Standard introduce a more practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model under AASB 140: Investment Property.

Under the current AASB 112, the measurement of deferred tax liabilities and deferred tax assets depends on whether an entity expects to recover an asset by using it or by selling it. The amendments introduce a presumption that an investment property is recovered entirely through sale. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

The amendments brought in by this Standard also incorporate Interpretation 121 into AASB 112.

The amendments are not expected to impact the Group.

- AASB 2010–9: Amendments to Australian Accounting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters [AASB 1] (applies to periods beginning on or after 1 July 2011).

This Standard makes amendments to AASB 1: First-time Adoption of Australian Accounting Standards.

The amendments brought in by this Standard provide relief for first-time adopters of Australian Accounting Standards from having to reconstruct transactions that occurred before their date of transition to Australian Accounting Standards.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

1: Statement of Significant Accounting Policies (continued)

p. New Accounting Standards for Application in Future Periods (continued)

Furthermore, the amendments brought in by this Standard also provide guidance for entities emerging from severe hyperinflation either to resume presenting Australian-Accounting-Standards financial statements or to present Australian-Accounting-Standards financial statements for the first time.

This Standard is not expected to impact the Group.

- AASB 2010–10: Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First-time Adopters [AASB 2009–11 & AASB 2010–7] (applies to periods beginning on or after 1 January 2013).

This Standard makes amendments to AASB 2009–11: Amendments to Australian Accounting Standards arising from AASB 9, and AASB 2010–7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010).

The amendments brought in by this Standard ultimately affect AASB 1: First-time Adoption of Australian Accounting Standards and provide relief for first-time adopters from having to reconstruct transactions that occurred before their transition date.

[The amendments to AASB 2009–11 will only affect early adopters of AASB 2009–11 (and AASB 9: Financial Instruments that was issued in December 2009) as it has been superseded by AASB 2010–7.]

This Standard is not expected to impact the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

	Consolidated	Consolidated
	2011	2010
	\$	\$
2. Revenue		
Other income		
Interest income	1,144	55
Debt forgiveness	1,107,838	-
Total Revenue	1,108,982	55
3. Depreciation and amortisation		
Depreciation	-	6,168
4. Income tax expense		
(a) The components of tax expense comprise:		
Current tax	-	-
Deferred tax	-	-
	-	-
(b) The prima facie tax on profit / (loss) from ordinary activities before income tax is reconciled to the income tax as follows:		
Prima facie tax payable on profit/ (loss) from ordinary activities before income tax at 30%:	223,552	(10,525)
Other non-allowable items	(334,992)	-
Deferred Tax Assets not recognised	111,440	10,525
Income tax expense	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

5. Dividends and dividend franking account

No dividend (2010: \$NIL) was declared in respect of the year ending 30 June 2011.

The balance of the franking account, which arises from income tax paid, after adjusting for any franking credits which will arise from the payment of income tax provided for in the financial statements and franking debits from the payment of dividends declared at the reporting date, is \$3,002,990 (30 June 2010: \$3,002,990).

6. Earnings per share

	Consolidated 2011	Consolidated 2010
	Cents per share	Cents per share
Basic earnings per share	0.55	(0.09)
Diluted earnings per share	0.55	(0.09)
(a) Reconciliation of earnings to net profit/ (loss)	\$	\$
Net profit / (loss)	745,174	(35,082)
Earnings used in the calculation of basic earnings per share	745,174	(35,082)
Earnings used in the calculation of diluted earnings per share	745,174	(35,082)
	Number of share	Number of share
(b) Weight average number of shares		
Weighted average number of shares used in the calculations of basic earnings per share	134,824,403	41,213,444
Weighted average number of shares used in the calculations of diluted earnings per share	134,824,403	41,213,444

(c) Classification of Securities

There are no options outstanding at 30 June 2011.

7. Auditors' remuneration

	Consolidated 2011	Consolidated 2010
	\$	\$
Amounts paid, or due and payable for:		
- audit or review services of statutory financial reports	23,000	12,000
Total auditors' remuneration	23,000	12,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

8. Key management personnel compensation

(a) Names and positions held by key management personnel of the Company and Consolidated entity at any time during the financial year are:

Key Management Person	Position
Mark Rowbottam (appointed 4 November 2010)	Chairman (Non Executive)
Mr Miguel Laborde (appointed 4 November 2010)	Director (Non Executive)
Mr Steve Nicols (appointed 4 November 2010 and resigned 7 July 2011)	Director (Non Executive) and Company Secretary
Alfred Wong, (removed 4 November 2010)	Chairman
Ivan Wong (removed 4 November 2010)	Director

(b) Compensation practices

The total non-executive directors' remuneration pool was recommended by the Board and was approved by the shareholders. The remuneration pool currently stands at a maximum of \$200,000 per annum and shall remain the same until amended and approved by the shareholders.

In recommending the remuneration pool, the board takes into account current market and industry specific practice to ensure non-executive directors' fee and payments are appropriate and in line with market situation.

Currently no remuneration has been paid to the two non-executive directors and during the year the Chief Executive Officer received no remuneration.

Executive directors and executives are remunerated in accordance with their executive service contracts as approved by the Board. In approving the reward for executives, the Board will ensure it rewards competency and experience while remain competitive and reasonable as compared to current market and industry specific practice and are in line with the shareholders' interests.

The total compensation package of executives consists of the cash salary, non-cash benefits and superannuation contribution.

Cash salary is set by the service contract in line with the market rate for a comparable role in an organisation similar to the size of the Company. Cash salary is reviewed annually to ensure it remains competitive in the market but there is no guarantee of annual increases in the service contract. It will also be reviewed if the key personnel is promoted or takes on additional roles within the Company.

Non-cash benefits are prescribed benefit to be provided at the key management personnel's discretion. Prescribed benefits include the use of motor vehicle, reimbursement of the running cost and the use of car park in the office building.

The Company contribute to the key management personnel superannuation fund at the statutory prescribed rate which is currently at 9%. The contribution rate applies to the cash salary only.

The Company has set up a key management personnel and other personnel share option plan under which share options can be issued in lieu of payment for services or as rewards for performance.

During the year, no share options have been issued to any personnel.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

8. Key management personnel compensation (continued)

(c) Key management personnel compensation

	Primary		Post employment	Equity	Total
	Salary & fees	Non cash benefits	Superannuation	Options	
Key management personnel					
2011					
Mark Rowbottam (appointed 4 November 2010)	-	-	-	-	-
Mr Miguel Laborde (appointed 4 November 2010)	-	-	-	-	-
Mr Steve Nicols (4 Nov 2010 to 7 July 2011)	-	-	-	-	-
Alfred Wong, A (removed 4 Nov 2010)	-	-	-	-	-
Ivan Wong, I (removed 4 Nov 2010)	-	-	-	-	-
Total	-	-	-	-	-
2010					
Alfred Wong, A (removed 4 Nov 2010)	-	-	-	-	-
Danny Au-Yeung (resigned 5 Mar 2010)	-	-	-	-	-
Ivan Wong, I (removed 4 Nov 2010)	-	-	-	-	-
Total	-	-	-	-	-

(c) Shareholdings

Number of shares held by Key Management Personnel

	Balance as at 1 July 2010	Received as compensation	Options exercised	Net purchases or sales	Balance as at 30 June 2011
Mark Rowbottam (appointed 4 Nov 2010)	-	-	-	33,333,334	33,333,334
Mr Miguel Laborde (appointed 4 Nov 2010)	-	-	-	33,333,333	33,333,333
Mr Steve Nicols (4 Nov 2010 to 7 July 2011)	-	-	-	33,333,333	33,333,333
Alfred Wong, A (removed 4 Nov 2010)	750,000	-	-	-	750,000
Ivan Wong, I (removed 4 Nov 2010)	250,000	-	-	-	250,000
Total	1,000,000	-	-	100,000,000	101,000,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

	Consolidated 2011 \$	Consolidated 2010 \$
9. Cash and liquid assets		
Cash and cash at bank	5,393	1,126
	5,393	1,126
10. Receivables		
Other debtors	16,859	293,776
Provision for doubtful debts	-	(293,776)
	16,859	-
11. Property, plant and equipment		
Furniture, fixtures and fittings	-	43,508
Accumulated depreciation	-	(23,627)
Accumulated impairment	-	(19,881)
Written down value	-	-
Computer and other equipment	-	30,855
Accumulated depreciation	-	(30,855)
Written down value	-	-
	-	-
Reconciliations		
Furniture, fixtures and fittings		
Balance at the beginning of the year	-	25,530
Impairment charge	-	(19,881)
Depreciation charge	-	(5,649)
Balance as at the end of the year	-	-
Computer and other equipment		
Balance at the beginning of the year	-	519
Depreciation charge	-	(519)
Balance as at the end of the year	-	-
12. Trade & Other payables		
Accrued expenses	33,698	33,257
Sundry creditors	-	676,482
Related Party – A Wong (i)	-	436,513
Dividend Payable	-	1,514
	33,698	1,147,766

- (i) In 2009 Mr A Wong (Director) provided funds of \$ 436,513 to settle the Company's bank overdraft with St George Bank.
- (ii) On 4 November 2010, the Company executed a Deed of Company Administration and Creditor Trust with its creditors, extinguished all liabilities and removed itself from administration. The payment made to the creditors trust under the Deed of Arrangement to extinguish all liabilities was \$83,293.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

13. Issued Capital

	Consolidated	Consolidated
	2011	2010
	\$	\$
Opening balance	7,375,015	7,375,015
Issue of shares	390,020	-
Closing Balance	7,765,035	7,375,015

	Number of	Number
	shares	of shares
Opening balance	41,213,444	41,213,444
Issue of shares on 4 November 2010 (i)	100,000,000	-
Issue of shares on 29 December 2010 (ii)	56,000,000	-
Issue of shares on 13 April 2011 (iii)	4,000,000	-
Closing Balance	201,213,444	41,213,444

Ordinary shares entitle the holder to participate in the dividends and the proceeds on winding up in proportion to the number of and amounts paid on the shares held.

At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

(i) On 4 November 2010 the company issued 100,000,000 ordinary shares at \$0.0003 each to the investment group to raise \$30,000 as approved by the shareholders at the General Meeting held on 4 November 2010.

(ii) On 29 December 2010 the company issued 56,000,000 ordinary shares at \$0.006 each to unrelated sophisticated and exempt investors nominated by the investment group to raise \$ 336,000 as approved by the shareholders at the General Meeting held on 4 November 2010.

(iii) On 13 April 2011 the company issued 4,000,000 ordinary shares at \$0.006 each to raise a total of consideration of \$24,000 placement of shares to a sophisticated investor to raise short term working capital.

14. Investments in controlled entities

Name of Entities	Place of Incorporation	Class of Shares	Equity Holding
(i) GPC No. 1 (City Quarter) Pty Ltd	NSW, Australia	Ordinary	100%
(i) GPC No. 2 (Camperdown) Pty Ltd	ACT, Australia	Ordinary	100%
(i) GPC No. 4 (North Sydney) Pty Ltd	NSW, Australia	Ordinary	100%
(ii) GPC No. 5 (Wombarra) Pty Ltd	NSW, Australia	Ordinary	100%
(i) GPC No. 8 (Bulli) Pty Ltd	NSW, Australia	Ordinary	100%
(i) GPC No. 11 Pty Ltd	ACT, Australia	Ordinary	100%
(i) GPC No. 12 Pty Ltd	ACT, Australia	Ordinary	100%
(i) GPC Equipment Pty Ltd	NSW, Australia	Ordinary	100%

There has been no changes in investment in controlled entities between 2011 and 2010.

(i) The above entities were deregistered on 13 November 2011.

(ii) The above entity was placed under external administration from 26 August 2011.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

15. Related parties - Key Management Personnel - Directors

The names of persons who were Directors of GRP Corporation Limited at anytime during the financial year are as follows:

- (i) Mark Rowbottom (appointed 4 Nov 2010)
- (ii) Mr Miguel Laborde (appointed 4 Nov 2010)
- (iii) Mr Steve Nicols (appointed 4 Nov 2010 and resigned on 7 July 2011)
- (iv) Alfred Wong, A (removed 4 Nov 2010)
- (v) Ivan Wong, I (removed 4 Nov 2010)

Key Management Personnel - directors' holdings of shares and options

	Ordinary shares	Share options	Ordinary shares	Share options
	Number held	Number held	Number held	Number held
	2011	2011	2010	2010
The interests of Directors of the consolidated entity and their related entities in shares and share options of the Company	101,750,000	-	1,750,000	-

On 11 November 2010 the Company paid accounting firm Nicols & Brien \$ 62,000 for services in relation to preparing the Deed of Company Arrangement, documentation needed to communications with shareholders and other work to secure approval from ASIC & ASX. Mr Steve Nicols is a principal of Nicols & Brien.

On 19 January 2011, the Company paid Allegra Capital Pty Ltd a boutique investment advisory firm \$21,780 for services in relations to the capital raising undertaken during the year. Mr Mark Rowbottom is a director of Allegra Capital Pty Ltd.

Other Directors related transactions

Other than those transactions as disclosed above and the remunerations received by Directors as disclosed in remuneration report on pages 11 to 12 of the Directors' Report and note 8 to the financial statements, there are no other Directors related transactions entered into by the consolidated entity during the financial year ended 30 June 2011 and the previous financial year ended 30 June 2010.

16. Notes to the statement of cash flows

	Consolidated 2011 \$	Consolidated 2010 \$
(a) Reconciliation of cash flow from operations with profit/ (loss) after income tax		
Profit/ (Loss) after income tax	745,174	(35,082)
Cash flows excluded from loss attributable to operating activities		
Non-cash flows in profit/ (loss):		
Depreciation	-	6,168
Impairment of Plant and Equipment	-	19,881
Changes in assets and liabilities:		
(Increase)/Decrease in other receivables	(16,859)	
Increase/(Decrease) in trade and other payables	(1,112,554)	5,000
Cash outflow from operations	(384,239)	(4,033)
(b) Reconciliation of cash		
For the purpose of the Statement of Cash Flows, cash at the end of the financial year is reconciled to the following items in the Balance Sheet:		
Cash and cash at bank	5,393	1,126
	5,393	1,126

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

17. Segment information

The consolidated entity is currently seeking opportunities in the resource sector. It is currently operates in one geographical segment, being Australia.

18. Events occurring after reporting date

On 6 July 2011, the shareholders unanimously approved the following resolutions proposed at the Annual General Meeting of GRP Corporation Limited including:

- i. Consolidation of the issued capital of GRP on the basis of 20 shares being consolidated into one share
- ii. The change in the nature of the Company's activities from a property development company to an oil and gas exploration and production company, pursuant to ASX Listing Rule 11.1.
- iii. The acquisition of 100% of the issued shares in Cady on the terms set out in the Agreement;
- iv. Approving and authorising the directors of GRP to allot and issue up to 75 million shares in GRP (on a 'post-consolidation' basis) at an issue price of 20 cents each.
- v. Election of Mr Murray Durham, Mr Saxon Palmer and Mr John (Gus) Simpson as Directors;
- vi. Change in the Company's name to Cady Energy Limited;
- vii. Adoption of a new Constitution.

The above conditions were not completed following the Share Sale Agreement to acquire Cady Energy Pty Ltd was terminated on 31 October 2011.

As a consequence of the change in the nature of the Company's activities, the ASX requires the Company to re-comply with Chapters 1 and 2 of the ASX Listing Rules. On 11 July 2011 a prospectus was issued to assist the Company to re-comply with these requirements. The Company lodged the Prospectus with ASIC on the same date with an offer of 35 million shares at an issue price of \$0.20 per share together with 1 free attaching option exercisable at \$0.20 on or before 30 September 2014 for every two shares issued to raise \$7 million. The aforementioned prospectus was withdrawn on 31 October 2011 as the company was not in a position to complete the capital raising and achieve the important dates with regards to re-listing. Subsequently the Share Sale Agreement to acquire Cady Energy Pty Ltd was terminated as not all conditions precedent including due diligence satisfaction were achieved.

On 7 July 2011 Mr Stephen Quantrill was appointed as Managing Director to the board and accepted the resignation of Mr Steve Nichols.

On 7 July 2011, the Company moved its share registry to Security Transfer Registrars Pty Limited and on 10 February 2012 the Company moved its share registry to Computershare Investors Services Pty Limited.

On 11 July 2011, Ms Eryn Kestel was appointed as company secretary and Mr Steve Nichols resigned.

On 10 October 2011 the Mr Zane Lewis was appointed as Non Executive Director to the Board and accepted the resignation of Mr Steven Quantrill.

On 23 December 2011 the Company moved its Registered Office and Principle Place of Business to Level 1, 981 Wellington St, West Perth WA 6005.

On 2 May 2012 the Company completed a placement to Sophisticated Investors of 1,509,100 shares for \$75,455.

On 25 May 2012 the Company entered into a Binding Term Sheet to acquire European Energy Limited, subject to satisfactory due diligence and various conditions precedent including the successful re-listing of GRP on the ASX.

On 28 May 2012, Mr Zane Lewis was appointed as company secretary and Ms Eryn Ketsel resigned.

On 30 July 2012, the Company announced that it had successfully raised \$420,000 via convertible loans.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

The Company's securities remain suspended from trading on ASX and will not be reinstated until the ASX confirm the Company's re-compliance with the admission requirements of Chapters 1 and 2 of the ASX Listing Rules.

Other than those disclosed above, there are no other matters or circumstances that have arisen since 30 June 2011 that have significantly affect, or may significantly affect:

- The consolidated entity's operations in the future financial years, or
- The results of those operations in future financial years, or
- The consolidated entity's state of affairs in the future financial years.

19. Contingencies

Litigations

There are no known contingent liabilities or contingent assets at balance date.

20. Financial instruments

The group's financial instruments consist mainly of overdraft with banks, accounts receivable and accounts payable.

(i) Financial Risks

Overview

The Entity has exposure to the following risks from its use of financial instruments:

- Credit risk
- Interest rate risk
- Liquidity risk; and
- Market risk.

This note presents information about the Entity's exposure to each of the above risk, its objectives, policies and processes for measuring and managing risk, and the management of capital. The board of Directors has overall responsibility for the establishment and oversight of risk management framework.

Risk management policies are established to identify and analyse the risk faced by the entity, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Entity's activities. The Entity through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

(A) Credit risk

Credit risk is the risk of financial loss to the entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the entity's receivables from customers.

Exposure to Credit Risk

This risk does not apply as the entity's maximum exposure to credit risk for Trade and Other receivables at the reporting date was NIL (2010 \$NIL).

(B) Interest rate risk

The 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 rate and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

20. Financial instruments (continued)

	Consolidated						
	Floating interest rate	Fixed interest rate maturing in			Non interest bearing	Total	Weighted average interest rate
		1 year or less	Over 1 to 5 years	More than 5 years			
	\$	\$	\$	\$	\$	\$	%
30-Jun-11							
Financial assets							
Cash	5,393	-	-	-	-	5,393	2.30%
	5,393	-	-	-	-	5,393	
Financial liabilities							
Payables	-	-	-	-	33,699	33,699	
	-	-	-	-	33,699	33,699	

Consolidated							
	Floating interest rate	Fixed interest rate maturing in			Non interest bearing	Total	Weighted average interest rate
		1 year or less	Over 1 to 5 years	More than 5 years			
	\$	\$	\$	\$	\$	\$	%
30-Jun-10							
Financial assets							
Cash	1,126	-	-	-	-	1,126	3.50%
	1,126	-	-	-	-	1,126	
Financial liabilities							
Payables	-	-	-	-	1,147,766	1,147,766	
	-	-	-	-	1,147,766	1,147,766	

(C) Liquidity risk

Liquidity is the risk that the entity will not be able to meet its financial obligations as they fall due. The entity's approach to managing liquidity is to ensure, as far as possible, that it will always has sufficient liquidity to meets its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the entity's reputation.

(D) Market risk

Market risk is the risk that changes in markets will affect the entity's income.

The entity has no exposure to market risk as it has not completed its acquisition.

Currency risk

The entity has no exposure to currency risk as all transactions are in Australian Dollars.

Interest rate risk

The entity has no exposure to interest rate risk as it has no borrowings..

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

20. Financial instruments (continued)

Capital management

The Board's policy is to maintain a surplus to ensure that the entity is able to meet any commitments which will sustain the future development of the industry. The board of Directors monitors the surplus on a regular basis and allocates funds when circumstances are appropriate.

The entity is not subjected to externally imposed capital requirements.

(E) Net fair values

The net fair values of financial assets and liabilities are either equal to or approximate their carrying amounts. The carrying amounts of all financial assets and liabilities are reviewed to ensure they are not in excess of the net fair value.

21. Company details

GRP Corporation Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is Level 2 Spectrum, 100 Railway Road, Subiaco, WA 6008. The previous registered office and principal place of business was Level 2, 350 Kent Street, Sydney, NSW 2000.

22. Parent Entity Disclosures

The following information has been extracted from the books and records of the parent and has been prepared in accordance with accounting standards.

A. Consolidated statement of comprehensive income

	Parent	Parent
	2011	2010
	\$	\$
Profit/(Loss) for the year		
net of income tax	710,917	(34,954)
Total Profit/ (Loss) for the year	710,917	(34,954)

B. Statement of Financial Position

Total Current Assets	22,252	1,109
Total Non-Current Assets	16	16
Total Assets	22,268	1,125
Total Current Liabilities	33,698	1,113,491
Total Non-Current Liabilities	-	-
Total Liabilities	33,698	1,113,491
Net Assets	(11,430)	(1,112,366)
Issued Capital	7,765,035	7,375,015
Retained Profits	(7,776,465)	(8,487,381)
Total equity	(11,430)	(1,112,366)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

22. Parent Entity Disclosures

C. Contingent Liabilities

At the balance date the parent entity has no contingent liabilities.

D. Outstanding Liabilities arising from Subsidiaries

At the balance date the parent entity has no outstanding balances arising from subsidiaries.

E. Contractual commitments

At the balance date the parent entity has not entered into any material contractual agreements.

DIRECTORS' DECLARATION

In the opinion of the Directors of GRP Corporation Limited:

1. the financial statements and notes, set out on pages 15 to 40 are in accordance with the *Corporations Act 2001*:
 - (a) comply with Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitute explicit and unreserved compliance with International Financial Reporting Standards (IFRS) ;and
 - (b) give a true and fair view of the financial position as at 30 June 2011 and of the performance for the year ended on that date of the company and consolidate group;
2. the directors have each declared that:
 - (a) the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
 - (b) The financial statements and notes for the financial year comply with the Accounting Standards, and
 - (c) The financial statements and notes for the financial year give a true and fair view, and
3. 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.

The Group's mid to long term future is dependent upon the successful identification and acquisition of profitable business which the company is currently seeking.

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



Mark Rowbottam
Director

Signed this 8th day of October 2012.

**GRP CORPORATION LIMITED
ABN 57 096 781 716 AND CONTROLLED ENTITIES**

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

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Report on the Financial Report

We have audited the accompanying financial report of GRP Corporation Limited (the company) and GRP Corporation Limited and Controlled Entities (the consolidated entity), which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity 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 and fair presentation 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 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, that the financial statements comply with International Financial Reporting Standards (IFRS).

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. Because of the matter described in the Basis for Disclaimer of Auditor's Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Independence

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

Basis for Disclaimer Auditor's Opinion

As disclosed in Note 1(a) to the financial statements, on 9 May 2008 the company's securities were suspended from official quotation by the ASX. On 13 May 2010, the company was placed into voluntary administration. On 4 November 2010, the company executed a deed of arrangement with its creditors. During the period from 9 May 2008 to 4 November 2010 the accounting and statutory records were not adequate to permit the application of necessary audit procedures. As such, we are unable to obtain all the information and explanations we require in order to form an opinion on the financial report.

**GRP CORPORATION LIMITED
ABN 57 096 781 716 AND CONTROLLED ENTITIES**

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

Disclaimer of Auditor's Opinion

Because of the significance of the matter described in the Basis for Disclaimer Auditor's Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial report.

Report on Other Legal and Regulatory Requirements

Due to the matter described in the Basis for Disclaimer of Auditor's Opinion paragraph, we have not been given all information, explanation and assistance necessary for the conduct of the audit; and we are unable to determine whether the company has kept:

- (a) financial records sufficient to enable the financial report to be prepared and audited;
and
- (b) other records and registers as required by the Corporations Act 2001.

Emphasis of Matter

Without further modifying our opinion, we draw attention to Note 1(a) in the financial report, which indicates the Group's has a deficiency of net assets amounting to \$11,446 as at 30 June 2011. This condition along with other matters as set forth in Note 1(a), indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 12 to 13 of the directors' report for the year ended 30 June 2011. 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.

Basis for Disclaimer Auditor's Opinion

As disclosed in Note 1(a) to the financial statements, on 9 May 2008 the company's securities were suspended from official quotation by the ASX. On 13 May 2010, the company was placed into voluntary administration. On 4 November 2010, the company executed a deed of arrangement with its creditors. During the period from 9 May 2008 to 4 November 2010 the accounting and statutory records were not adequate to permit the application of necessary audit procedures. As such, we are unable to obtain all the information and explanations we require in order to form an opinion on the financial report.

**GRP CORPORATION LIMITED
ABN 57 096 781 716 AND CONTROLLED ENTITIES**

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

Disclaimer of Auditor's Opinion

In our opinion, because of the significance of the matter described in the Basis for Disclaimer Auditor's Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion as to whether the remuneration report is in accordance with Section 300A of the Corporations Act 2001.

Hall Chadwick
Level 29, St Martins Tower
31 Market Street, Sydney, NSW 2000



DREW TOWNSEND

Partner

Date: 8 October 2012

SHAREHOLDER INFORMATION

Restriction on Shares

There are no shares under escrow as at 30 June 2011.

Major Shareholders

As at 31 March 2012 the 20 largest holders of Ordinary Shares held 9,816,813 Shares equal to 84.37 percent of the total number of shares on issue.

Major shareholders	Number of shares	%
Miguel Rodolfo Laborde	1,666,667	14.32%
Sinbad Pty Ltd	1,466,667	12.60%
Shan Pei Investment Ltd	1,466,398	12.60%
Heelmo Holdings Pty Ltd	1,166,667	10.03%
Confadent Ltd	500,000	4.30%
Heelmo Holdings Pty Ltd	500,000	4.30%
Suburban Holdings Pty Ltd	500,000	4.30%
Glacier Pty Ltd	400,000	3.44%
Howlett Retirement Pty Ltd	250,000	2.15%
Michael Charles Mann & Ross Gregory	250,000	2.15%
P & D Instrucment & Electrical Services Pty Ltd	250,000	2.15%
Megan Jane Armitage	200,000	1.72%
Justin Tremain	200,000	1.72%
Australiana Trade Access Pty Ltd	175,414	1.51%
Steve John Woodland	175,000	1.74%
Yanmar Soil Pty Ltd	175,000	1.74%
Brendan Egan	150,000	1.49%
Glyn Povey	125,000	1.24%
Craig Thomas Brunt	100,000	0.99%
Vicki Cookson	100,000	0.99%
	9,816,813	84.37%

Substantial Shareholders

As at 31 March 2012 the following shareholders were regarded as substantial shareholders:

	Number of Shares
Miguel Rodolfo Laborde	1,666,667
Sinbad Pty Ltd	1,466,667
Shan Pei Investment Ltd	1,466,398
Heelmo Holdings Pty Ltd	1,166,667

Voting Rights of Shareholders

All fully paid ordinary shareholders are entitled to vote at any meeting of the members of the Company and their voting rights are on:

- show of hands – one vote per shareholder; and
- poll – one vote per full paid ordinary share.

Registered Office

Level 1,
981 Wellington Street,
WEST PERTH, WA, AUSTRALIA, 6005

Telephone 08 6555 2950
Fax 08 9321 3102

Company Secretary

Mr Zane Lewis

Share Registry**Computershare Investor Services Pty Limited**

Level 2
45 St Georges Terrace
PERTH WA 6000

Mailing Address

GPO Box D182,
PERTH WA 6840

Telephone 1300 850 505 (within Australia) (03) 9415 4000 (outside Australia)
Facsimile (08) 9323 2033
Website www.computershare.com/

Stock Exchange Listing

Quotation has been granted for all the ordinary shares of the company on all Member Exchanges of the Australian Stock Exchange Limited under Security Code GRP.

Shareholder Information (continued)**Distribution of Shareholdings**

At 31 March 2012 the distribution of shareholdings was as follows:

Range	Number of holders	% of holders	Number of shares	% of shares
1 – 1,000 shares	235	69.12	38,225	0.38
1,001 – 5,000 shares	27	7.94	72,785	0.72
5,001 – 10,000 shares	27	7.94	251,157	0.51
10,001 – 100,000 shares	33	9.71	1,657,115	16.47
100,001 shares and over	18	5.29	9,616,813	81.92
	340	100.00	11,636,095	100.00

As at 31 March 2012, there were 289 shareholders with less than a marketable parcel of ordinary shares totalling 362,167 Shares.