

1. Company details

Name of entity:	Gooroo Ventures Limited
ABN:	96 613 924 744
Reporting period:	For the half-year ended 31 December 2018
Previous period:	For the half-year ended 31 December 2017

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	331% to	421,748
Loss from ordinary activities after tax attributable to the owners of Gooroo Ventures Limited	down	48% to	(934,079)
Loss for the half-year attributable to the owners of Gooroo Ventures Limited	down	48% to	(934,079)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The loss for the Group after providing for income tax amounted to \$934,079 (31 December 2017: \$1,808,834).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>1.29</u>	<u>1.85</u>

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

11. Attachments

Details of attachments (if any):

The Interim Report of Gooroo Ventures Limited for the half-year ended 31 December 2018 is attached.

12. Signed

Signed



Gregory Muller
Managing Director

Date: 27 February 2019

Gooroo Ventures Limited

ABN 96 613 924 744

Interim Report - 31 December 2018

Gooroo Ventures Limited
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For the half-year ended 31 December 2018



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Gooroo Ventures Limited
Corporate directory
For the half-year ended 31 December 2018



Directors	Thomas Brown (Non-Executive Chairman) Gregory Muller (Managing Director) Wesley McClendon (Executive Director, retired 27 February 2019) Emmanuel Foundas (Non-Executive Director) Donald Stephens (Non-Executive Director) Jason Tonelli (Non-Executive Director)
Company secretary	Donald Stephens
Registered office	C/- HLB Mann Judd (SA) Pty Ltd Level 1, 169 Fullarton Road Dulwich SA 5065
Principal place of business	Ground Floor, 10 Grattan Street Prahran VIC 3181
Share register	Computershare Investor Services Pty Ltd Level 5, 115 Grenfell Street Adelaide SA 5000
Auditor	Grant Thornton Audit Pty Ltd Level 3, 170 Frome Street Adelaide SA 5000
Bankers	Australia and New Zealand Banking Group ANZ Centre, 10/833 Collins St Melbourne VIC 3000
Stock exchange listing	Gooroo Ventures Limited shares are listed on the Australian Securities Exchange (ASX code: GOO)
Website	www.goorooventures.com

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Gooroo Ventures Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2018.

Directors

The following persons were Directors of Gooroo Ventures Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Thomas Brown	Non-Executive Chairman
Gregory Muller	Managing Director
Emmanuel Foundas	Non-Executive Director
Donald Stephens	Non-Executive Director
Jason Tonelli	Non-Executive Director
Wesley McClendon	Executive Director (retired 27 February 2019)

Highlights for the period

- Completion of a successful \$550,000 (before cost) placement (11,000,000 Ordinary Shares) via Lead Manager Taylor Collison Limited.
- Banked a \$584,775 tax refund for the 2017/2018 financial year claimed via the Australian Government's R&D Tax Incentive program.
- Progressive growth in customer revenue across the first half of the financial year to \$421,748 which represents an almost 500% increase in revenues compared to the same period last financial year.
- Launched Gooroo Marketing Solutions, an analytical engine that processes large consumer datasets and delivers meaning about how people make decisions, at scale. It targets marketers, creative and media agencies, data and consultancies to inform strategy, media, creative execution and personalisation. Gooroo Marketing Solutions divisions leverages the company's ColourGrid™ intellectual property, demonstrating the scalability of Gooroo's science and technology to new markets.
- Launched Gooroo Career Solutions, a SaaS-based technology platform for students, workers, training organisations and career advisors. Evaluates individuals to build personalised career paths; matched to training courses and jobs. The solution supports all job categories and regions.
- Entered into partnership with PeoplePlus to deliver improved outcomes for Australian Government jobactive program. Gooroo will share 40% of the revenue earned by PeoplePlus for each job seeker placed in work. Over the initial 6 month period, a minimum of 200 long-term unemployed job seekers will be assessed by Gooroo Career SaaS-based technology.
- Entered into a three-year partnership agreement with Davidson to distribute and implement Gooroo technology which is licensed internally and to Davidson clients. Licences consist of an annual fee (based on organisation size) and usage (consumption) fees for each candidate and staff member profiled and managed in the Gooroo platform.
- Entered into a three-year partnership agreement with Catalyst Global. The agreement requires each participating partner to pay an annual access license plus AU\$35 for every participant profiled using Gooroo technology.
- Delivered training programs to support Gooroo solutions and technology adoption in clients in Melbourne, Sydney, Brisbane and Perth.
- Won an Innovation and Creativity award from international industry group APSCo.
- Continued to expand our pipeline of opportunities, locally and internationally.

Principal activities

Gooroo's mission is to empower everyone and every organisation to achieve their true potential.

With the acceleration of technological change coupled with the complexity of the customer and competitive marketplaces, Gooroo helps leaders activate the capacity within their people so that they can adapt, learn and act more confidently.

Gooroo's globally unique technology and science builds a mental model of all staff, teams and customers based on the how they think and make decisions. These insights are then used to identify the strategies, priorities and methods to inform transformation - delivering agility, competitiveness and entrepreneurship.

Gooroo offers four core solution areas:

1. Gooroo Human Capital Solution

- Software as a Service (SaaS) based platform and Human Capital ecosystem offering an integrated and seamless experience to employers, employees and talent. Flexible, easy, fast and accessible via the internet. Clients can get up and running within hours with no custom configuration requirements.
- Features support more accurate hiring, assist in the design of effective teams and measure the capacity and readiness of a company for growth.
- Used by employers, consultancies and recruiters.
- Sold on annual subscription-based licence plus consumption model. Consumption is calculated as the number of users that join the platform in a specific period (year).

2. Gooroo Marketing Solutions

- An analytical engine that can process large consumer datasets, delivering meaning about how people make decisions, at scale.
- The practice includes the delivery of a set of pivotal insights on consumer decision making, behaviour and engagement. Conclusions go beyond insights delivered by artificial intelligence, data science and traditional research.
- Used by marketers to inform strategy, media and creative execution and personalization.
- Available direct to enterprises, brand or via sales and marketing agencies.
- Sold on licence or on-demand based on the customer's specific requirements.

3. Gooroo Advisory & Training Solutions

- Provides teams a practical experience of Gooroo technology, introducing the tools, models and applications that can be then applied to specific strategic client situations and environments.
- Expert services are provided to understand team dynamics and to build techniques for better decision-making at all levels of an organisation.
- Professional training and certification courses available. Training provided to clients and consulting partners to drive adoption and on-sell.
- Advisory services are priced on-demand based on the customer's specific requirements.
- Gooroo sells four training programs and they are sold based on the content, the length of the course and the number of participants attending to the course.

4. Gooroo Career Solutions

- A SaaS-based platform for students, learning institutions and career advisors.
- Informs individual pathways to re-skill and develop/redeploy staff for future roles.
- Assesses individuals and build personalised career paths, training courses and open jobs.
- Support all job categories.
- Typically offered via on annual subscription-based licence plus consumption model. Consumption is calculated as the number of users that join the platform in a specific period (year).

Principal activities (continued)

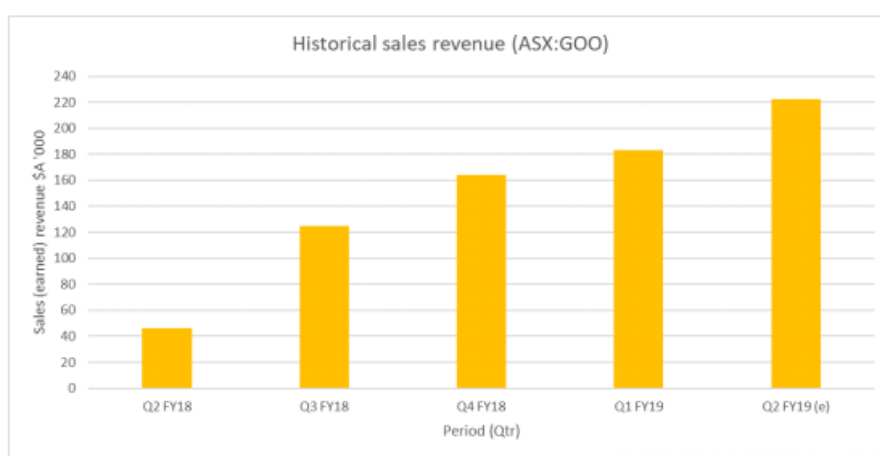
Gooroo is targeting the following segments:

- Medium-Large Employers – companies focused on growth and innovation, and who acknowledge the need to transform to stay relevant and competitive in the future.
- Management Consultancies & Advisory firms – firms who wish to leverage Gooroo's technology to deliver strategy, change and transformation programs for their customers.
- Reseller Partners – companies who wish to represent the Gooroo proposition in market.

Review of operations

The loss for the Group after providing for income tax amounted to \$934,079 (31 December 2017: \$1,808,834).

Gooroo primary achievements in first half of financial year 2019 have been substantial growth its revenues quarter on quarter.



Management attribute these results to:

- The continued expansion of our offering across the whole Human Capital value chain.

The Global human resource management market size is projected to attain USD 30 billion by 2025, according to a new report by Grand View Research¹. 80% of CEOs expect to increase investment in cognitive technology. 91% expect to increase staff by up to 10 percent over the next 3 years

As a result of Gooroo adapting its Intellectual Property and technology, the Company has built the operational capacity to deliver transformation services that leverage our integrated SaaS platform. In the first half of this financial year, the Company has expanded to deliver more strategic services across to include capabilities that enhance Board performance, improve team collaboration, identify and develop leaders, map and understand barriers to cultural alignment, and priorities for organisational transformation.

- Positioning our neuromarketing capabilities in the Business Intelligence and Marketing Research industries. The U.S. industry for business intelligence and market research (U.S.) to reach \$24,414 million by 2024, according to a new report by Plunkett Analytics².

72% of CEOs aim to be disruptors in their industry. 74% expect technological innovations to disrupt their industry by 2020 v 43% of global CEOs.

Gooroo's Intellectual Property has the application to provide a new dimension on industries and can reveal recommendations to tailor communications to individuals or groups in a particular market and context. Gooroo has been able to take to market the first version of its Marketing Software as a Service which has resulted in building a solid pipeline of partnership discussions with enterprises and sales and marketing agencies.

¹ <https://www.grandviewresearch.com/press-release/global-human-resource-management-hrm-market>

- Building global strategic partnerships and sales distribution channels supported by a consistent and responsive level of account management and support.

85% CEOs confident of company growth amongst uncertainty. 69% AU CEOs (v 68% global CEOs) have taken training or received a new qualification in past year.

With recent contract signings (such as PeoplePlus, Davidson and Catalyst Group), the progressive adoption within existing accounts (such as Kinetic IT, KPMG, Amrop Carmichael Fisher, Elabor8 and Slade Group), we have been building scalability and increasing usage of our technology.

- Research and Development in Human Thinking

In a recent McKinsey Quarterly survey³ of 2,207 executives, only 28% said that the quality of strategic decisions in their companies was generally good, 60% thought that bad decisions were about as frequent as good ones, and the remaining 12% thought good decisions were altogether infrequent.

The Company has focused on the expansion of the ColourGrid™ Intellectual Property to support the development of entirely new capability in Marketing Solutions and Career Solutions through Gooroo Software as a Service. This has resulted in the expansion of the scope of our solutions that we can offer to clients and prospects.

Significant changes in the state of affairs

On 19 December 2018, the Company completed a share placement of 11,000,000 ordinary shares and raised \$550,000 before transaction costs.

There were no other significant changes in the state of affairs of the Group during the financial half-year.

Matters subsequent to the end of the financial half-year

On 12 February 2019, the Company completed a non-renounceable pro-rata rights issue ('Rights Issue') raising \$197,908 before transaction costs. A total of 3,958,158 shares were issued under the Rights Issue.

On 27 February 2019, Dr Wesley McClendon retired his position as director of the Company.

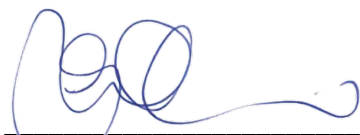
No other matter or circumstance has arisen since 31 December 2018 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors



Greg Müller
Managing Director

27 February 2019

² <https://www.marketresearch.com/Plunkett-Research-Ltd-v1424/Research-Business-Intelligence-Opinion-Polling-12055291/>

³ <https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/the-case-for-behavioral-strategy>

Auditor's Independence Declaration

To the Directors of Gooroo Ventures Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Gooroo Ventures Limited for the half-year ended 31 December 2018. I declare that, to the best of my knowledge and belief, there have been:

- a No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b No contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



J L Humphrey
Partner – Audit & Assurance

Adelaide, 27 February 2019

Gooroo Ventures Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2018



		Consolidated	
	Note	31 December 2018	31 December 2017
		\$	\$
Revenue	5	414,192	85,246
Other income	6	-	11,491
Interest revenue calculated using the effective interest method		7,556	12,600
Expenses			
Other expenses	7	(477,805)	(474,723)
Share-based payments		-	(17,834)
Employee benefits expense		(982,958)	(1,139,652)
Depreciation and amortisation expense		(117,454)	(111,361)
Loss on disposal of assets		-	(7,968)
Product development costs		(304,996)	(159,817)
Research expenses		(105,836)	(70,402)
Loss before income tax benefit		(1,567,301)	(1,872,420)
Income tax benefit		633,222	63,586
Loss after income tax benefit for the half-year attributable to the owners of Gooroo Ventures Limited		(934,079)	(1,808,834)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year attributable to the owners of Gooroo Ventures Limited		(934,079)	(1,808,834)
		Cents	Cents
Basic earnings per share	13	(1.07)	(2.82)
Diluted earnings per share	13	(1.07)	(2.82)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Gooroo Ventures Limited
Statement of financial position
As at 31 December 2018



		Consolidated	
	Note	31 December	30 June 2018
		2018	2018
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		995,354	1,511,341
Trade and other receivables		183,135	101,648
Income tax refund due		302,922	254,475
Other assets		59,161	26,261
Total current assets		<u>1,540,572</u>	<u>1,893,725</u>
Non-current assets			
Property, plant and equipment		79,039	60,431
Intangibles	8	911,053	1,010,686
Total non-current assets		<u>990,092</u>	<u>1,071,117</u>
Total assets		<u>2,530,664</u>	<u>2,964,842</u>
Liabilities			
Current liabilities			
Trade and other payables	9	175,016	229,458
Provisions		101,090	78,794
Contract liabilities		73,175	43,950
Total current liabilities		<u>349,281</u>	<u>352,202</u>
Non-current liabilities			
Provisions		6,603	-
Total non-current liabilities		<u>6,603</u>	<u>-</u>
Total liabilities		<u>355,884</u>	<u>352,202</u>
Net assets		<u>2,174,780</u>	<u>2,612,640</u>
Equity			
Issued capital	10	9,472,961	8,976,742
Reserves		255,960	257,362
Accumulated losses		(7,554,141)	(6,621,464)
Total equity		<u>2,174,780</u>	<u>2,612,640</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Gooroo Ventures Limited
Statement of changes in equity
For the half-year ended 31 December 2018



Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2017	6,654,928	234,300	(3,385,964)	3,503,264
Loss after income tax benefit for the half-year	-	-	(1,808,834)	(1,808,834)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(1,808,834)	(1,808,834)
<i>Transactions with owners in their capacity as owners:</i>				
Shares issued during the year	911,347	-	-	911,347
Transaction costs	(66,023)	-	-	(66,023)
Balance at 31 December 2017	<u>7,500,252</u>	<u>234,300</u>	<u>(5,194,798)</u>	<u>2,539,754</u>
Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2018	8,976,742	257,362	(6,621,464)	2,612,640
Loss after income tax benefit for the half-year	-	-	(934,079)	(934,079)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(934,079)	(934,079)
Shares issued via placement	550,000	-	-	550,000
Transaction costs	(53,781)	-	-	(53,781)
Options lapsed	-	(1,402)	1,402	-
Balance at 31 December 2018	<u>9,472,961</u>	<u>255,960</u>	<u>(7,554,141)</u>	<u>2,174,780</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Gooroo Ventures Limited
Statement of cash flows
For the half-year ended 31 December 2018



	Note	Consolidated	
		31 December 2018	31 December 2017
		\$	\$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		320,254	99,254
Payments to suppliers and employees (inclusive of GST)		(1,885,180)	(1,603,433)
		(1,564,926)	(1,504,179)
Interest received		7,556	15,561
Income taxes refunded		584,775	727,232
Net cash used in operating activities		(972,595)	(761,386)
Cash flows from investing activities			
Payments for property, plant and equipment		(26,256)	(4,381)
Payments for intangibles		(10,173)	(13,397)
Payments for security deposits		(8,182)	-
Net cash used in investing activities		(44,611)	(17,778)
Cash flows from financing activities			
Proceeds from issue of shares	10	550,000	911,347
Share issue transaction costs		(48,781)	(66,023)
Net cash from financing activities		501,219	845,324
Net increase/(decrease) in cash and cash equivalents		(515,987)	66,160
Cash and cash equivalents at the beginning of the financial half-year		1,511,341	1,829,292
Cash and cash equivalents at the end of the financial half-year		995,354	1,895,452

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information and statement of compliance

These condensed interim consolidated financial statements ("interim financial statements") for the half-year reporting period ended 31 December 2018 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These interim financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2018 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The financial statements cover Gooroo Ventures Limited ('the Company') as a Group consisting of Gooroo Ventures Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Gooroo Ventures Limited's functional and presentation currency.

Gooroo Ventures Limited is a listed public company limited by shares, incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange. Its registered office and principal place of business are:

Registered office

C/- HLB Mann Judd (SA) Pty Ltd
Level 1, 169 Fullarton Road
Dulwich SA 5065

Principal place of business

Ground Floor, 10 Grattan Street
Pahran VIC 3181

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 27 February 2019.

Note 2. Significant accounting policies

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

AASB 15 *Revenue from contracts with customers* was early adopted by the Group in the year ended 30 June 2018. Any other new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

The following Accounting Standards and Interpretations are most applicable to the Group:

AASB 9 Financial Instruments

AASB 9 Financial Instruments replaces AASB 139's 'Financial Instruments: Recognition and Measurement' requirements. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for impairment of financial assets.

When adopting AASB 9, the Group elected not to restate prior periods. Rather, differences arising from the adoption of AASB 9 in relation to classification, measurement, and impairment are recognised in opening retained earnings as at 1 July 2018. The adoption of AASB 9 has only impacted the following areas:

- The impairment of financial assets applying the expected credit loss model. This applies now to the Group's trade receivables. For contract assets arising from AASB 15 and trade receivables, the Group applies a simplified model of recognising lifetime expected credit losses as these items do not have a significant financing component.

There was no impact to opening retained earnings as a result of the use of this new impairment model.

Note 2. Significant accounting policies (continued)

Revenue recognition

Revenue from contracts with customers

Revenue arises mainly from the rendering of services and from providing access to the Gooroo SaaS Platform. Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group:

1. identifies the contract with a customer;
2. identifies the performance obligations in the contract;
3. determines the transaction price;
4. allocates the transaction price to the separate performance obligations;
5. and recognises revenue when or as each performance obligation is satisfied

The Group often enters into transactions involving a range of the Group's services. In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

Note 5 provides additional disclosures disaggregating revenue by major products and services and the timing of revenue recognition.

Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Financial assets are classified according to their business model and the characteristics of their contractual cash flows. Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following four categories:

- Financial assets at amortised cost
- Financial assets at fair value through profit or loss (FVTPL)
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Equity instruments at FVTOCI

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Classifications are determined by both:

Note 2. Significant accounting policies (continued)

- The entities business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

Financial assets at amortised cost

Financial assets with contractual cash flows representing solely payments of principal and interest and held within a business model of 'hold to collect' contractual cash flows are accounted for at amortised cost using the effective interest method. The Group's trade and other receivables fall into this category of financial instruments.

Impairment of financial assets

AASB 9's new forward looking impairment model applies to Group's investments at amortised cost and debt instruments at FVTOCI. The application of the new impairment model depends on whether there has been a significant increase in credit risk.

Trade and other receivables and contract assets

The Group uses a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. The Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix. The Group have assessed the impact of the impairment model and no adjustment was required in Group's financial statements.

Classification and measurement of financial liabilities

As the accounting for financial liabilities remains largely unchanged from AASB 139, the Group's financial liabilities were not impacted by the adoption of AASB 9. However, for completeness, the accounting policy is disclosed below.

The Group's financial liabilities include trade and other payables

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method.

Going concern

The financial report has been prepared on the basis of a going concern. The interim financial report shows the Group incurred a net loss of \$934,079 and a net cash outflow from operating and investing activities of \$1,017,206 during the reporting period. The Group's ability to continue as a going concern is contingent upon generation of cash flow from its business and/or successfully raising additional capital. If sufficient cash flow is not generated and/or additional capital funds are not raised, the going concern basis may not be appropriate, with the result that the Group may have to realise its assets and extinguish its liabilities, other than in the ordinary course of business and at amounts different from those stated in the financial report. No allowance for such circumstances has been made in the financial report.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Research and Development (R&D) tax incentive

The Group assesses its expenditures that are eligible under the R&D tax incentive and estimates the tax offset it may be entitled to. The assessment requires a degree of estimate and judgement.

For the year ended 30 June 2018, the Group's actual R&D tax offset received was higher than estimated by \$330,300. The change in estimate relates to inclusion of additional expenditures relating to supporting activities after consultation with an external expert. This change has been accounted for prospectively through the current year income tax benefit in the Statement of profit or loss and other comprehensive income.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The Group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

The key estimates and assumptions used in the value-in-use calculation of the intangible assets for the current year are:

Discount rate: 17.63%

Revenue Growth rates: 15% for 2020, 20% for 2021, 23% for 2022, 28% for 2023

Expenses increase rate: 3% year on year from 2020 to 2023

The above revenue growth rates have been determined based on historical data of companies which are in the same business life cycle as the Group.

Note 4. Operating segments

The Board has considered the requirements of AASB 8 Operating Segments and the internal reports that are reviewed by the Group's chief operating decision maker and has concluded at this time that there are no separately identifiable segments.

Note 5. Revenue

	Consolidated	
	31 December 2018	31 December 2017
	\$	\$
Subscription revenue	163,625	21,647
Consulting - employers	67,500	14,700
Recruiter - Mindspace	-	900
Mindspace certification	16,000	2,355
Gooroo Connect	95,900	43,520
Training referrals	1,115	1,955
Education certification	51,495	-
Consulting - recruiters	14,500	-
Other revenue	4,057	169
	<hr/>	<hr/>
Revenue	<u>414,192</u>	<u>85,246</u>

Note 5. Revenue (continued)

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	
	31 December 2018	31 December 2017
	\$	\$
<i>Major product lines</i>		
Gooroo Human Capital Solutions	160,875	25,071
Gooroo Advisory and Training Solutions	146,745	14,700
Gooroo Career Solutions	7,500	-
Other commissions	99,072	45,475
	<u>414,192</u>	<u>85,246</u>
<i>Timing of revenue recognition</i>		
Services transferred over time	387,125	79,867
Services transferred at a point in time	27,067	5,379
	<u>414,192</u>	<u>85,246</u>

The following aggregated amounts of transaction prices relate to the performance obligations from existing contracts that are unsatisfied or partially unsatisfied at 31 December 2018:

	2019	2020	2021	Total
Revenue expected to be recognised	<u>70,500</u>	<u>56,675</u>	<u>28,550</u>	<u>155,725</u>

Note 6. Other income

	Consolidated	
	31 December 2018	31 December 2017
	\$	\$
Insurance recoveries	<u>-</u>	<u>11,491</u>

Note 7. Other expenses

	Consolidated	
	31 December 2018 \$	31 December 2017 \$
Advertising and marketing	112,203	96,916
Agency fees	211	39
ASX fees	23,766	11,754
Auditing or reviewing the financial report	14,355	13,000
Bank charges	1,369	2,054
Computer expenses	1,280	2,297
Consulting fees	45,927	63,090
Donation	27,000	27,000
HR outsourcing	-	4,074
Insurance	13,998	15,035
Legal fees	5,863	14,942
Outgoings	1,857	3,950
Professional fees	48,000	43,455
Rental expenses	53,896	60,439
Sales support	-	871
Share registry services	13,775	18,095
Travel expenses	43,097	18,650
Other operating expenses	71,208	79,062
	<u>477,805</u>	<u>474,723</u>

Note 8. Intangibles

	Consolidated	
	31 December 2018 \$	30 June 2018 \$
Development costs	1,068,438	1,068,438
Less: Accumulated amortisation	(355,709)	(251,575)
Less: Impairment	(13,707)	(13,707)
	<u>699,022</u>	<u>803,156</u>
Intellectual property - at cost	226,860	226,860
Less: Accumulated amortisation	(25,002)	(19,330)
	<u>201,858</u>	<u>207,530</u>
Patents and trademarks - at cost	10,173	-
	<u>911,053</u>	<u>1,010,686</u>

Note 8. Intangibles (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Development costs \$	Intellectual property \$	Patents and trademarks \$	Total \$
Balance at 1 July 2018	803,156	207,530	-	1,010,686
Additions	-	-	10,173	10,173
Amortisation expense	<u>(104,134)</u>	<u>(5,672)</u>	<u>-</u>	<u>(109,806)</u>
Balance at 31 December 2018	<u>699,022</u>	<u>201,858</u>	<u>10,173</u>	<u>911,053</u>

Note 9. Trade and other payables

	Consolidated	
	31 December 2018	30 June 2018
	\$	\$
Trade payables	106,686	180,582
Other payables	<u>68,330</u>	<u>48,876</u>
	<u>175,016</u>	<u>229,458</u>

Note 10. Issued capital

	Consolidated			
	31 December 2018	30 June 2018	31 December 2018	30 June 2018
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>97,687,851</u>	<u>86,687,851</u>	<u>9,472,961</u>	<u>8,976,742</u>

Movements in ordinary share capital

Details		Shares	\$
Balance	1 July 2018	86,687,851	8,976,742
Issued via share placements		11,000,000	550,000
Transaction costs		<u>-</u>	<u>(53,781)</u>
Balance	31 December 2018	<u>97,687,851</u>	<u>9,472,961</u>

Note 11. Dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 12. Events after the reporting period

On 12 February 2019, the Company completed a non-renounceable pro-rata rights issue ('Rights Issue') raising \$197,908 before transaction costs. A total of 3,958,158 shares were issued under the Rights Issue.

On 27 February 2019, Dr Wesley McClendon retired his position as director of the Company.

No other matter or circumstance has arisen since 31 December 2018 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Note 13. Earnings per share

	Consolidated	
	31 December 2018	31 December 2017
	\$	\$
Loss after income tax attributable to the owners of Gooroo Ventures Limited	<u>(934,079)</u>	<u>(1,808,834)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>87,465,025</u>	<u>64,148,201</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>87,465,025</u>	<u>64,148,201</u>
	Cents	Cents
Basic earnings per share	(1.07)	(2.82)
Diluted earnings per share	(1.07)	(2.82)

Gooroo Ventures Limited
Directors' declaration
For the half-year ended 31 December 2018



In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2018 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors

A handwritten signature in blue ink, appearing to read "Greg Muller", written over a horizontal line.

Greg Muller
Managing Director

27 February 2019

Independent Auditor's Review Report

To the Members of Gooroo Ventures Limited

Report on the review of the half year financial report

Conclusion

We have reviewed the accompanying half year financial report of Gooroo Ventures Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of Gooroo Ventures Limited does not give a true and fair view of the financial position of the Group as at 31 December 2018, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial Reporting*.

Material uncertainty related to going concern

We draw attention to Note 2 in the financial report, which indicates that the Group incurred a net loss of \$934,079 during the half year ended 31 December 2018 and, as of that date, the Group's net cash outflow from operating and investing activities was \$1,017,206. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the half year financial report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2018 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Gooroo Ventures Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



J L Humphrey
Partner – Audit & Assurance

Adelaide, 27 February 2019