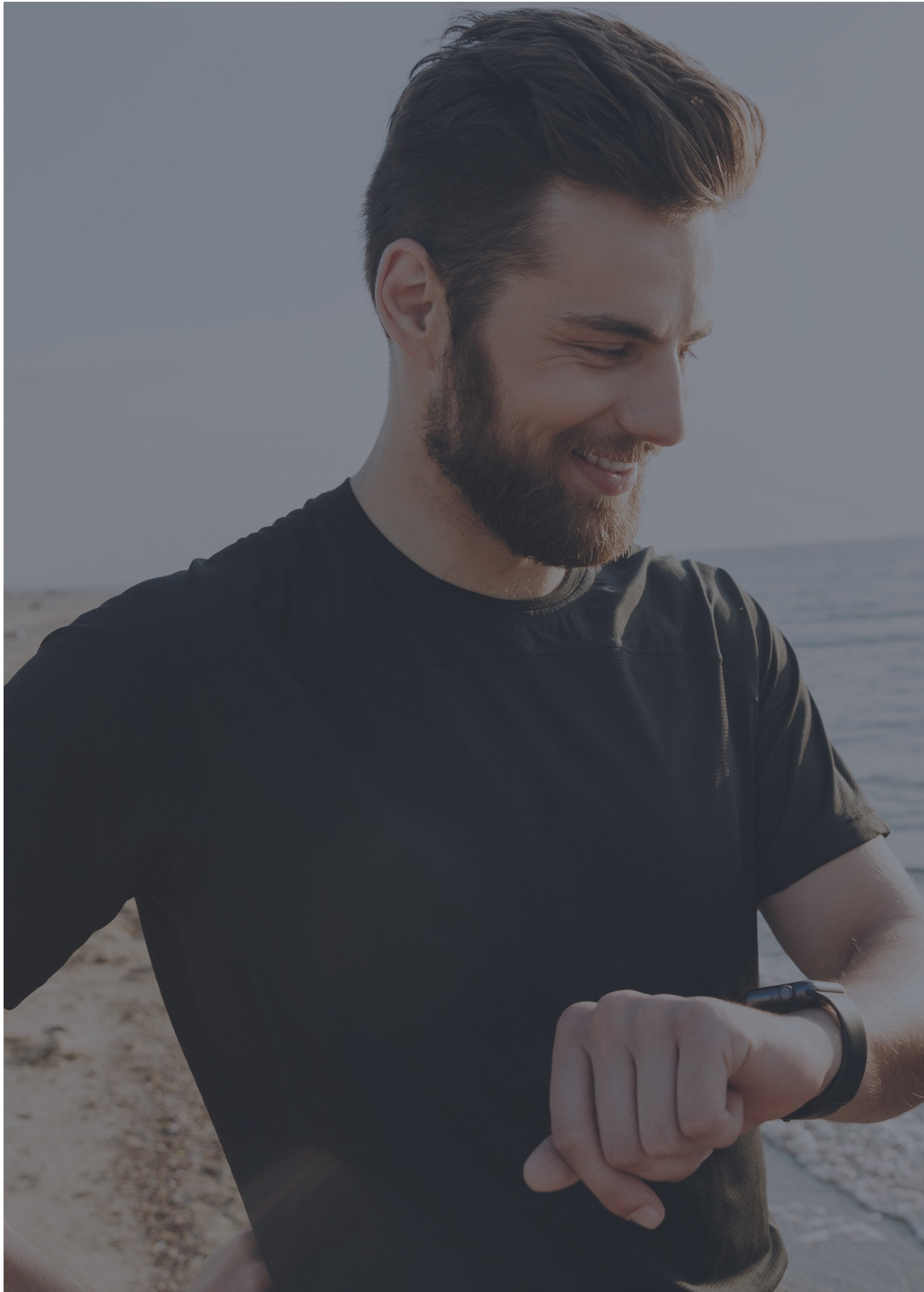


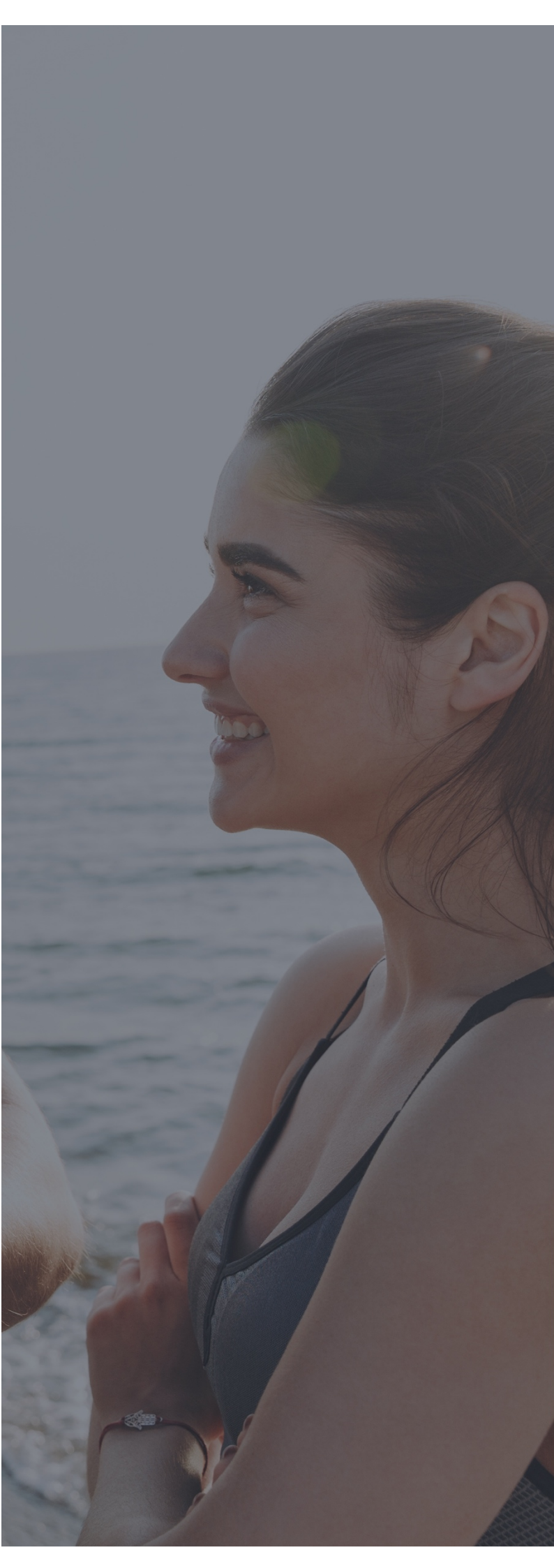


gooroo

Annual Report 2018-19

Gooroo Ventures Limited
ASX: GOO
ABN 96 613 924 744
www.gooroox.com
www.goorooventures.com





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

Solicitors

O'Loughlins Lawyers

Level 2, 99 Frome Street

Adelaide SA 5000

Bankers

Australia and New Zealand Banking Group

ANZ Centre, 10/833 Collins St

Melbourne VIC 3000

Gooroo Ventures Limited shares are listed
on the Australian Securities Exchange
(ASX code: GOO)

www.goorooventures.com

www.gooroox.com

During the 2019 financial year we have made solid progress through what is an important phase in the growth of the Gooroo business and the commercialisation of our human thinking (ColourGrid®) and artificial intelligence technology platform.

This time last year I shared with you four core strategic priorities to achieve wider adoption and scale.

1. Expand our product and service offering in the whole Human Capital value chain
This last year we have introduced new capabilities to support the requirements of business leaders as they seek to transform their people, teams and organisations in a tougher economic, competitive and constantly changing environment. Through these efforts we're now observing solid interest in how our ColourGrid® intellectual property and AI-based tools help people and teams work more effectively together, and grow through change. Increasingly, we're seeing enterprises focusing on using Gooroo to improve engagement, reduce churn and staff absenteeism, and improve productivity through better collaboration.
2. To position our product and service offering in the Marketing and Consumer Research industries
Throughout the year we established core delivery capability and built solid levels of awareness of this capability which provides marketers with the ability to better understand their customer's mindset and use this insight to improve messaging effectiveness. We have established distribution partnerships with Performics (part of Publicis Groupe) and Lexer, both of whom have started to introduce Gooroo capability to their client base and continue to run pilot programs to build proof points to demonstrate the commercial results.
3. To build global strategic partnerships and sales distribution channels supported by a consistent and responsive level of account management and support
A core pillar of Gooroo's distribution model is via third parties who both on-sell and use Gooroo technology for their client deliveries. Over this past year we have established several new partnerships, such as Biz Group (Middle East), ManpowerGroup, PeoplePlus Australia, Publicis, Catalyst Global, Lexer and Amrop Carmichael Fisher. Our goal is to both expand our partner network and our onboarding and partner management capabilities to improve the speed to outcomes and probability of success.
4. To continue our Research & Development in Human Thinking
As a young science and technology company, R&D continues to be a core focus for the Company. The future growth and sustainability of Gooroo will be based on releasing products that deliver meaningful results at an individual, team and enterprise level. Gooroo's unique ability to quickly understand human mindset enables us to contribute to solving significant challenges at all levels of business and society. Our team continues to run paid and unpaid pilot programs with customers to validate and test our assumptions, and quantify the value of Gooroo technology that will directly influence future scaling initiatives. Over this last year, \$995,052 of expenditure was identified as R&D deductible and Gooroo received a \$432,848 refund from the Australian Government R&D Tax Incentive Program.

Gooroo Ventures Limited
CEO report

Like many early-stage product technology business, capital remains critical to fund product development and the commercialisation efforts. The Gooroo Board however, is also focused on new initiatives that can accelerate our commercialisation pathway and grow returns more quickly for shareholders. While continued acceleration of revenues from core Gooroo products is planned over the coming years, we also believe that M&A can play an important part of our growth story.

To this end, the Board and team is very excited about the pending merger with AIS Anywhere Inc. This merger will broaden our technical capabilities, international reach and deliver greater financial strength and capacity.

In addition to the expansion of our product and services suite, we expect that the merger will accelerate the realisation of Gooroo's vision and opportunities in existing and new markets, particularly in North America over the coming 12-18 months. The merger brings together two capabilities that can accelerate the digital transformation of enterprises with a uniquely human focus.

The Directors of both Gooroo and AIS are aligned in our objective to build a fast-growing, global product technology company. The future is surely going to be an exciting one for Gooroo and its shareholders. I'd like to thank you for your continued support as we progress on our commercialisation journey.



Greg Muller
Managing Director & Chief Executive Officer



Gooroo Ventures Limited
Directors' report
30 June 2019

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 year ended 30 June 2019.

Information on Directors

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

Name:	Thomas Brown
Title:	Non-Executive Chairman
Qualifications:	MA
Experience and expertise:	<p>Tom Brown is considered as one of Australia's most experienced leaders in the domain of People and Culture. With global leadership experience across the Resource, Logistics, FMCG and Power sectors, he has worked for global icons such as Exxon Mobil, BHP and Rolls-Royce. His focus has been on both functional and organisational transformation, using technology as a key driver of value creation.</p> <p>Over the last four years he has transitioned to the nonexecutive arena, utilising 20 years' experience with Boards in an executive capacity including Committee Chair roles and executive director roles on joint venture Boards. He has also recently joined the Board of QuEST Global Services, a global engineering services company, based in Singapore. In addition to his independent director role, he is also Chair of the Compensation Committee. Prior, Tom joined the Slater and Gordon board as a non executive director to directly guide the group's restructure, which is now complete. During that role he was Chair of the Remuneration Committee and member of the Audit and Risk Committee. He also consults to CEOs both here and overseas on how to drive transformation in their functions and in their businesses.</p> <p>Tom brings to Gooroo a deep knowledge of the People and Culture business and a vision for the future in which disruptive technology is a key driver of business value and high performance.</p>
Other current directorships:	QuEST Global (appointed 2019)
Former directorships (last 3 years):	Slater and Gordon Limited (from September 2016 to December 2017)
Special responsibilities:	Member of the Finance and Risk Management Committee
Interests in shares:	1,000,000 ordinary shares
Interests in options:	250,000 unlisted options

Gooroo Ventures Limited
Directors' report
30 June 2019

Name:	Gregory Muller
Title:	Managing Director and Chief Executive Officer
Qualifications:	MBA, BAppSc
Experience and expertise:	<p>Greg Muller is the CEO and founder of Gooroo and has over 20 years' experience in building and leading technology, marketing and management consulting companies.</p> <p>As the founder and CEO of Gooroo, Mr Muller has overseen the R&D phase of the company and has executed its funding and commercialisation strategy.</p> <p>In 2000, Mr Muller founded his own technology and management consulting group, iFocus, growing it to become the largest independent digital agency in Australia. In 2010, Mr Muller was engaged by the Board of Global Reviews, a leading digital marketing and customer experience analytics provider, to reposition the brand internationally, redefine the product set and drive accelerated growth. Mr Muller remains as a non-executive director and shareholder of Global Reviews.</p> <p>During his career Mr Muller has been the recipient of numerous industry and business awards, most notably BRW Fast 100 (2004, 2005), Dun & Bradstreet Business Award Finalist (2004) and SmartCompany Top 50 (2007).</p> <p>Mr Muller has completed a Master of Business Administration (MBA) and a Bachelor of Applied Science.</p>
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	9,116,190 ordinary shares 4,960,111 A class performance shares 6,800,052 C class performance shares
Interests in options:	None

Gooroo Ventures Limited
Directors' report
30 June 2019

Name:	Donald Stephens
Title:	Non-Executive Director and Company Secretary
Qualifications:	BA(Acc), FCA
Experience and expertise:	<p>Donald Stephens is a Chartered Accountant and corporate advisor with over 25 years' experience in the accounting, mining and services industries, including 14 years as a partner of HLB Mann Judd (SA), a firm of Chartered Accountants. He is a Chartered Accountant and corporate adviser specialising in small cap ASX listed entities.</p> <p>Mr Stephens is a director and company secretary of Petratherm Limited and the company secretary of Highfield Resources Limited, as well as various other listed and unlisted public companies.</p>
Other current directorships:	Petratherm Limited
Former directorships (last 3 years):	<p>Odin Metals Limited (formerly Lawson Gold Limited) (from July 2013 to February 2018)</p> <p>Mithril Resources Limited (from April 2002 to May 2019)</p>
Special responsibilities:	Chairman of the Finance and Risk Management Committee
Interests in shares:	513,282 ordinary shares
Interests in options:	125,000 unlisted options

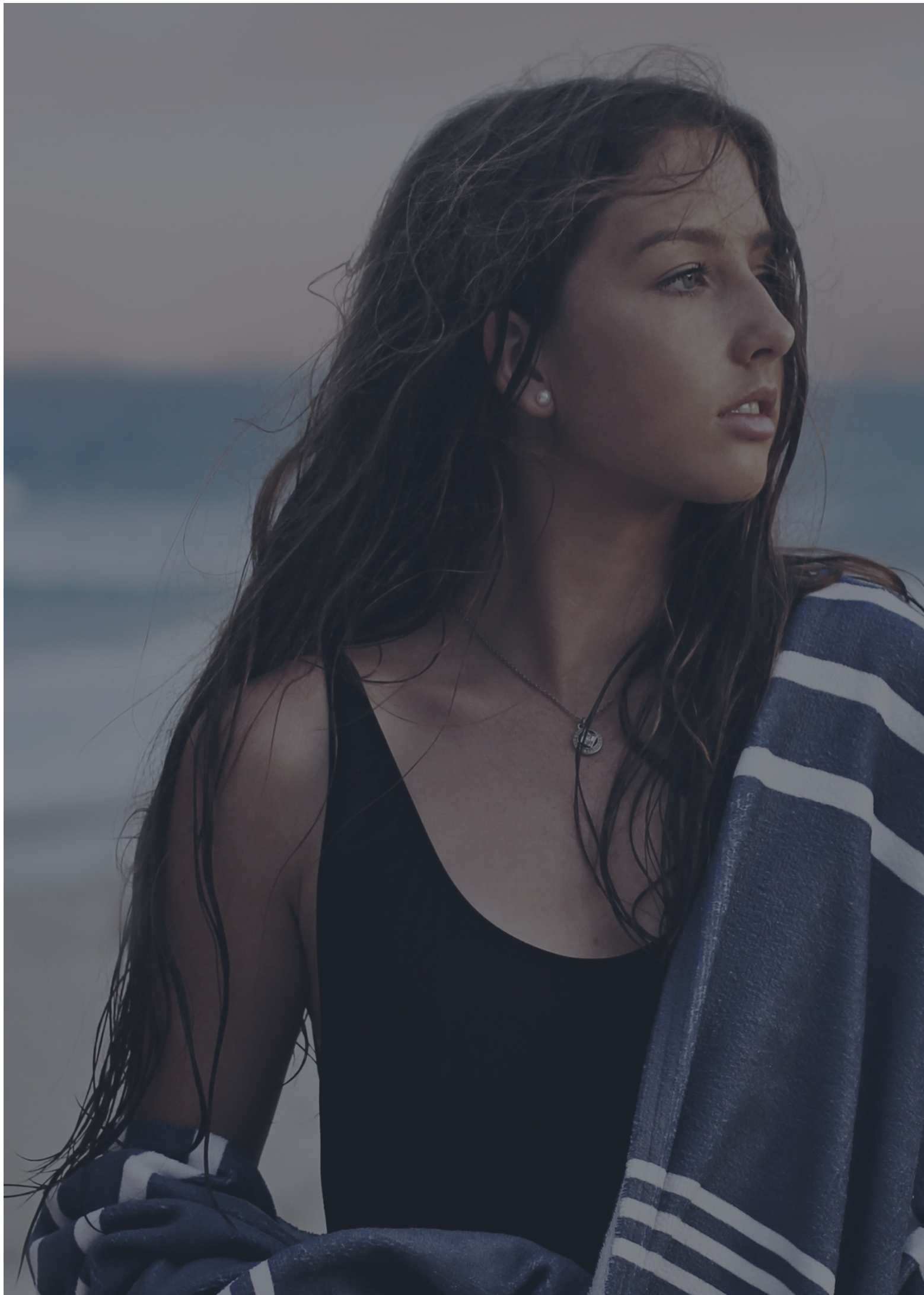
Name:	Jason Tonelli
Title:	Non-Executive Director
Qualifications:	GAICD, BA
Experience and expertise:	<p>Jason Tonelli is a digital media and technology specialist with more than 16 years' experience in the field. He has gained a unique range of experience and skills, having worked across most facets of digital media from search to running a trading desk.</p> <p>Mr Tonelli is currently the Chief Executive Officer of Performics ANZ - the Performance Media Agency of the Publicis Groupe, one of the world's leading communications agencies, where he focuses on leading a team of Performance Marketing individuals to create value for their customers through the ever changing digital marketing landscape. Prior to this role, Mr. Tonelli has worked within the Groupe in a number of roles such as being the Chief Digital and Technology Officer for Publicis Media Australia and New Zealand, worked across the Starcom and Mediavest businesses as the digital and technology lead in Australia. All of these roles have unlocked global client and technology connections throughout Europe, Asia and the US.</p> <p>Prior to joining Starcom, Mr Tonelli has held such roles as General Manager of Aegis Media Pacific's Trading Desk and Media Director at emitch Melbourne, leading a team of 10 across a number of clients including Nissan Australia, BMW, Tourism Victoria, Virgin Australia, QUIT Victoria and the Transport Accident Commission.</p> <p>Mr Tonelli attended Monash University, where he majored in Psychology with a Minor in Marketing. He has found that these two disciplines have complemented his development into the advertising and media fields. Mr Tonelli also participates in many leading industry events both as a keynote speaker and a panellist as well as being an active member of the Industry Advisory Board for the School of Marketing and Advertising at RMIT University in Victoria.</p>
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	281,250 ordinary shares
Interests in options:	250,000 unlisted options

Gooroo Ventures Limited
Directors' report
30 June 2019

Name:	Emmanuel Foundas
Title:	Non-Executive Director
Qualifications:	B.Comm, ASIA
Experience and expertise:	<p>Emmanuel Foundas has over 25 years' experience in investment banking with Salomon Smith Barney, Natwest Markets, Macquarie Bank, Dresdner Bank and Michell NBD in addition to his time at Mobil Oil Australia where he held the role of Assistant Treasurer.</p> <p>He is the Finance and Technology Lead for the Australian Education City Consortium. Previously, Mr Foundas was Chief Representative, Oceania & SE Asia for Conduvis Technologies.</p> <p>Mr Foundas has assisted and mentored a number of successful companies and was Chairman and CEO of CFT Holdings, which under his stewardship executed two co-operative joint ventures in China with State Owned Enterprises.</p> <p>Mr Foundas holds a Bachelor of Commerce degree from The University of Queensland and a Post Graduate Diploma from the Securities Institute of Australia.</p>
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Finance and Risk Management Committee
Interests in shares:	<p>5,509,392 ordinary shares</p> <p>3,720,737 A class performance shares</p> <p>1,691,244 C class performance shares</p>
Interests in options:	250,000 unlisted options

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.





Highlights for the year

This past year the Company has continued its push to expand commercial partnerships, build proof points and evolve its offering to support future scale and global reach. The Company continues to invest in research and development, market validation programs and the refinement of its go-to-market strategy.

These are all aimed at delivering accelerated revenue streams and widespread, global adoption of the Company's transformation platform and tools.



Highlights for the year

- Full year trading revenue of \$809,817.
- 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. The Company is also projecting a \$420,000 refund for this past year.
- Won an Innovation and Creativity award from international industry group APSCo.
- Launched Gooroo Marketing Solutions, an analytical engine capable of processing large consumer datasets to deliver meaning about how customers are likely to make choices about a product/service. This provides marketers and advertising agencies with new capabilities to target customers with specific messages that will deliver an increased likelihood of engagement and conversion.
- Launched Gooroo Career Solutions, a SaaS-based technology platform for students, workers, training organisations and career advisors. Evaluates individuals to build personalised career paths; matching to training courses and jobs.
- Using the above Career Solutions technology platform, the Company entered in to a pilot program with Microsoft Corporation to support their strategy to engage college and university students in preparing for their future careers. Unfortunately, structural changes within Microsoft's learning organisation in July 2019 prematurely halted this strategy, despite the successful pilot program delivery. Gooroo remains in discussion with Microsoft to redirecting effort and focus and is currently establishing a Co-sell program with the company.
- Signed a Master Licence Agreement with ManpowerGroup (NYSE: MAN) where both parties will collaborate on an industry reskilling and redeployment pilot programs with major technology and industry partners. The program is expected to kick-off in October 2019.
- Entered into partnership with PeoplePlus to deliver more sustainable job outcomes for the Australian Government jobactive program, focusing on the country's long-term unemployed. The program has since expanded.
- Entered into a three-year partnership agreement with Davidson to distribute and implement Gooroo technology with their clients.
- Entered into a three-year partnership agreement with Catalyst Global, an international network of businesses focused on team development and team building.
- Entered into a partnership agreement with Performics, a performance marketing company (part of the Publicis Groupe of companies), focused on selling and integrating Gooroo technology with client media campaigns.
- Entered in to an agreement with Lexer, a leading Customer Data Platform, to implement Gooroo ColourGrid™ segments within its platform, and market and sell Gooroo ColourGrid™ segments to its blue-chip portfolio of clients across Australia and United States.
- Entered in to an agreement with Amrop Carmichael Fisher to introduce new capability and to expand and differentiate the Amrop Carmichael Fisher services in Australia in readiness for future growth.
- Entered a commercial licence agreement with Dubai-based Biz Group, a leading provider of team development, leadership and organisational learning programs across the Government and corporate sector in the Middle East. The Biz Group team has since been trained and are undergoing certification.
- Initiated negotiations with AIS Anywhere Inc, a USA-based AI-centric technology services and product company. The Company has since executed a term sheet to acquire the business of AIS Anywhere. This acquisition, which is yet to receive regulatory and shareholder approval will dramatically expand Gooroo's revenue profile and will bring the company to cashflow positivity and profitability. The transaction is expected to be finalised toward the end of this calendar year.



Principal activities

Gooroo has developed a fully-integrated, enterprise-grade people analytics platform that gives personalised insight into how people think, make decisions and choices in life and at work.

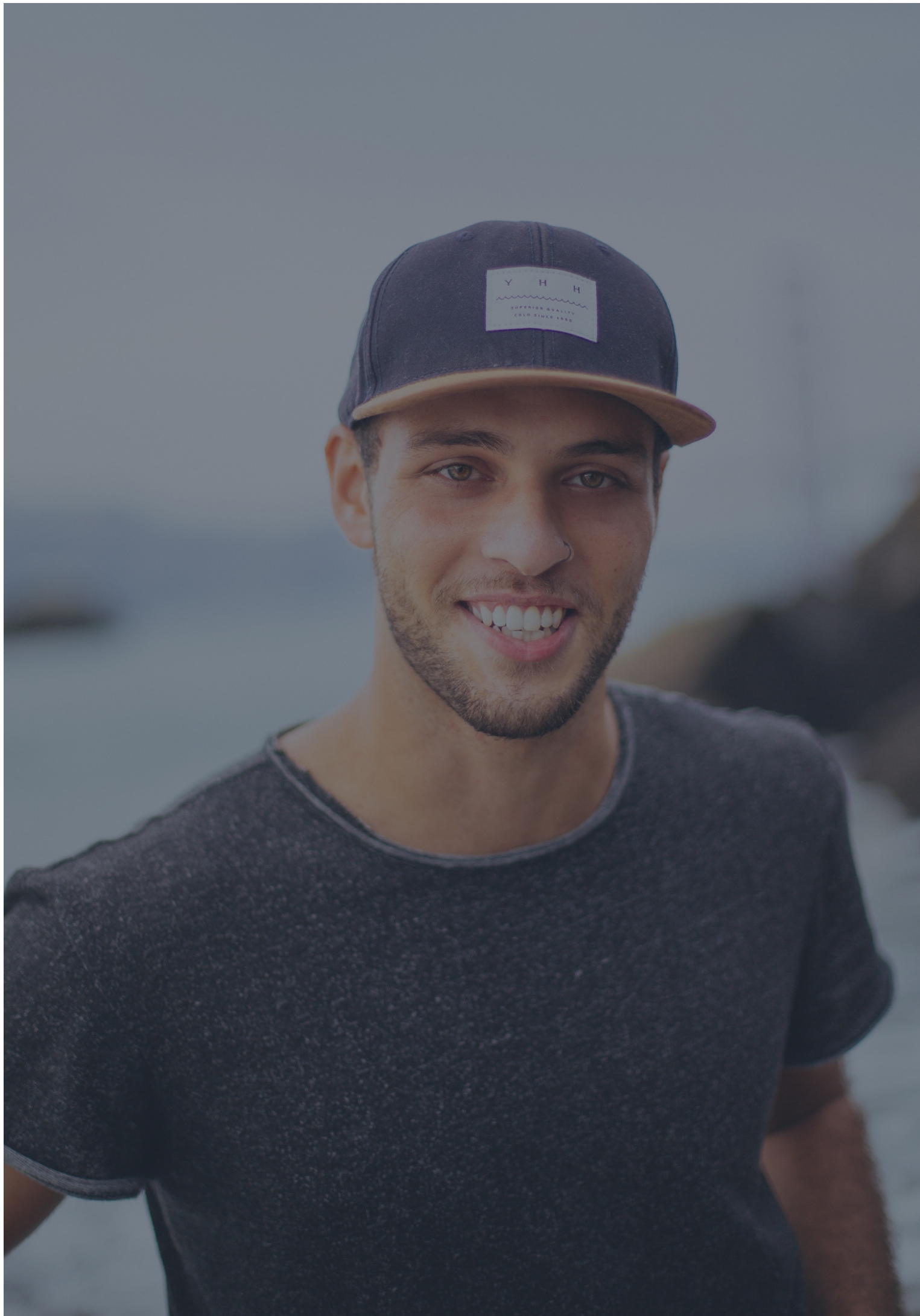
The technology, based on a combination of AI and neuroscience is deployed:

- at a team and organisational level to help leaders make evidence-based, data-driven decisions that help to reshape teams, drive operational effectiveness and improve collaboration in times of uncertainty and change
- at an individual level to better understand oneself and others build faster, more productive relationships
- to better understand the mindset of customers to deliver more effective marketing and promotional messages that drive positive action.

Digital transformation is forcing corporates around the world to rethink their business practices, their people and their systems. Gooroo is well poised to capitalise on this increasing demand around the world.

Gooroo currently sells access to its platform and tools using a licencing model. The cost to access the technology is based on usage volume. Additional revenues are also earned from certification programs, training and consulting services.

Gooroo is soon to launch a mobile app version of its technology for use by individuals (with an initial focus on employees and teams). The app will be used to grow adoption levels of Gooroo technology in the workplace.



The Core Gooroo product categories include:

1. Gooroo for Teams

- 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.
- Gooroo insights and toolkits support more accurate hiring, design of teams, preparing individuals and teams for growth.
- Used by consultancies and enterprises.
- Sold on a licence plus consumption model.

2. Gooroo for Customers

- An analytical engine that can process large consumer datasets, delivering meaning about how people make decisions, at scale.
- The platform is capable a set of pivotal insights on consumer decision making, behaviour and engagement. Conclusions that Gooroo can reach are able to go beyond insights delivered by artificial intelligence and traditional research.
- Used by marketers to inform strategy, media and creative execution and personalisation.
- Available direct to enterprises or via media/marketing agencies.
- Sold on licence or on-demand based.

3. Gooroo for Careers

- A SaaS-based platform for students, learning institutions and corporate career advisors that 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.
- Offered via a licence plus consumption model.

Gooroo is targeting the following segments:

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

Dividends

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

Review of operations

The loss for the Group after providing for income tax amounted to \$2,198,635 (30 June 2018: \$3,235,500).

One of Gooroo's primary achievements in financial year 2019 has been to substantially grow its revenues from \$401,516 to \$809,817. Management attribute these results to an:

- Increased awareness of Gooroo technology in market and a growing acceptance of the inadequacy of existing models and technologies.
- Expansion of Gooroo capability across the human capital value chain; extending the addressable market.
- Expansion in to the consumer research and marketing industries.

The Company remains committed to the ongoing development of its core IP and continues its focus on executing programs with clients and partners that:

- quantify and validate the (longer-term) financial returns of using the technology.
- refine the go-to-market customer acquisition model to ensure scaling of the sales model will be achieved.

While some of these initiatives remain unpaid (or heavily discounted), the Board and management believe that this approach will underpin future marketing efforts, speed of adoption and growth.

Matters subsequent to the end of the financial year

On 1 August 2019 the Company announced a potential merger with AIS Anywhere Inc and was subsequently suspended from official quotation.

AIS is an advanced technology services based in the USA leveraging their deep experience in Big Data, Cloud & Machine Learning. AIS have established sales and marketing capability in North America, and a large offshore development centre in India.

On 28 August 2019, the Company successfully completed a capital raising of \$1.5 million via the issue of Convertible Notes. The issue price of each note was \$0.05 and each note holds a mandatory conversion on completion of the merger with AIS Anywhere (per above) on or before 28 February 2020. The price for conversion is the greater of 5c and a 50% discount to 5 day VWAP prior to the shareholder meeting. If the transaction with AIS does not complete by 28 February 2020, then each noteholder will have the option to redeem, or convert at the lower of \$0.05 and a 50% discount to the 5 day VWAP before the noteholder's election and make a further capital investment at the lower of 5c or a 30% discount to the 5 day VWAP prior to the execution of a term sheet with the Company within 90 days, limited to \$5 million, subject to the Company's capacity under ASX Listing Rule 7.1 and if required, shareholder approval.

On 16 August 2019, 22,000,000 B Class Performance Shares were cancelled due to the Milestone Event to trigger conversion not being met.

On 11 September 2019, the Company issued 250,000 shares to employees in accordance with their remuneration package. The issue price per share was \$0.055.

Gooroo Ventures Limited

Directors' report

30 June 2019

No other matter or circumstance has arisen since 30 June 2019 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.

Likely developments and expected results of operations

As mentioned in the previous section the Company announced the merger with AIS Anywhere Inc. In 2018, AIS delivered top line revenue of AU\$23.7m income on earning (before interest and tax) of AU\$2.9m.

This transaction will:

- Deliver strong revenues, cashflows and profitability to the Gooroo business.
- Broaden the geographic footprint of both companies.
- Provide access to US-based sales capability to cross-sell Gooroo's platform into existing customers.
- Provide access to a professional service delivery and support capability. Whilst Gooroo has started offering services AIS Anywhere can dramatically grow Gooroo's capability and capacity in the USA.
- Provide Gooroo with access to additional technical skills in AI deployments.
- Provide access to a dedicated development team to add technical weight to the current Gooroo team, speeding up product development and delivering cost efficiencies.

Environmental regulation

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Company secretary

Donald Stephens is the Company Secretary.

Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of the Company support and adhere to the principles of sound corporate governance. The Board recognises the recommendations of the Australian Securities Exchange Corporate Governance Council, and considers that the Company is in compliance to the extent possible with those guidelines, which are of importance and add value to the commercial operation of an ASX listing company. During the financial year, shareholders received the benefit of an efficient and cost-effective corporate governance policy for the Company.

The Company has established a set of corporate governance policies and procedures and these can be found within the Company's Corporate Governance Statement located on the Company's website: www.goorooventures.com.

Gooroo Ventures Limited
Directors' report
30 June 2019

Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2019, and the number of meetings attended by each Director were:

	Directors' Meeting		Finance and Risk Management Committee	
	Held	Attended	Held	Attended
Thomas Brown	8	8	3	3
Gregory Muller	8	8	-	-
Emmanuel Foundas	8	8	3	3
Donald Stephens	8	8	3	3
Jason Tonelli	8	6	-	-
Wesley McClendon	3	3	-	-

Held: represents the number of meetings held during the time the Director held office or was a member of the relevant committee.

Shares under option

Unissued ordinary shares of Gooroo Ventures Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
12 October 2016	12 October 2019	\$0.25	750,000
28 February 2018	28 February 2021	\$0.25	250,000
			<u>1,000,000</u>

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

Shares issued on the exercise of options

There were no ordinary shares of Gooroo Ventures Limited issued on the exercise of options during the year ended 30 June 2019 and up to the date of this report.

Indemnity and insurance of officers

The Group has made an agreement indemnifying all the Directors and Officers of the Company against all losses or liabilities by each Director or Officer in their capacity as Directors or Officers of the Company to the extent permitted by the Corporations Act 2001, the indemnification specifically excludes wilful acts of negligence.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Gooroo Ventures Limited

Directors' report

30 June 2019

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Non-audit services

There were no non-audit services provided during the financial year by the auditor.

Officers of the Company who are former partners of Grant Thornton Audit Pty Ltd

There are no officers of the Company who are former partners of Grant Thornton Audit Pty Ltd.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to 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 part of those proceedings.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:

- Remuneration Policy
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Remuneration Policy

The remuneration policy of Gooroo Ventures Limited has been designed to align key management personnel (KMP) objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Group's financial results. The Board of Gooroo Ventures Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the Group, as well as create goal congruence between directors, executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for key management personnel of the Group is as follows:

- All key management personnel receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits, and performance incentives.
- Performance incentives are based on predetermined key performance indicators.
- Incentives paid in the form of options or rights are intended to align the interests of the KMP and the Group with those of the shareholders. In this regard, key management personnel are prohibited from limiting risk attached to those instruments by use of derivatives or other means.
- The Board of Directors reviews key management personnel packages annually by reference to the Group's performance, executive performance and comparable information from industry sectors.

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

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

All remuneration paid to key management personnel is valued at the cost to the Group and expensed.

The Board's policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The Board of Directors determines payments to the non executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The current maximum annual aggregate non-executive directors remuneration is \$300,000 per annum as detailed in the Company's IPO Prospectus.

Key management personnel are also entitled and encouraged to participate in the employee share and option arrangements to align their interests with shareholders' interests.

Options granted under these arrangements do not carry dividend or voting rights. Each option is entitled to be converted into one ordinary share and is valued using the Black-Scholes methodology.

Key management personnel who are subject to these arrangements are subject to a policy governing the use of external hedging arrangements. Such personnel are prohibited from entering into hedge arrangements, i.e. put options, on unvested shares and options which form part of their remuneration package. Terms of employment signed by such personnel contain details of such restrictions.

Use of remuneration consultants

No remuneration consultants were engaged by the Group during the year.

Voting and comments made at the Company's last Annual General Meeting ('AGM')

At the 2018 AGM, 99% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2018. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the Group are set out in the following tables.

The key management personnel of the Group consisted of the following Directors of Gooroo Ventures Limited:

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

The Board has considered the definition of key management personnel and determined that Jose Miguel Herrera Perea was not a key management personnel during the financial year.

	Short-term benefits		Post-employment benefits	Long-term benefits	Share-based payments	
	Cash salary and fees	Consulting fees	Super-annuation	Long service leave	Equity-settled	Total
2019	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>						
Thomas Brown	72,000	-	-	-	-	72,000
Emmanuel Foundas	48,000	-	4,560	-	-	52,560
Donald Stephens	48,000	-	-	-	-	48,000
Jason Tonelli	48,000	-	-	-	-	48,000
Wesley McClendon*	126,716	20,000	10,059	-	-	156,775
<i>Executive Directors:</i>						
Gregory Muller	250,000	-	23,750	-	-	273,750
	<u>592,716</u>	<u>20,000</u>	<u>38,369</u>	<u>-</u>	<u>-</u>	<u>651,085</u>

* Represents remuneration from 1 July 2018 to 27 February 2019

Gooroo Ventures Limited
Directors' report
30 June 2019

	Short-term benefits	Post-employment benefits	Long-term benefits	Share-based payments	
	Cash salary and fees	Consulting fees bonus	Super-annuation	Long service leave	Equity-settled
2018	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>					
Thomas Brown*	48,395	-	-	-	9,259
Emmanuel Foundas	51,000	-	4,845	-	-
Donald Stephens	51,213	-	-	-	-
Jason Tonelli	51,000	-	-	-	-
Wesley McClendon**	4,000	35,064	-	-	-
Simon O'Loughlin***	18,113	-	866	-	-
Anna Whitlam****	2,500	-	238	-	-
<i>Executive Directors:</i>					
Gregory Muller	231,818	-	22,023	-	-
	458,039	35,064	27,972	-	9,259

* Represents remuneration from 2 November 2017 to 30 June 2018

** Represents remuneration from 19 April 2019 to 30 June 2018

*** Represents remuneration from 1 July 2017 to 2 November 2017

**** Represents remuneration from 1 July 2017 to 27 July 2017

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Gregory Muller
Title:	Chief Executive Officer
Agreement commenced:	12 October 2016
Term of agreement:	3 years
Details:	Base salary for the year ending 30 June 2019 of \$250,000 plus superannuation, to be reviewed annually by the Board of Directors. Six (6) months termination notice by either party, non-solicitation and non-compete clauses.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares

There were no shares issued to Directors and other key management personnel as part of compensation during the year ended 30 June 2019.

Gooroo Ventures Limited
Directors' report
30 June 2019

Options

There were no options over ordinary shares granted to or vested by Directors and other key management personnel as part of compensation during the year ended 30 June 2019.

Additional information

The earnings of the Group for the three years to 30 June 2019 are summarised below:

	2019 \$	2018 \$	2017 \$
Sales revenue	796,000	374,558	68,276
EBITDA	(2,742,367)	(3,282,764)	(3,254,267)
EBIT	(2,978,688)	(3,510,146)	(3,351,494)
Loss after income tax	(2,198,635)	(3,235,500)	(2,674,771)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2019	2018	2017
Share price at financial year end (\$)	0.04	0.07	0.15
Basic earnings per share (cents per share)	(2.29)	(4.40)	(5.65)

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the Company held during the financial year by each Director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
<i>Ordinary shares</i>					
Thomas Brown	1,000,000	-	-	-	1,000,000
Gregory Muller *	18,095,001	-	600,000	(9,944,206)	8,750,795
Emmanuel Foundas	4,897,236	-	612,156	-	5,509,392
Donald Stephens	456,250	-	57,032	-	513,282
Jason Tonelli	250,000	-	31,250	-	281,250
	<u>24,698,487</u>	<u>-</u>	<u>1,300,438</u>	<u>(9,944,206)</u>	<u>16,054,719</u>

* Disposal relates to an off-market transfer to spouse as part of a matrimonial settlement

Gooroo Ventures Limited
 Directors' report
 30 June 2019

Option holding

The number of options over ordinary shares in the Company held during the financial year by each Director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
<i>Options over ordinary shares</i>					
Thomas Brown	250,000	-	-	-	250,000
Emmanuel Foundas	250,000	-	-	-	250,000
Donald Stephens	125,000	-	-	-	125,000
Jason Tonelli	250,000	-	-	-	250,000
	<u>875,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>875,000</u>

This concludes the remuneration report, which has been audited.

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.

Auditor

Grant Thornton Audit Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors



Greg Muller
Managing Director

27 September 2019

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 audit of Gooroo Ventures Limited for the year ended 30 June 2019, 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 audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



J.L. Humphrey
Partner – Audit & Assurance

Adelaide, 27 September 2019

Grant Thornton Audit Pty Ltd ACN 130 913 594
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Gooroo Ventures Limited

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Gooroo Ventures Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2019

		Consolidated	
	Note	2019 \$	2018 \$
Revenue	6	792,398	374,326
Other income	7	3,602	146,420
Interest revenue	8	13,817	26,958
Research and Development Incentive		766,236	247,749
Expenses			
Other expenses	9	(603,445)	(602,138)
Share-based payments	36	(80,000)	(52,093)
Employee benefits expense		(1,793,709)	(2,059,343)
Consulting fees		(104,472)	(103,572)
Depreciation and amortisation expense		(236,321)	(227,382)
Loss on disposal of assets		-	(7,968)
Product development costs		(522,912)	(469,508)
Research expenses		(108,084)	(162,425)
Marketing expenses		(203,504)	(236,024)
Occupancy expenses		(122,241)	(110,439)
Finance costs		-	(61)
Loss before income tax expense		(2,198,635)	(3,235,500)
Income tax expense	10	-	-
Loss after income tax expense for the year attributable to the owners of Gooroo Ventures Limited		(2,198,635)	(3,235,500)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of Gooroo Ventures Limited		<u>(2,198,635)</u>	<u>(3,235,500)</u>
		Cents	Cents
Basic earnings per share	35	(2.29)	(4.40)
Diluted earnings per share	35	(2.29)	(4.40)

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 30 June 2019

	Note	Consolidated 2019 \$	2018 \$
Assets			
Current assets			
Cash and cash equivalents	11	354,580	1,511,341
Trade and other receivables	12	60,725	101,648
Income tax refund due	13	435,936	254,475
Other assets	14	28,741	26,261
Total current assets		<u>879,982</u>	<u>1,893,725</u>
Non-current assets			
Property, plant and equipment	15	71,382	60,431
Intangibles	16	805,857	1,010,686
Total non-current assets		<u>877,239</u>	<u>1,071,117</u>
Total assets		<u>1,757,221</u>	<u>2,964,842</u>
Liabilities			
Current liabilities			
Trade and other payables	17	135,342	229,458
Provisions	18	106,728	78,794
Contract liabilities	19	7,044	43,950
Total current liabilities		<u>249,114</u>	<u>352,202</u>
Non-current liabilities			
Employee benefits	20	8,065	-
Total non-current liabilities		<u>8,065</u>	<u>-</u>
Total liabilities		<u>257,179</u>	<u>352,202</u>
Net assets		<u>1,500,042</u>	<u>2,612,640</u>
Equity			
Issued capital	21	10,062,779	8,976,742
Reserves	22	174,949	257,362
Accumulated losses	23	(8,737,686)	(6,621,464)
Total equity		<u>1,500,042</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 year ended 30 June 2019

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 expense for the year	-	-	(3,235,500)	(3,235,500)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(3,235,500)	(3,235,500)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (note 36)	179,509	12,093	-	191,602
Shares issued via placement	2,331,347	-	-	2,331,347
Shares issued to employees (2017 accrued share-based payments)	38,480	-	-	38,480
Transaction costs	(227,522)	10,969	-	(216,553)
Balance at 30 June 2018	8,976,742	257,362	(6,621,464)	2,612,640
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 expense for the year	-	-	(2,198,635)	(2,198,635)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(2,198,635)	(2,198,635)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (note 36)	80,500	-	-	80,500
Shares issued via placement	550,000	-	-	550,000
Transaction costs	(115,902)	-	-	(115,902)
Rights issue	571,439	-	-	571,439
Options lapsed	-	(82,413)	82,413	-
Balance at 30 June 2019	10,062,779	174,949	(8,737,686)	1,500,042

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 year ended 30 June 2019

	Note	Consolidated 2019 \$	2018 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		798,815	309,344
Payments to suppliers (inclusive of GST)		(3,512,680)	(3,625,768)
		(2,713,865)	(3,316,424)
Interest received		13,817	26,958
Other revenue		3,602	146,420
Interest and other finance costs paid		-	(61)
Income taxes refunded		584,775	730,194
Net cash used in operating activities	34	(2,111,671)	(2,412,913)
Cash flows from investing activities			
Payments for property, plant and equipment	15	(27,663)	(6,435)
Payments for intangibles	16	(14,782)	(13,397)
Payments for security deposits		(8,182)	-
Net cash used in investing activities		(50,627)	(19,832)
Cash flows from financing activities			
Proceeds from issue of shares	21	1,121,439	2,331,347
Share issue transaction costs		(115,902)	(216,553)
Net cash from financing activities		1,005,537	2,114,794
Net decrease in cash and cash equivalents		(1,156,761)	(317,951)
Cash and cash equivalents at the beginning of the financial year		1,511,341	1,829,292
Cash and cash equivalents at the end of the financial year	11	<u>354,580</u>	<u>1,511,341</u>

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

Note 1. General information and statement of compliance

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 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	Principal place of business
C/- HLB Mann Judd (SA) Pty Ltd Level 1, 169 Fullarton Road Dulwich SA 5065	Ground Floor, 10 Grattan Street Pahran, VIC 3181

The consolidated general purpose financial statements of the Group have been prepared in accordance with the requirement of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (AASB). Compliance with Australian Accounting Standards results in full compliance with the International Financial Reporting Standards (IFRS) as issued by International Accounting Standards Board (IASB). Gooroo Ventures Limited is a for-profit entity for the purpose of preparing the financial statements.

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

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, 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 had been 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:

Note 2. Significant accounting policies (continued)

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.

AASB 15 Revenue from Contracts with Customers

AASB 15 Revenue from contracts with customers was early adopted by the Group in the year ended 30 June 2018. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

Accounting policy for revenue recognition

The Group recognises revenue as follows:

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.

Consulting and training revenue

Gooroo provides professional training and certification courses and expert services to understand team dynamics and to build techniques for better decision-making at all levels of an organisation. Advisory services are sold on licence or 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. Revenue from a contract to provide services is recognised at a point in time as the services are rendered based on either a fixed price or an hourly rate.

Subscription revenue

Gooroo offers the following types of subscriptions:

Note 2. Significant accounting policies (continued)

- Gooroo Human Capital Solutions is a Software as a Service (SaaS) based platform and Human Capital ecosystem offering an integrated and seamless experience to employers, employees and talent. The features of this platform support more accurate hiring, assist in the design of effective employee teams and measure the capacity and readiness of a company for growth. SaaS is sold on an annual subscription-based licence plus consumption model. Revenue in relation to providing access to the SaaS Platform is recognised on a straight-line basis over the life of the contract with each customer. Consumption is calculated as the number of users that joins the platform in a specific period and is recognised at the point in time the service is provided.
- Gooroo Career Solutions is a SaaS-based platform for students, learning institutions and career advisors. Sold on annual subscription-based licence plus consumption model. Revenue in relation to providing access to the SaaS Platform is recognised on a straight-line basis over the life of the contract with each customer. Consumption is calculated as the number of users that joins the platform in a specific period and is recognised at the point in time the service is provided.

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

Going concern

The financial report has been prepared on the basis of a going concern. The financial report shows the Group incurred a net loss of \$2,198,635 and a net cash outflow from operating and investing activities of \$2,162,298 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.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in Note 28.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Gooroo Ventures Limited ('Company' or 'parent entity') as at 30 June 2019 and the results of all subsidiaries for the year then ended. Gooroo Ventures Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

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

Note 2. Significant accounting policies (continued)

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

Foreign currency translation

The financial statements are presented in Australian dollars, which is Gooroo Ventures Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Note 2. Significant accounting policies (continued)

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Gooroo Ventures Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime.

Gooroo Ventures Limited and each of its wholly-owned controlled entities recognise the current and deferred tax assets and deferred tax liabilities applicable to the transactions undertaken by it, after elimination of intra-group transactions. Gooroo Ventures Limited recognises the entire tax-consolidated group's retained tax losses.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

The Company provides benefits to individuals acting as, and providing services similar to employees (including Directors) of the Company in the form of share based payment transactions, whereby individuals render services in exchange for shares or rights over shares ('equity settled transactions'). There is currently an Employee Share Option Plan (ESOP) in place, which provides benefits to Directors and individuals providing services similar to those provided by an employee.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Note 2. Significant accounting policies (continued)

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, other than AASB 15 Revenue from Contracts with Customers, have not been early adopted by the Group for the annual reporting period ended 30 June 2019. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Based on management's assessment, the Group expects to recognise right-of-use assets of approximately \$202,831 and lease liabilities of approximately \$131,265, leading to approximately \$71,566 decrease in net asset value. The Group expects that the impact on net profit as a result of adopting the new rules will be insignificant for the year ending 30 June 2019.

The Group will apply the standard from its mandatory adoption of 1 July 2019. The Group intends to apply the simplified transaction approach and will not restate comparative amounts for the year prior to first adoption. Right-of-use assets for property leases will be measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses).

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.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Research and Development Incentive

Research and development tax incentive income is recognised at fair value when there is reasonable assurance that the income will be received. Income from R&D tax incentive is recognised as other income through the statement of profit and loss. The expected future R&D tax incentive, for qualifying R&D expenditure for the current financial year, has been accrued and is also recognised as other income in the statement of profit and loss. It has been established that the conditions of this future R&D incentive have been met and that the expected amount of the incentive can be reliably measured.

Estimation of useful lives of assets

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

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: 17.27%

Revenue Growth rates: 27% for FY2020, 26% for FY2021, 18% for FY2022, 3% for FY2023, 5% for FY2024

Expenses increase/(decrease) rates: (36%) for FY2020, 3% for FY2021, 2% for FY2022, 0% for FY2023, 1% for FY2024

Note 4. Restatement of comparatives

Reclassification

The Research and Development Incentive has been reclassified and is now treated as other income in the statement of profit and loss and other comprehensive income. In previous periods this receipt was treated as an income tax refund.

Statement of financial position at the beginning of the earliest comparative period

When there is a restatement of comparatives, it is mandatory to provide a third statement of financial position at the beginning of the earliest comparative period, being 1 July 2017. However, as there were no adjustments made as at 1 July 2017, the Group has elected not to show the 1 July 2017 statement of financial position.

Note 5. 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 6. Revenue

	Consolidated	
	2019	2018
	\$	\$
Subscription revenue	278,877	279,521
Consulting revenue	420,746	73,575
Training revenue	92,775	21,230
	<hr/>	<hr/>
Revenue	792,398	374,326
	<hr/> <hr/>	<hr/> <hr/>

Disaggregation of revenue

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

	Consolidated	
	2019	2018
	\$	\$
Services transferred over time	278,877	279,521
Services transferred at a stage of completion	513,521	94,805
	<hr/>	<hr/>
	792,398	374,326
	<hr/> <hr/>	<hr/> <hr/>

The following aggregated amounts of transaction prices related to the performance obligations from existing contracts that are unsatisfied or partially satisfied at 30 June 2019:

Note 6. Revenue (continued)

	2020 \$	2021 \$	2022 \$	Total \$
Revenue expected to be recognised	32,494	27,500	-	59,994

Accounting policy for revenue recognition

Please refer to Note 2 for the accounting policy for revenue recognition.

Note 7. Other income

	Consolidated	
	2019 \$	2018 \$
Net foreign exchange gain	-	721
Subsidies and grants	-	54,536
Insurance recoveries	-	11,491
Other income	3,602	79,672
Other income	3,602	146,420

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Note 8. Interest

	Consolidated	
	2019 \$	2018 \$
Interest revenue	13,817	26,958

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Note 9. Other expenses

	Consolidated	
	2019	2018
	\$	\$
Agency fees	108,469	9,739
ASX fees	33,232	26,979
Auditing or reviewing the financial report	51,210	44,000
Bank charges	1,626	2,741
Computer expenses	3,148	4,563
Donation	64,000	68,000
HR outsourcing	-	4,074
Insurance	27,258	27,359
Legal fees	13,613	27,794
Outgoings	11,414	3,950
Professional fees	98,675	111,209
Sales support	-	871
Share registry services	27,860	31,722
Travel expenses	76,396	40,869
Other operating expenses	86,544	198,268
	<u>603,445</u>	<u>602,138</u>

Note 10. Income tax expense

	Consolidated	
	2019	2018
	\$	\$
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	(2,198,635)	(3,235,500)
Tax at the statutory tax rate of 27.5%	(604,625)	(889,763)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Depreciation expense	5,293	6,742
Amortisation of intangibles	60,393	55,788
Share-based payments	22,000	14,326
Non-deductible expenses	13,136	40,349
Research and Development incentive	(210,745)	(68,131)
Non-deductible Research and Development expenditure	275,592	157,191
Other deductible adjustments	(102,356)	(108,833)
	(541,312)	(792,331)
Current year tax losses not recognised	541,312	792,331
Income tax expense	<u>-</u>	<u>-</u>

Note 10. Income tax expense (continued)

The Company has tax losses arising in Australia of \$6,265,522 (2018: \$5,059,043) that are available for offset against future taxable profits of the Company.

No deferred tax asset has been recognised it is not likely future assessable income is derived from a nature and of an amount sufficient to enable the benefit to be realised.

Note 11. Cash and cash equivalents

	Consolidated	
	2019	2018
	\$	\$
Cash on hand	101	101
Cash at bank	354,479	1,511,240
	<u>354,580</u>	<u>1,511,341</u>

Accounting policy for cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 12. Trade and other receivables

	Consolidated	
	2019	2018
	\$	\$
Trade receivables	<u>60,725</u>	<u>101,648</u>

Allowance for expected credit losses

The Group has recognised a loss of \$0 (2018: \$0) in profit or loss in respect of the expected credit losses for the year ended 2019.

Note 12. Trade and other receivables (continued)

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	2019	2018	2019	2018	2019	2018
Consolidated	%	%	\$	\$	\$	\$
Not overdue	-	-	57,381	81,807	-	-
0 to 3 months overdue	-	-	1,364	6,336	-	-
3 to 6 months overdue	-	-	1,980	13,505	-	-
			<u>60,725</u>	<u>101,648</u>	<u>-</u>	<u>-</u>

Accounting policy for trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Note 13. Income tax refund due

	Consolidated	
	2019	2018
	\$	\$
Income tax refund due - Research and Development (R & D) Incentive	<u>435,936</u>	<u>254,475</u>

Note 14. Other assets

	Consolidated	
	2019	2018
	\$	\$
Accrued revenue	-	2,400
Prepayments	11,392	14,694
Security deposits	<u>17,349</u>	<u>9,167</u>
	<u>28,741</u>	<u>26,261</u>

Note 15. Property, plant and equipment

	Consolidated	
	2019	2018
	\$	\$
Furnitures and fittings - at cost	70,368	45,914
Less: Accumulated depreciation	(13,804)	(7,270)
	<u>56,564</u>	<u>38,644</u>
Computer equipment - at cost	52,733	50,628
Less: Accumulated depreciation	(40,561)	(31,229)
	<u>12,172</u>	<u>19,399</u>
Office equipment - at cost	6,366	5,263
Less: Accumulated depreciation	(3,720)	(2,875)
	<u>2,646</u>	<u>2,388</u>
	<u><u>71,382</u></u>	<u><u>60,431</u></u>

Reconciliations

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

Consolidated	Furniture and fittings \$	Office equipment \$	Computer equipment \$	Total \$
Balance at 1 July 2017	47,532	3,964	34,982	86,478
Additions	1,350	837	4,249	6,436
Disposals	(4,856)	(414)	(2,697)	(7,967)
Depreciation expense	<u>(5,382)</u>	<u>(1,999)</u>	<u>(17,135)</u>	<u>(24,516)</u>
Balance at 30 June 2018	38,644	2,388	19,399	60,431
Additions	24,454	1,104	2,105	27,663
Depreciation expense	<u>(6,534)</u>	<u>(845)</u>	<u>(9,333)</u>	<u>(16,712)</u>
Balance at 30 June 2019	<u><u>56,564</u></u>	<u><u>2,647</u></u>	<u><u>12,171</u></u>	<u><u>71,382</u></u>

Accounting policy for property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Computer equipment	2-5 years
Furniture and fittings	3-10 years
Other equipment	3-10 years

Note 15. Property, plant and equipment (continued)

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Note 16. Intangibles

	Consolidated	
	2019	2018
	\$	\$
Development costs	1,068,438	1,068,438
Less: Accumulated amortisation	(459,842)	(251,575)
Less: Impairment	(13,707)	(13,707)
	<u>594,889</u>	<u>803,156</u>
Intellectual property - at cost	241,642	226,860
Less: Accumulated amortisation	(30,674)	(19,330)
	<u>210,968</u>	<u>207,530</u>
	<u><u>805,857</u></u>	<u><u>1,010,686</u></u>

Reconciliations

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

Consolidated	Development costs \$	Intellectual property \$	Total \$
Balance at 1 July 2017	973,295	226,860	1,200,155
Additions	13,397	-	13,397
Amortisation expense	<u>(183,536)</u>	<u>(19,330)</u>	<u>(202,866)</u>
Balance at 30 June 2018	803,156	207,530	1,010,686
Additions	-	14,782	14,782
Amortisation expense	<u>(208,268)</u>	<u>(11,343)</u>	<u>(219,611)</u>
Balance at 30 June 2019	<u><u>594,888</u></u>	<u><u>210,969</u></u>	<u><u>805,857</u></u>

Note 16. Intangibles (continued)

Accounting policy for intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Research and development

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the Group is able to use or sell the asset; the Group has sufficient resources; and intent to complete the development and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

Intellectual property

Significant costs associated with intellectual property are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 20 years.

Note 17. Trade and other payables

	Consolidated	
	2019	2018
	\$	\$
Trade payables	120,708	180,580
Other payables	14,634	48,878
	<u>135,342</u>	<u>229,458</u>

Refer to note 25 for further information on financial risk management.

Accounting policy for trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 18. Provisions

	Consolidated	
	2019	2018
	\$	\$
Annual leave	106,728	78,794

Movements in provisions

Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

	Annual leave \$
Consolidated - 2019	
Carrying amount at the start of the year	78,794
Additional provisions recognised	27,934
Carrying amount at the end of the year	106,728

Accounting policy for employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Note 19. Contract liabilities

	Consolidated	
	2019	2018
	\$	\$
Unearned revenue	7,044	43,950

Note 20. Employee benefits

	Consolidated	
	2019	2018
	\$	\$
Long service leave	8,065	-

Accounting policy for other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Note 21. Issued capital

	Consolidated			
	2019	2018	2019	2018
	Shares	Shares	\$	\$
Ordinary shares - fully paid	110,024,591	86,687,851	11,261,824	10,059,886
Transaction costs	-	-	(1,199,045)	(1,083,144)
	<u>110,024,591</u>	<u>86,687,851</u>	<u>10,062,779</u>	<u>8,976,742</u>

Movements in ordinary share capital

Details		Shares	\$
Balance	1 July 2017	61,523,126	6,654,928
Issued via share placements		23,313,468	2,331,347
Issued to employees		1,451,257	177,989
Issued to consultants		400,000	40,000
Transaction costs		-	(227,522)
Balance	30 June 2018	86,687,851	8,976,742
Issued via share placements		11,000,000	550,000
Issued to employees		1,386,207	75,000
Issued to consultants		110,000	5,500
Non-renounceable rights issue and shortfall placement		10,840,533	571,439
Transaction costs		-	(115,902)
Balance	30 June 2019	<u>110,024,591</u>	<u>10,062,779</u>

Note 21. Issued capital (continued)

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Performance shares

Shareholders of MSGooroo Pty Ltd were granted Performance Shares as part of the consideration of the acquisition by Gooroo. The management has determined that no value is to be recognised for the Performance Shares for the year ended 30 June 2019. The terms and conditions of the Performance Shares are summarised below:

Share class	Conversion event	Conversion	Time frame
A Class Performance Shares	(a) the Company achieving a 20-day Volume Weighted Average Market Price of the Company Shares equal to or greater than \$0.50; and (b) the Group having at least 10,000 members registered on gooroo.io (whether or not they occur at the same time)	1 Performance Share converts to 1 Ordinary Share	3 years from issue (12 October 2019)
C Class Performance Shares	(a) the Group generating two consecutive Quarters of Consolidated Sales Revenue of at least \$4.5 million per Quarter; or (b) the Group achieving Consolidated Sales Revenue of at least \$15m for a Financial Year; or (c) the: (i) Company having achieved a Market Capitalisation of \$110 million or more for 10 consecutive Business Days; and (ii) Group having at least 30,000 members registered on gooroo.io (whether or not they occur at the same time)	1 Performance Share converts to 1 Ordinary Share	Prior to 30 June 2020

At 30 June 2019 there were 22,000,000 Class A, Nil Class B and 10,000,000 Class C Performance Shares (2018: Class A 22,000,000, Class B 22,000,000, Class C 10,000,000).

Share buy-back

There is no current on-market share buy-back.

Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

Note 21. Issued capital (continued)

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The capital risk management policy remains unchanged from the 30 June 2018 Annual Report.

Accounting policy for issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Note 22. Reserves

	Consolidated	
	2019	2018
	\$	\$
Share-based payments reserve	174,949	257,362

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and Directors as part of their remuneration, and other parties as part of their compensation for services.

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Share-based payments reserve \$	Total \$
Balance at 1 July 2017	234,300	234,300
Share-based payments	23,062	23,062
Balance at 30 June 2018	257,362	257,362
Lapse of options	(82,413)	(82,413)
Balance at 30 June 2019	174,949	174,949

Note 23. Accumulated losses

	Consolidated	
	2019	2018
	\$	\$
Accumulated losses at the beginning of the financial year	(6,621,464)	(3,385,964)
Loss after income tax expense for the year	(2,198,635)	(3,235,500)
Movement in share option reserve - options lapsed	82,413	-
Accumulated losses at the end of the financial year	<u>(8,737,686)</u>	<u>(6,621,464)</u>

Note 24. Dividends

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

Note 25. Financial Risk Management

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by the Chief Executives Officer ('CEO') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Group's operating units.

Market risk

Price risk

The Group is not exposed to any significant price risk.

Interest rate risk

The Group is not exposed to any significant interest rate risk.

Credit risk

The Group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Group based on recent sales experience, historical collection rates and forward-looking information that is available.

Note 25. Financial Risk Management (continued)

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

Credit risk represents the risk that the counterparty to the financial instrument will fail to discharge an obligation and cause the Group to incur a financial loss. The Group's maximum credit exposure is the carrying amounts on the statement of financial position. The Group holds financial instruments with credit worthy third parties. The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings. The Group has no past due or impaired debtors as at 30 June 2019.

Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 26. Key management personnel disclosures

Directors

The following persons were Directors of Gooroo Ventures Limited during the financial year:

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

Compensation

The aggregate compensation made to Directors and other members of key management personnel of the Group is set out below:

	Consolidated	
	2019	2018
	\$	\$
Short-term employee benefits	612,716	493,103
Post-employment benefits	38,369	27,972
Share-based payments	-	44,100
	<u>651,085</u>	<u>565,175</u>

Note 27. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Grant Thornton Audit Pty Ltd, the auditor of the Company:

	Consolidated	
	2019	2018
	\$	\$
<i>Audit services - Grant Thornton Audit Pty Ltd</i>		
Audit or review of the financial statements	45,000	44,000

Note 28. Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2019 (30 June 2018: None)

Note 29. Commitments

	Consolidated	
	2019	2018
	\$	\$
<i>Lease commitments - operating</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	136,690	16,667
One to five years	159,472	-
	296,162	16,667

Operating lease commitments includes contracted amounts for offices under non-cancellable operating leases expiring within 3 years with, in some cases, options to extend. On renewal, the terms of the lease is renegotiated.

The Company's current operating lease for its principal place of business will expire on 31 August 2021.

Note 30. Related party transactions

Parent entity

Gooroo Ventures Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 32.

Key management personnel

Disclosures relating to key management personnel are set out in note 26 and the remuneration report included in the Directors' report.

Note 30. Related party transactions (continued)

Transactions with related parties

The following transactions occurred with related parties:

	Consolidated	
	2019	2018
	\$	\$
Payment for goods and services:		
Consulting fees paid to Wesley McClendon	-	35,064

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	
	2019	2018
	\$	\$
Current payables:		
Trade payables to key management personnel	15,400	19,400

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Note 31. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2019	2018
	\$	\$
Loss after income tax	(110,277)	(3,235,319)
Total comprehensive income	(110,277)	(3,235,319)

Note 31. Parent entity information (continued)

Statement of financial position

	Parent	
	2019	2018
	\$	\$
Total current assets	788,919	1,560,888
Total assets	1,596,552	2,669,301
Total current liabilities	96,509	56,661
Total liabilities	96,509	56,661
Equity		
Issued capital	10,062,778	8,976,742
Share-based payments reserve	174,949	257,362
Accumulated losses	(8,737,684)	(6,621,464)
Total equity	1,500,043	2,612,640

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2019 and 30 June 2018.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2019 and 30 June 2018.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2018 and 30 June 2017.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity.

Note 32. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2019 %	2018 %
MSGooroo Pty Ltd	Australia	100.00%	100.00%

Note 33. Events after the reporting period

On 1 August 2019 the Company announced a potential merger with AIS Anywhere Inc and was subsequently suspended from official quotation.

AIS is an advanced technology services based in the USA leveraging their deep experience in Big Data, Cloud & Machine Learning. AIS have established sales and marketing capability in North America, and a large offshore development centre in India.

The key terms of the transaction are:

- Acquisition of 100% of AIS business for \$20.1m.
- 6.917x multiple of 2018 audited EBIT result (\$2.906m)
- Issue of 201 million Gooroo shares at A\$0.10/share

Above terms will be subject to approval by ASX as part of Gooroo seeking to re-comply with Chapter 1 and 2 of the Listing Rules. Investors are encouraged to review the most recent presentation lodged with the ASX, which explains the nature and terms of the transaction.

On 28 August 2019, the Company successfully completed a capital raising of \$1.5 million via the issue of Convertible Notes. The issue price of each note was \$0.05 and each note holds a mandatory conversion on completion of the merger with AIS Anywhere (per above) on or before 28 February 2020. The price for conversion is the greater of 5c and a 50% discount to 5 day VWAP prior to the shareholder meeting. If the transaction with AIS does not complete by 28 February 2020, then each noteholder will have the option to redeem, or convert at the lower of \$0.05 and a 50% discount to the 5 day VWAP before the noteholder's election and make a further capital investment at the lower of 5c or a 30% discount to the 5 day VWAP prior to the execution of a term sheet with the Company within 90 days, limited to \$5 million, subject to the Company's capacity under ASX Listing Rule 7.1 and if required, shareholder approval.

On 16 August 2019, 22,000,000 B Class Performance Shares were cancelled due to the Milestone Event to trigger conversion not being met.

On 11 September 2019, the Company issued 250,000 shares to employees in accordance with their remuneration package. The issue price per share was \$0.055.

No other matter or circumstance has arisen since 30 June 2019 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 34. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	2019	2018
	\$	\$
Loss after income tax expense for the year	(2,198,635)	(3,235,500)
Adjustments for:		
Depreciation and amortisation	236,321	227,382
Share-based payments	80,500	191,602
Write off of assets	-	7,967
Other expenses non-cash	-	18,414
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	40,923	(73,098)
Decrease/(increase) in income tax refund due	(181,461)	482,445
Decrease/(increase) in accrued revenue	2,400	(2,400)
Decrease/(increase) in prepayments	3,302	(3,681)
Increase in employee benefits	35,999	49,782
Increase/(decrease) in trade and other payables	(94,116)	(81,296)
Increase/(decrease) in other operating liabilities	(36,904)	5,470
Net cash used in operating activities	<u>(2,111,671)</u>	<u>(2,412,913)</u>

Note 35. Earnings per share

	Consolidated	
	2019	2018
	\$	\$
Loss after income tax attributable to the owners of Gooroo Ventures Limited	<u>(2,198,635)</u>	<u>(3,235,500)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>96,162,346</u>	<u>73,583,708</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>96,162,346</u>	<u>73,583,708</u>
	Cents	Cents
Basic earnings per share	(2.29)	(4.40)
Diluted earnings per share	(2.29)	(4.40)

Note 35. Earnings per share (continued)

Accounting policy for earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Gooroo Ventures Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Note 36. Share-based payments

The Company has established an employee share option plan (ESOP). The objective of the ESOP was to assist in the recruitment, reward, retention and motivation of employees and contractors of the Group. An individual may receive the options or nominate a relative or associate to receive the options. The plan is open to executive officers, employees and eligible contractors of the Group.

Set out below are summaries of options granted under the plan:

2019							
Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired	Balance at the end of the year
12/10/2016	12/04/2019	\$0.20	614,231	-	-	(614,231)	-
12/10/2016	12/10/2019	\$0.25	750,000	-	-	-	750,000
28/02/2018	30/06/2019	\$0.15	250,000	-	-	(250,000)	-
28/02/2018	27/02/2021	\$0.25	250,000	-	-	-	250,000
27/04/2018	31/12/2018	\$0.10	1,000,000	-	-	(1,000,000)	-
27/04/2018	30/06/2019	\$0.10	500,000	-	-	(500,000)	-
27/04/2018	31/12/2018	\$0.10	1,000,000	-	-	(1,000,000)	-
			4,364,231	-	-	(3,364,231)	1,000,000
Weighted average exercise price			\$0.15	\$0.00	\$0.00	\$0.12	\$0.25

Note 36. Share-based payments (continued)

Set out below are the options exercisable at the end of the financial year:

Grant date	Expiry date	2019 Number	2018 Number
12/10/2016	12/04/2019	-	614,231
12/10/2016	12/10/2019	750,000	750,000
28/02/2018	28/02/2021	250,000	250,000
28/02/2018	30/06/2019	-	250,000
27/04/2018	31/12/2018	-	1,000,000
27/04/2018	30/06/2019	-	500,000
27/04/2018	31/12/2018	-	1,000,000
		<u>1,000,000</u>	<u>4,364,231</u>

The weighted average remaining contractual life of options outstanding at the end of the financial year was 0.63 years (2018: 0.89 years).

Share-based payments during the year are:

	Consolidated	
	2019	2018
	\$	\$
Recognised in the statement of profit or loss as share-based payments		
Options issued to Directors and Consultants	-	12,093
Shares issued to Employees	75,000	-
Shares issued to Consultants	5,000	40,000
	<u>80,000</u>	<u>52,093</u>

	Consolidated	
	2019	2018
	\$	\$
Recognised in the statement of profit or loss as employee benefits expense		
Shares issued to Employees	-	177,989
Accrued employee benefits expenses	-	(38,480)
	<u>-</u>	<u>139,509</u>

In total, \$80,000 (2018: \$191,602) of share-based payments expense (all of which related to equity-settled share-based payment transactions) has been included in profit or loss. \$75,000 of the share-based payments expense pertained to incentive payments made to employees as per their employment contracts. \$5,000 (net of GST) was paid to consultants in lieu of cash consideration for services provided.

Note 36. Share-based payments (continued)

	Consolidated	
	2019	2018
Recognised in the statement of financial position		
Options issued to Broker (equity)	-	10,969
	<u>-</u>	<u>10,969</u>
	Consolidated	
	2019	2018
	\$	\$
Share-based payments recognised in Reserves		
Options issued to Directors	-	12,093
Options and rights issued to Brokers	-	10,969
	<u>-</u>	<u>10,969</u>
	-	23,062
	<u>-</u>	<u>23,062</u>

Accounting policy for share-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Note 36. Share-based payments (continued)

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Gooroo Ventures Limited
Directors' declaration
30 June 2019

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2019 and of its performance for the financial 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.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Greg Muller
Managing Director

27 September 2019

Independent Auditor's Report

To the Members of Gooroo Ventures Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Gooroo Ventures Limited (the Company) and its subsidiary (the Group), which comprises the consolidated statement of financial position as at 30 June 2019, 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 year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a giving a true and fair view of the Group's financial position as at 30 June 2019 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Material uncertainty related to going concern

We draw attention to Note 2 in the financial statements, which indicates that the Group incurred a net loss of \$2,198,635 during the year ended 30 June 2019, and a net cash outflow from operating and investing activities of \$2,162,298. 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 doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Impairment of intangible assets – Notes 2 & 16	
<p>Intangible assets represent capitalised development costs and acquired intellectual property totalling \$805,857. AASB 136 <i>Impairment of Assets</i> requires an assessment of whether there is any indication that an asset may be impaired. If an indication exists, the recoverable amount of the asset shall be estimated.</p> <p>Assessing whether there is any indication of impairment involves a high degree of management judgement. Further, the determination of the recoverable amount of assets by estimating their value in use is highly complex and involves a significant amount of assumptions and management judgement.</p> <p>This area is a key audit matter due to the degree of management judgement and assumptions applied in assessing the presence of impairment and the recoverable amount of intangible assets.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> • Obtained the impairment paper and financial model prepared by management and performed the following: <ul style="list-style-type: none"> – Tested the mathematical accuracy of management's impairment model; – Discussed pertinent aspects of the paper with senior management and project managers to assess consistency with AASB 136 <i>Impairment of Assets</i>; – Identified the key assumptions in the impairment model and compared them to internal and external sources to determine their reliability; and – Performed sensitivity analysis on the impairment model by adjusting the key assumptions identified in management's impairment paper. • Assessed the qualifications of management's expert who assisted with the financial model; • Reviewed the status of significant projects against the recognition criteria of AASB 138 <i>Intangible Assets</i> through discussions with senior management and project managers; and • Assessed the adequacy of the related disclosures in the financial statements.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial report

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

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in the Directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Gooroo Ventures Limited, for the year ended 30 June 2019 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



J L Humphrey
Partner – Audit & Assurance

Adelaide, 27 September 2019



Gooroo Ventures Limited
Shareholder information
30 June 2019

The shareholder information set out below was applicable as at 26 September 2019.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares	Number of holders of options over ordinary shares
1 to 1,000	9	-
1,001 to 5,000	15	-
5,001 to 10,000	98	-
10,001 to 100,000	322	-
100,001 and over	176	5
	<u>620</u>	<u>5</u>
Holding less than a marketable parcel	<u>70</u>	<u>-</u>

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares Number held	% of total shares issued
JT & GIRLS PTY LTD	8,385,402	7.60
GMGT HOLDINGS PTY LTD	8,385,401	7.60
MIRAMS INVESTMENTS PTY LTD	2,500,000	2.27
FOUNDAS INVESTMENTS PTY LTD	2,258,894	2.05
BRING ON RETIREMENT LTD	2,250,000	2.04
JG & JH MULLER PTY LTD	2,030,710	1.84
HENADONE PTY LTD	2,000,000	1.81
MR DANIEL EDDINGTON & MRS JULIE EDDINGTON	1,948,702	1.77
MS KATHLEEN ELLEN FOUNDAS	1,931,327	1.75
MS BARBARA KINNEY	1,528,506	1.39
MR DAMIEN CHARLES ANDERSON	1,523,587	1.38
MR EMMANUEL GEORGE FOUNDAS	1,319,171	1.20
MR ROSS DAVID MARTIENSEN	1,307,717	1.19
BOND STREET CUSTODIANS LIMITED	1,253,750	1.14
NURRAGI INVESTMENTS PTY LTD	1,250,000	1.13
MR CARL JOSEPH SCIGLITANO	1,249,604	1.13
TEMITH HOLDINGS PTY LTD	1,193,409	1.08
WOBBLY INVESTMENTS PTY LTD	1,143,751	1.04
STARWAY CORPORATION PTY LTD	1,132,750	1.03
MR ALISTAIR GLEESON & MRS CAROLINE GLEESON	1,100,000	1.00
	45,692,681	41.44
	Number on issue	Number of holders
Options over ordinary shares issued	1,000,000	-
Performance A class shares	22,000,000	-
Performance B class shares	10,000,000	-

The following persons hold 20% or more of unquoted equity securities:

Name	Class	Number held
Mr Gregory Muller	Performance Shares	10,880,082
Ms Jacquelyn Muller	Performance Shares	10,880,082
Thomas Brown	Options over ordinary shares	250,000
Jason Tonelli	Options over ordinary shares	250,000
Emmanuel Foundas	Options over ordinary shares	250,000

Gooroo Ventures Limited
Shareholder information
30 June 2019

Substantial holders

Substantial holders in the Company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
JT & GIRLS PTY LTD	8,385,402	7.60
GMGT HOLDINGS PTY LTD	8,385,401	7.60

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.





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Gooroo Ventures Limited
Ground Floor, 10 Grattan Street
Pahran VIC 3181
www.gooroox.com
www.goorooventures.com