

1. Company details

Name of entity:	Gooroo Ventures Limited
ABN:	96 613 924 744
Reporting period:	For the half-year ended 31 December 2019
Previous period:	For the half-year ended 31 December 2018

2. Results for announcement to the market

			\$
Revenues from ordinary activities	down	-46% to	\$223,178
Loss from ordinary activities after tax attributable to the owners of Gooroo Ventures Limited	down	-165% to	(\$2,476,571)
Loss for the half-year attributable to the owners of Gooroo Ventures Limited	down	-165% to	(\$2,476,571)

Dividends

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

Comments

The loss for the Group after providing for income tax amounted to \$2,476,571 (31 December 2018: \$934,079).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible (liabilities)/ assets per ordinary security	<u>(1.07)</u>	<u>0.79</u>

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

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

Previous period

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

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

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

Not applicable.

10. Audit qualification or review

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

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

11. Attachments

Details of attachments (if any):

The Interim Report of Gooroo Ventures Limited for the half-year ended 31 December 2019 is attached.

12. Signed



Narendra Kotti
Managing Director

Date: 8 April 2020

Gooroo Ventures Limited

ABN 96 613 924 744

Interim Report - 31 December 2019

Gooroo Ventures Limited
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For the half-year ended 31 December 2019



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Directors	<p>Thomas Brown (Non-Executive Chairman)</p> <p>Gregory Muller (Managing Director, resigned 20 January 2020)</p> <p>Emmanuel Foundas (Non-Executive Director, resigned 20 January 2020)</p> <p>Donald Stephens (Non-Executive Director, resigned 20 January 2020)</p> <p>Jason Tonelli (Non-Executive Director, resigned 20 January 2020)</p> <p>Narendra Kotti (Managing Director, appointed 20 January 2020)</p> <p>Richard Symon (Non-Executive Director, appointed 20 January 2020)</p>
Company secretary	<p>Donald Stephens (resigned 20 January 2020)</p> <p>Nicholas Ong (appointed 26 January 2020)</p>
Registered office	<p>C/- Minerva Corporate Pty Ltd</p> <p>Level 8, 99 St Georges Terrace</p> <p>Perth WA 6000</p>
Principal place of business	<p>Ground Floor, 10 Grattan Street</p> <p>Prahran VIC 3181</p>
Share register	<p>Computershare Investor Services Pty Ltd</p> <p>Level 5, 115 Grenfell Street</p> <p>Adelaide SA 5000</p>
Auditor	<p>Grant Thornton Audit Pty Ltd</p> <p>Level 3, 170 Frome Street</p> <p>Adelaide SA 5000</p>
Bankers	<p>Australia and New Zealand Banking Group</p> <p>ANZ Centre, 10/833 Collins St</p> <p>Melbourne VIC 3000</p>
Stock exchange listing	<p>Gooroo Ventures Limited shares are listed on the Australian Securities Exchange (ASX code: GOO)</p>
Website	<p>www.goorooventures.com</p>

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Gooroo Ventures Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2019.

Directors

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

Thomas Brown	Non-Executive Chairman
Gregory Muller	Managing Director (resigned 20 January 2020)
Emmanuel Foundas	Non-Executive Director (resigned 20 January 2020)
Donald Stephens	Non-Executive Director (resigned 20 January 2020)
Jason Tonelli	Non-Executive Director (resigned 20 January 2020)
Narendra Kotti	Managing Director (Appointed 20 January 2020)
Richard Symon	Non-Executive Director (Appointed 20 January 2020)

Company Secretary

Donald Stephens	(Resigned 20 January 2020)
Nicholas Ong	(Appointed 26 January 2020)

Principal activities

Gooroo's technology and science helps clients to activate the capacity within their people so that they can adapt, learn and act more confidently. It offers four core solution areas, being 1) Gooroo Human Capital Solution; 2) Gooroo Marketing Solutions; 3) Gooroo Advisory & Training Solutions; and 4) Gooroo Career Solutions. During the period, the Group remained primarily focused on building commercial proof-points for its existing technology partners and customers.

Gooroo entered into a software distribution agreement with Finnivate Inc ("Finnivate") to enable Finnivate to market Gooroo's technology suite to enterprises in the USA. Finnivate has an on-ground sales and distribution team with existing relationships to Fortune 500 and global clients. Gooroo will be involved in new strategic directions through a refocusing on target users; US expansion and growth through merger and acquisitions.

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Review of operations

The loss for the Group after providing for income tax amounted to \$2,476,571 (31 December 2018: \$934,079).

Management attribute these results to significant reduction in revenue and the associated expenses for the AIS transaction, which the Company has now decided not to go ahead following discussions with the ASX.

Significant changes in the state of affairs

On 1 August 2019, the Company announced its proposed merger with AIS Anywhere. Following ASX's advice that there is a significant likelihood it will exercise its discretion under Listing Rule 1.19 to decline the Company's application for readmission if it chose to proceed with the acquisition of the AIS business, the Company announced on 11 November 2019 that it has decided not to proceed with the AIS merger.

On 17 December 2019, the Company announced the issue of 11,395,326 convertible notes for \$569,766 (before costs). The convertible notes do not have a coupon rate. The convertible notes were issued in accordance with resolution 4 of notice of meeting dated 16 August 2019, which was approved by shareholders on 18 September 2019. For details information on the convertible note, please refer to the notice of meeting.

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

Matters subsequent to the end of the financial half-year

On 5 January 2020, the Company announced a binding term sheet with Finnivate Inc. Under the term sheet, Finnivate will convert its 5,905,326 convertible notes into 10,360,211 ordinary shares and a subscription of new shares of up to \$707,866 at \$0.037 per share ("Placement Shares"). On 27 February 2020, the Company issued 16,253,676 new shares to Finnivate to raise up to \$601,386 with the remaining 2,877,810 new shares being subject to shareholder approval at the next general meeting raising a further \$106,479. On the same day, the Company issued an additional 8,666,669 ordinary shares following receiving instructions from noteholders to convert their notes and repaid \$27,500 as redemption of notes. Consequently, as at the date of this report, the Company has NIL convertible note on issue.

On 20 February 2020, Messrs Muller, Foundas, Stephens, and Tonelli retired their positions as directors of the Company. Messrs Kotti and Symon were appointed as Managing Director and Non-Executive Director on 20 February 2020 respectively.

In March 2020, the World Health Organisation declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout Australia. The spread of COVID-19 has caused significant volatility in Australian, and international markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the Australian and international economies. The imposition of governmental measures such as travel restrictions and border closings, stay-at-home and quarantine notices, and country lockdowns, may have an impact on the Company's plans in terms of delays and the Company is unable to determine if it will have a material impact to its operations.

No other matter or circumstance has arisen since 31 December 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.

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.

Gooroo Ventures Limited
Directors' report
For the half-year ended 31 December 2019



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

On behalf of the Directors

A handwritten signature in black ink, appearing to read "K. Nandi".

Narendra Kotti
Managing Director

8 April 2020

Auditor's Independence Declaration

To the Directors of Gooroo Ventures Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Gooroo Ventures Limited for the half-year ended 31 December 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 review; and
- b No contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



J L Humphrey
Partner – Audit & Assurance

Adelaide, 8 April 2020

Gooroo Ventures Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2019



		Consolidated	
	Note	31 December 2019	31 December 2018
		\$	\$
Revenue	5	223,178	414,192
Interest revenue calculated using the effective interest method		2,064	7,556
Expenses			
Other expenses	6	(800,916)	(477,805)
Impairment loss on property, plant & equipment		(48,507)	-
Intangible assets written off	7	(805,857)	-
Share-based payments		(13,750)	-
Employee benefits expense		(888,397)	(982,958)
Depreciation and amortisation expense	8	(67,803)	(117,454)
Product development costs		(72,220)	(304,996)
Research expenses		(1,275)	(105,836)
Loss before income tax benefit		(2,473,483)	(1,567,301)
Income tax benefit		(3,088)	633,222
Loss after income tax benefit for the half-year attributable to the owners of Gooroo Ventures Limited		(2,476,571)	(934,079)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year attributable to the owners of Gooroo Ventures Limited		<u>(2,476,571)</u>	<u>(934,079)</u>
		Cents	Cents
Basic earnings per share	14	(2.25)	(1.07)
Diluted earnings per share	14	(2.25)	(1.07)

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

Gooroo Ventures Limited
Statement of financial position
As at 31 December 2019



		Consolidated	
	Note	31 December 2019	30 June 2019
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		78,642	354,580
Trade and other receivables		30,475	60,725
Income tax refund due		-	435,936
Other assets		52,151	28,741
Total current assets		<u>161,268</u>	<u>879,982</u>
Non-current assets			
Property, plant and equipment		16,070	71,382
Intangibles	7	-	805,857
Right-of-use assets		204,005	-
Total non-current assets		<u>220,075</u>	<u>877,239</u>
Total assets		<u>381,343</u>	<u>1,757,221</u>
Liabilities			
Current liabilities			
Trade and other payables	9	485,188	135,342
Provisions		112,942	106,728
Lease liabilities		124,995	-
Contract liabilities		1,159	7,044
Convertible notes	10	537,575	-
Total current liabilities		<u>1,261,859</u>	<u>249,114</u>
Non-current liabilities			
Provisions		4,032	8,065
Lease liability		89,042	-
Total non-current liabilities		<u>93,074</u>	<u>8,065</u>
Total liabilities		<u>1,354,933</u>	<u>257,179</u>
Net (liabilities)/assets		<u>(973,590)</u>	<u>1,500,042</u>
Equity			
Issued capital	11	10,141,272	10,062,779
Reserves		24,637	174,949
Accumulated losses		(11,139,499)	(8,737,686)
Total (deficit)/equity		<u>(973,590)</u>	<u>1,500,042</u>

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

Gooroo Ventures Limited
Statement of changes in equity
For the half-year ended 31 December 2019



Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2018	8,976,742	257,362	(6,621,464)	2,612,640
Loss after income tax benefit for the half-year	-	-	(934,079)	(934,079)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(934,079)	(934,079)
<i>Transactions with owners in their capacity as owners:</i>				
Shares issued during the year	550,000	-	-	550,000
Transaction costs	(53,781)	-	-	(53,781)
Options Lapsed	-	(1,402)	1,402	-
Balance at 31 December 2018	<u>9,472,961</u>	<u>255,960</u>	<u>(7,554,141)</u>	<u>2,174,780</u>
Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total (deficit)/ equity \$
Balance at 1 July 2019	10,062,779	174,949	(8,737,686)	1,500,042
Adjustments from the adoption of AASB 16	-	-	(7,892)	(7,892)
Adjusted balance as at 1 July 2019	<u>10,062,779</u>	<u>174,949</u>	<u>(8,745,578)</u>	<u>1,492,150</u>
Loss after income tax benefit for the half-year	-	-	(2,476,571)	(2,476,571)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(2,476,571)	(2,476,571)
Shares issued via share-based payments	13,750	-	-	13,750
Transaction costs	(2,919)	-	-	(2,919)
Reallocation of transaction costs due to cancellation of performance shares	67,662	(67,662)	-	-
Options lapsed	-	(82,650)	82,650	-
Balance at 31 December 2019	<u>10,141,272</u>	<u>24,637</u>	<u>(11,139,499)</u>	<u>(973,590)</u>

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

Gooroo Ventures Limited
Statement of cash flows
For the half-year ended 31 December 2019



	Consolidated	
	31 December 2019	31 December 2018
Note	\$	\$
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	303,556	320,254
Payments to suppliers and employees (inclusive of GST)	(1,480,203)	(1,885,180)
	<u>(1,176,647)</u>	<u>(1,564,926)</u>
Interest received	2,064	7,556
Interest paid	(514)	-
R&D taxes refunded	<u>432,848</u>	<u>584,775</u>
Net cash used in operating activities	<u>(742,249)</u>	<u>(972,595)</u>
Cash flows from investing activities		
Payments for property, plant and equipment	-	(26,256)
Payments for intangibles	-	(10,173)
Payments for security deposits	<u>-</u>	<u>(8,182)</u>
Net cash used in investing activities	<u>-</u>	<u>(44,611)</u>
Cash flows from financing activities		
Proceeds from issue of shares	-	550,000
Proceeds from issue of convertible notes	10 569,766	-
Convertible note issue transaction costs	10 (32,191)	-
Principal elements of lease payments	(68,345)	-
Share issue transaction costs	<u>(2,919)</u>	<u>(48,781)</u>
Net cash from financing activities	<u>466,311</u>	<u>501,219</u>
Net increase/(decrease) in cash and cash equivalents	(275,938)	(515,987)
Cash and cash equivalents at the beginning of the financial half-year	<u>354,580</u>	<u>1,511,341</u>
Cash and cash equivalents at the end of the financial half-year	<u><u>78,642</u></u>	<u><u>995,354</u></u>

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

Note 1. General information and statement of compliance

These condensed interim consolidated financial statements ("interim financial statements") for the half-year reporting period ended 31 December 2019 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These interim financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2019 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

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

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 8 April 2020.

Note 2. Significant accounting policies

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

New or amended Accounting Standards and Interpretations adopted

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

Interpretation 23 Uncertainty over Income Tax

The group has adopted Interpretation 23 from 1 July 2019. The interpretation clarifies how to apply the recognition and measurement requirements of AASB 112 'Income Taxes' in circumstances where uncertain tax treatments exist. The interpretation requires: the group to determine whether each uncertain tax treatment should be treated separately or together, based on which approach better predicts the resolution of the uncertainty; the group to consider whether it is probable that a taxation authority will accept an uncertain tax treatment; and if the group concludes that it is not probable that the taxation authority will accept an uncertain tax treatment, it shall reflect the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates, measuring the tax uncertainty based on either the most likely amount or the expected value. In making the assessment it is assumed that a taxation authority will examine amounts it has a right to examine and have full knowledge of all related information when making those examinations. Interpretation 23 was adopted using the modified retrospective approach and as such comparatives have not been restated. There was no impact of adoption on opening accumulated losses as at 1 July 2019.

Note 2. Significant accounting policies (continued)

AASB 16 Leases

The Group has adopted AASB 16 ‘Leases’ from 1 July 2019. The standard replaces AASB 117 ‘Leases’ and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (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 improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Impact of adoption

AASB 16 was adopted using the modified retrospective approach and as such the comparatives have not been restated. The impact of adoption on opening accumulated losses as at 1 July 2019 was as follows:

	1 July 2019 \$
Operating lease commitments as at 1 July 2019 (AASB 117)	296,163
Operating lease commitments discount based on the weighted average incremental borrowing rate of 8% (AASB 16)	<u>(31,159)</u>
Right-of-use assets (AASB 16)	<u>265,004</u>
Lease liabilities - current (AASB 16)	(120,110)
Lease liabilities - non-current (AASB 16)	<u>(152,786)</u>
	<u>(272,896)</u>
Reduction in opening accumulated losses as at 1 July 2019	<u><u>7,892</u></u>

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Note 2. Significant accounting policies (continued)

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

On or around 18 March 2020, the Group has assigned its Melbourne office sub-lease agreement for nil consideration and penalty. The assignment was effective from 14 February 2020.

Going concern

The financial report has been prepared on the basis of a going concern. The interim financial report shows the Group incurred a net loss of \$2,476,571 and a net cash outflow from operating and investing activities of \$742,249 during the reporting period. The Group's ability to continue as a going concern is contingent upon successfully raising additional capital and obtaining loan support. Furthermore, the impacts of the COVID-19 coronavirus outbreak, which occurred subsequent to period-end, is uncertain. However, it is possible that there will be subdued activity for the next twelve months from the date of signing this financial report. The above factors indicate an uncertainty which may cast doubt as to whether the Group will be able to continue as a going concern and therefore whether the consolidated Group will be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the consolidated financial statements.

The Company received a letter of financial support from Finnavate Inc. stating that Finnavate Inc. will provide financial assistance as is necessary to enable the Company to continue as a going concern and pay its debts as and when they fall due over a period of at least 12 months from the date of this financial report.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results.

Note 4. Operating segments

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

Note 5. Revenue

	Consolidated	
	31 December 2019	31 December 2018
	\$	\$
Subscription revenue	50,221	163,625
Consulting - employers	-	67,500
Consulting - reseller	8,750	-
Mindspace certification	-	16,000
Gooroo Connect	163,762	95,900
Training referrals	-	1,115
Education certification	-	51,495
Consulting - recruiters	-	14,500
Other revenue	445	4,057
Revenue	<u>223,178</u>	<u>414,192</u>

Note 5. Revenue (continued)

Disaggregation of revenue

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

	Consolidated	
	31 December 2019	31 December 2018
	\$	\$
<i>Major product lines</i>		
Gooroo Human Capital Solutions	213,983	160,875
Gooroo Advisory and Training Solutions	8,750	146,745
Gooroo Career Solutions	-	7,500
Other commissions	445	99,072
	<u>223,178</u>	<u>414,192</u>
<i>Timing of revenue recognition</i>		
Services transferred over time	217,928	387,125
Services transferred at a point in time	5,250	27,067
	<u>223,178</u>	<u>414,192</u>

Note 6. Other expenses

	Consolidated	
	31 December 2019	31 December 2018
	\$	\$
Advertising and marketing	68,541	112,203
Agency fees	-	211
ASX fees	17,152	23,766
Auditing or reviewing the financial report	15,613	14,355
Bank charges	11,474	1,369
Computer expenses	135	1,280
Consulting fees	264,114	45,927
Donation	43,704	27,000
Insurance	11,758	13,998
Legal fees	131,432	5,863
Outgoings	7,005	1,857
Professional fees	50,400	48,000
Rental expenses	1,367	53,896
Share registry services	19,418	13,775
Travel expenses	14,395	43,097
Other operating expenses	144,408	71,208
	<u>800,916</u>	<u>477,805</u>

Note 7. Intangibles

	Consolidated	
	31 December 2019	30 June 2019
	\$	\$
Development costs	1,068,438	1,068,438
Less: Accumulated amortisation	(459,842)	(459,842)
Less: Impairment	(13,707)	(13,707)
Less: Written off	(594,889)	-
	-	594,889
Intellectual property - at cost	226,860	226,860
Less: Accumulated amortisation	(30,674)	(30,674)
Less: Written off	(196,186)	-
	-	196,186
Patents and trademarks - at cost	14,782	14,782
Less: Written off	(14,782)	-
	-	805,857

Reconciliations

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

Consolidated	Development costs	Intellectual property	Patents and trademarks	Total
	\$	\$	\$	\$
Balance at 1 July 2019	594,889	196,186	14,782	805,857
Written off	(594,889)	(196,186)	(14,782)	(805,857)
Balance at 31 December 2019	-	-	-	-

Note 8. Depreciation and amortisation

Depreciation and amortisation expense consist of the following:

	Consolidated	
	31 December 2019	31 December 2018
	\$	\$
Depreciation of property, plant and equipment	6,805	7,990
Amortisation of right-of-use assets	60,998	-
	67,803	7,990

Note 9. Trade and other payables

	Consolidated	
	31 December 2019	30 June 2019
	\$	\$
Trade payables	395,728	120,708
Other payables	89,460	14,634
	<u>485,188</u>	<u>135,342</u>

Note 10. Convertible notes

On 17 December 2019, the Company issued 11,395,326 convertible notes at \$0.05 each. At the election of noteholders, these convertible notes can be converted to ordinary shares at \$0.0285 per share on or before 28 February 2020 or redeemed by the noteholders on the same date. The convertible notes do not have a coupon rate.

	Consolidated	
	31 December 2019	30 June 2019
	\$	\$
Convertible notes outstanding	537,575	-
	<u>537,575</u>	<u>-</u>

Note 11. Issued capital

	Consolidated			
	31 December 2019	30 June 2019	31 December 2019	30 June 2019
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>110,274,591</u>	<u>110,024,591</u>	<u>10,141,272</u>	<u>10,062,779</u>

Movements in ordinary share capital

Details		Shares	\$
Balance	1 July 2019	110,024,591	10,062,779
Issued via share placements		250,000	13,750
Transaction costs		-	(2,919)
Reallocation of transaction costs due to cancellation of performance shares		-	67,662
Balance	31 December 2019	<u>110,274,591</u>	<u>10,141,272</u>

Note 12. Dividends

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

Note 13. Events after the reporting period

On 5 January 2020, the Company announced a binding term sheet with Finnivate Inc. Under the term sheet, Finnivate will convert its 5,905,326 convertible notes into 10,360,211 ordinary shares and a subscription of new shares of up to \$707,866 at \$0.037 per share ("Placement Shares"). On 27 February 2020, the Company issued 16,253,676 new shares to Finnivate to raise up to \$601,386 with the remaining 2,877,810 new shares being subject to shareholder approval at the next general meeting raising a further \$106,479. On the same day, the Company issued an additional 8,666,669 ordinary shares following receiving instructions from noteholders to convert their notes and repaid \$27,500 as redemption of notes. Consequently, as at the date of this report, the Company has NIL convertible note on issue.

On 20 February 2020, Messrs Muller, Foundas, Stephens, and Tonelli retired their positions as directors of the Company. Messrs Kotti and Symon were appointed as Managing Director and Non-Executive Director on 20 February 2020 respectively.

In March 2020, the World Health Organisation declared the outbreak of a novel coronavirus (COVID-19) as a pandemic, which continues to spread throughout Australia. The spread of COVID-19 has caused significant volatility in Australian, and international markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the Australian and international economies. The imposition of governmental measures such as travel restrictions and border closings, stay-at-home and quarantine notices, and country lockdowns, may have an impact on the Company's plans in terms of delays and the Company is unable to determine if it will have a material impact to its operations. The financial statements have been prepared based upon conditions existing at 31 December 2019 and considering those events occurring subsequent to that date, that provide evidence of conditions that existed at the end of the reporting period. As the outbreak of COVID-19 occurred after 31 December 2019, its impact is considered an event that is indicative of conditions that arose after the reporting period and accordingly, no adjustments have been made to financial statements as at 31 December 2019 for the impacts of COVID-19.

No other matter or circumstance has arisen since 31 December 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 14. Earnings per share

	Consolidated	
	31 December 2019	31 December 2018
	\$	\$
Loss after income tax attributable to the owners of Gooroo Ventures Limited	<u>(2,476,571)</u>	<u>(934,079)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>110,176,765</u>	<u>87,465,025</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>110,176,765</u>	<u>87,465,025</u>
	Cents	Cents
Basic earnings per share	(2.25)	(1.07)
Diluted earnings per share	(2.25)	(1.07)

Gooroo Ventures Limited
Directors' declaration
For the half-year ended 31 December 2019



In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2019 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

On behalf of the Directors

A handwritten signature in black ink, appearing to read "K. Narendra", written over a horizontal line.

Narendra Kotti
Managing Director

8 April 2020

Independent Auditor's Report

To the Members of Gooroo Ventures Limited

Report on the review of the half year financial report

Conclusion

We have reviewed the accompanying half year financial report of Gooroo Ventures Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of Gooroo Ventures Limited does not give a true and fair view of the financial position of the Group as at 31 December 2019, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial Reporting*.

Material uncertainty related to going concern

We draw attention to Note 2 in the financial report, which indicates that the Group incurred a net loss of \$2,476,571 during the half year ended 31 December 2019 and, as of that date, the Group's net cash outflow from operating and investing activities of \$742,249 and the Group's total liabilities exceeded its total assets by \$973,590. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Emphasis of matter – COVID-19

We draw attention to Note 13 of the financial report, which describes the circumstances relating to the material subsequent event regarding COVID-19 and the continued uncertainty surrounding any potential financial impact on the Group's financials. Our opinion is not modified in respect of this matter.

Directors' responsibility for the half year financial report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2019 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Gooroo Ventures Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



J L Humphrey
Partner – Audit & Assurance

Adelaide, 8 April 2020