

Appendix 4E  
Preliminary Final Report

Company details

Name of entity:	Gooroo Ventures Limited
ABN:	96 613 924 744
Reporting period:	For the half-year ended 30 June 2020
Previous period:	For the half-year ended 30 June 2019

Results for announcement to the market  
for the year ended 30 June 2020

	30 June 20 \$m	30 June 19 \$m	Change \$m	Change %
Revenue	0.226	0.812	0.586	72
Loss after tax attributable to members	(2.693)	(2.198)	0.495	23
Loss for the period attributable to members	(2.693)	(2.198)	0.495	23

	30 June 2020 Cents	30 June 2019 Cents
<b>Net Tangible Assets per security</b>	0.00	0.63

<b>Dividends (distributions)</b>	Amount per security	Franked amount per security
Final dividend	Nil	Nil
Interim dividend	Nil	Nil
Previous corresponding period	Nil	Nil
Record date for determining entitlements to the dividend.	No dividends are proposed	

*Control gained over entities having material effect*

Name of entity (or group of entities)	n/a
Date from which such profit has been calculated	n/a
Contribution to the reporting entity's result	n/a

**Dividend**

The Directors recommend that no dividend be paid. No dividends have been paid or declared during the year.

**Status of Audit**

The financial statements have been audited and an unqualified opinion has been issued.

Signed



---

Narendra Kotti  
Managing Director

Date: 18 December 2020

# 2020 Annual Report



Gooroo Ventures Limited  
ASX: GOO  
ABN 96 613 924 744

## CORPORATE DIRECTORY

### Directors

Thomas Brown (Non-Executive Chairman)  
Narendra Kotti (Managing Director, appointed 20 January 2020)  
Richard Symon (Non-Executive Director, appointed 20 January 2020)  
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)

### Company secretary

Chen Chik Ong

### Registered office

Level 8, 99 St Georges Terrace  
Perth WA 6000

### Principal place of business

Level 8, 99 St Georges Terrace  
Perth WA 6000

### Share register

Computershare Investor Services Pty Ltd  
Level 5, 115 Grenfell Street  
Adelaide SA 5000

### Auditor

UHY Haines Norton Sydney  
Level 11, 1 York Street  
Sydney NSW 2000

### Solicitors

Gadens Lawyers  
Level 13, Collins Arch  
447 Collins Street  
Melbourne VIC 3000

### 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](http://www.goorooventures.com)

CONTENTS

Directors' Report	4
Operating and Financial Review	7
Auditor Independence Declaration	16
Statement of profit or loss and other comprehensive income	17
Statement of financial position	18
Statement of changes in equity	19
Statement of cash flows	20
Notes to the financial statements	21
Directors' declaration	49
Independent auditor's report to the members of Gooroo Ventures Limited	50
Shareholder information	54

## Gooroo Ventures Limited – Annual Report 30 June 2020 – Directors' Report

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 2020.

### 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: 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.

Over the last four years he has transitioned to the non-executive 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.

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.

Other current directorships: QuEST Global (appointed 2019)

Former directorships (last 3 years): Slater and Gordon Limited (from September 2016 to December 2017)

Interests in shares: 1,000,000 ordinary shares

Interests in options: 250,000 unlisted options exercisable at \$0.15 expiring 27 February 2021

## Gooroo Ventures Limited – Annual Report 30 June 2020 – Directors’ Report

Name:	Narendra Kotti
Title:	Managing Director and Chief Executive Officer
Qualifications:	MBA, B.Eng
Experience and expertise:	<p>Mr Kotti was appointed to the Board of the Company on 20 January 2020. Mr Kotti comes with over 15 years of experience as a technology entrepreneur and consulting business leader. Mr Kotti has a unique background in disruptive and innovative technologies having led such companies in different capacities. Highlights of his career include turnarounds, securing new capital and championing strategic M&amp;A for some of these companies. He is well networked in the C-suites of major tech companies in the US, UK, India and Australia. Mr Kotti is also an investor in Artificial Intelligence and Blockchain technology companies.</p> <p>Mr Kotti has a Master of Business Administration from Zicklin School of Business (New York) and Bachelor of Engineering from the National Institute of Technology (India).</p>
Other current directorships:	None
Former directorships (last 3 years):	None
Interests in shares:	29,491,697 ordinary shares
Interests in options:	2,702,703 options exercisable at \$0.0001 expiring 1 January 2022

## Gooroo Ventures Limited – Annual Report 30 June 2020 – Directors' Report

Name:	Richard Symon
Title:	Non-Executive Director
Qualifications:	Diploma – Securities Industry Association (now FINSIA) Certificate – Securities Industry Association (now FINSIA) Certified Financial Planner – Financial Planning Association Derivatives Senior Representative Certificate – ASX Certificate IV – Training and Assessment – Drake Training RG 146 Financial Services – Australian Financial Markets Association (AFMA)
Experience and expertise:	<p>Mr Symon was appointed to the Board of the Company on 20 January 2020. He cofounded, and was appointed as the executive chairman and CEO of ShareTrade Australian Stockbroking Ltd, which was sold to PBL (Packer) listed subsidiary eCorp in 1999 and then merged to become the Charles Schwab Australia in 2000. Mr Symon was appointed the CEO of the National Stock Exchange of Australia Ltd (ASX:NSX) in 2006, then the chairman of Sequoia Financial Group (SEQ:ASX) following the successful (reverse) takeover by MDS Financial Group, where he held the Executive Director position from late 2008. He was also the chair of I-Synergy Ltd (ASX-IS3) through its ASX initial public offering and listing period.</p> <p>Mr Symon is currently Chairman of boutique advisory firm Fiscus Capital Pty Ltd. He is also actively involved in various charitable organisations. Mr Symon is a Fellow member of FINSIA, member of the Stockbrokers and Financial Advisors Association of Australia and is RG146 accredited.</p>
Other current directorships:	Powerhouse Ventures Ltd
Former directorships (last 3 years):	I Synergy Group Limited (from July 2016 to May 2018) and Powerhouse Ventures Limited (from October 2019 to Present)
Interests in shares:	Nil
Interests in options:	Nil

'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.

## OPERATING AND FINANCIAL REVIEW

### 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.

### 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 \$2,693,393 (30 June 2019: \$2,198,635).

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.

### Matters subsequent to the end of the financial year

On 1 July 2020, 10,000,000 C Class Performance Shares were cancelled due to the Milestone Event to trigger conversion not being met.

On 2 July 2020, the Company issued 2,877,810 shares and 2,702,703 options exercisable at \$0.0001 expiring 1 January 2022, to Finnivate Inc. The issue of these securities was approved by shareholders at a general meeting held on 3 June 2020.

On 10 November 2020, the Company announced the issue of 22,100,000 convertible notes at \$0.025 each raising \$552,500 before cost. The convertible notes are unsecured and does not attract a coupon rate. The convertible notes convert at the earlier of (a) Completion of a transaction and reinstatement of its shares to trading on the ASX; and (b) 30 June 2021.

The outbreak of the COVID-19 pandemic is impacting global economic markets. The Directors continue to monitor the situation closely and have considered the impact of COVID-19 on the Group's business and financial performance. However, the situation is continually evolving and the consequences are therefore inevitably uncertain.

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

Gooroo will be involved in new strategic directions through a refocusing on target users; US expansion and growth through merger and acquisitions.

### Environmental regulation

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

### Company secretary

Chen Chik Ong 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](http://www.goorooventures.com).

### 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 2020, and the number of meetings attended by each Director were:

	<u>Directors' Meeting</u>		<u>Finance and Risk Management Committee</u>	
	Held	Attended	Held	Attended
Thomas Brown	9	9	-	-
Narendra Kotti	5	5	-	-
Richard Symon	5	5	-	-
Gregory Muller	4	4	-	-
Emmanuel Foundas	4	4	-	-
Donald Stephens	4	3	-	-
Jason Tonelli	4	4	-	-

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
2 July 2020	1 January 2022	\$0.0001	2,702,703
28 February 2018	28 February 2021	\$0.25	<u>250,000</u>
			<u><u>2,952,703</u></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 2020 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.

#### **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 UHY Haines Norton Sydney**

There are no officers of the Company who are former partners of UHY Haines Norton Sydney.

#### **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.

## Gooroo Ventures Limited – Annual Report 30 June 2020 – Directors' Report

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 2019 AGM, 94% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2019. 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
- Narendra Kotti – Managing Director and CEO (Appointed 20 January 2020)
- Richard Symon – Non-Executive Director (Appointed 20 January 2020)
- Gregory Muller - Managing Director and CEO (Resigned 20 January 2020)
- Donald Stephens - Non-Executive Director (Resigned 20 January 2020)
- Jason Tonelli - Non-Executive Director (Resigned 20 January 2020)
- Emmanuel Foundas - Non-Executive Director (Resigned 20 January 2020)

Gooroo Ventures Limited – Annual Report 30 June 2020 – Directors’ Report

2020	Short-term benefits		Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees	Consulting fees	Super-annuation	Long service leave	Equity-settled	
	\$	\$	\$	\$	\$	
<i>Non-Executive Directors:</i>						
Thomas Brown	72,000	-	-	-	-	72,000
Richard Symon <sup>1</sup>	16,667	18,000	-	-	-	34,667
Emmanuel Foundas <sup>2</sup>	26,000	-	2,470	-	-	28,470
Donald Stephens <sup>2</sup>	26,000	-	-	-	-	26,000
Jason Tonelli <sup>2</sup>	26,000	-	-	-	-	26,000
<i>Executive Directors:</i>						
Narendra Kotti <sup>1</sup>	-	-	-	-	100,000	100,000
Gregory Muller <sup>2</sup>	237,789	-	18,208	-	-	255,997
	<u>404,456</u>	<u>18,000</u>	<u>20,678</u>	<u>-</u>	<u>100,000</u>	<u>543,134</u>

<sup>1</sup> Represents remuneration from 20 January 2020 to 30 June 2020. Consulting fees of \$18,000 was paid to Fiscus Capital Pty Ltd, of which Mr Symon is a director.

<sup>2</sup> Represents remuneration from 1 July 2019 to 20 January 2020

2019	Short-term benefits		Post-employment benefits	Long-term benefits	Share-based payments	Total
	Cash salary and fees	Consulting fees	Super-annuation	Long service leave	Equity-settled	
	\$	\$	\$	\$	\$	
<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

**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: Narendra Kotti  
 Title: Managing Director & Chief Executive Officer  
 Agreement commenced: 20 January 2020  
 Term of agreement: 3 years with a 12-month termination notice  
 Details: Base salary of \$200,000, of which \$1 payable in cash and the balance in shares subject to shareholders approval.

Name: Gregory Muller  
 Title: Chief Executive Officer  
 Agreement commenced: 12 October 2016  
 Term of agreement: Ended on 20 January 2020  
 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 key management personnel as part of compensation during the year ended 30 June 2020.

*Options*

On 2 July 2020, the Company issued 2,702,703 options exercisable at \$0.0001 expiring 1 January 2022, to Finnivate Inc, an entity controlled by Mr Kotti. The issue of Options is in lieu of 6 months (January 2020 to July 2020) cash payment of salary (\$100,000) payable to Mr Kotti pursuant to his remuneration arrangements announced on 6 January 2020. The issue of these securities was approved by shareholders at a general meeting held on 3 June 2020.

There were no options over ordinary shares granted to or vested by other Directors and other key management personnel as part of compensation during the year ended 30 June 2020.

**Additional information**

The earnings of the Group for the three years to 30 June 2020 are summarised below:

	2020	2019	2018
	\$	\$	\$
Sales revenue	319,396	796,000	374,558
EBITDA	(2,592,055)	(2,742,367)	(3,282,764)
EBIT	(2,680,500)	(2,978,688)	(3,510,146)
Loss after income tax	(2,693,393)	(2,198,635)	(3,235,500)

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

	2020	2019	2018
Share price at financial year end (\$)	0.057 <sup>1</sup>	0.04	0.07
Basic earnings per share (cents per share)	(1.99)	(2.29)	(4.40)

<sup>1</sup> Securities of the Company were suspended from trading on 1 August 2019. \$0.057 was the last traded price on ASX.

***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
Narendra Kotti*	-	-	26,613,887	-	26,613,887
	<u>1,000,000</u>	<u>-</u>	<u>26,613,887</u>	<u>-</u>	<u>27,613,887</u>

\* On 2 July 2020, the Company issued an additional 2,877,810 shares to Finnivate Inc, an entity controlled by Mr Kotti. The issue was approved by shareholders at a general meeting held on 3 June 2020.

*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
	<u>250,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>250,000</u>

On 2 July 2020, the Company issued 2,702,703 unlisted options to Finnivate Inc, an entity controlled by Mr Kotti. The issue was approved by shareholders at a general meeting held on 3 June 2020.

***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**

UHY Haines Norton Sydney 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

A handwritten signature in black ink, appearing to read 'K. Nandi' or similar, written in a cursive style.

Narendra Kotti  
Managing Director

18 December 2020

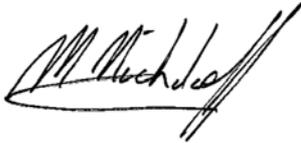
**Auditor's Independence Declaration under section 307C of the *Corporations Act 2001***

**To the Directors of Gooroo Ventures Limited**

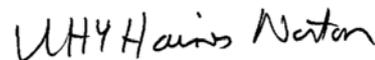
As auditor for the audit of Gooroo Ventures Limited for the year ended 30 June 2020, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the 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.

This declaration is in respect of Wollongong Coal Limited and the entities it controlled during the year.



**M.D. Nicholaeff**  
Partner  
Sydney  
18<sup>th</sup> December 2020



**UHY Haines Norton**  
Chartered Accountants

Gooroo Ventures Limited  
Statement of profit or loss and other comprehensive income  
For the year ended 30 June 2020

	Note	Consolidated	
		2020 \$	2019 \$
<b>Revenue</b>	6	226,678	792,398
Other income	7	92,718	3,602
Interest revenue	8	2,312	13,817
Research and Development Incentive		211,664	766,236
<b>Expenses</b>			
Other expenses	9	(811,490)	(603,445)
Intangibles assets written off		(805,857)	-
Share-based payments	36	(13,750)	(80,000)
Employee benefits expense		(1,136,566)	(1,793,709)
Consulting fees		(185,544)	(104,472)
Depreciation and amortisation expense		(88,445)	(236,321)
Loss on disposal of assets		(48,240)	-
Product development costs		(73,929)	(522,912)
Research expenses		(1,917)	(108,084)
Marketing expenses		(68,896)	(203,504)
Occupancy expenses		7,869	(122,241)
Finance costs		-	-
<b>Loss before income tax expense</b>		(2,693,393)	(2,198,635)
Income tax expense	10	-	-
<b>Loss after income tax expense for the year attributable to the owners of Gooroo Ventures Limited</b>		(2,693,393)	(2,198,635)
Other comprehensive income for the year, net of tax		-	-
<b>Total comprehensive loss for the year attributable to the owners of Gooroo Ventures Limited</b>		<u>(2,693,393)</u>	<u>(2,198,635)</u>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	35	(1.99)	(2.29)
Diluted earnings per share	35	(1.99)	(2.29)

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 2020

	Note	Consolidated	
		2020	2019
		\$	\$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	11	178,526	354,580
Trade and other receivables	12	1,100	60,725
Income tax refund due	13	214,752	435,936
Other assets	14	43,614	28,741
Total current assets		<u>437,992</u>	<u>879,982</u>
<b>Non-current assets</b>			
Property, plant and equipment	15	-	71,382
Intangibles	16	-	805,857
Total non-current assets		<u>-</u>	<u>877,239</u>
<b>Total assets</b>		<u>437,992</u>	<u>1,757,221</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	17	436,520	135,342
Provisions	18	-	106,728
Contract liabilities	19	1,159	7,044
Total current liabilities		<u>437,679</u>	<u>249,114</u>
<b>Non-current liabilities</b>			
Employee benefits	20	-	8,065
Total non-current liabilities		<u>-</u>	<u>8,065</u>
<b>Total liabilities</b>		<u>437,679</u>	<u>257,179</u>
<b>Net assets</b>		<u>313</u>	<u>1,500,042</u>
<b>Equity</b>			
Issued capital	21	11,360,563	10,062,779
Reserves	22	24,637	174,949
Accumulated losses	23	(11,384,887)	(8,737,686)
<b>Total equity</b>		<u>313</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 year ended 30 June 2020

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

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2019	10,062,779	174,949	(8,737,686)	1,500,042
Loss after income tax expense for the year	-	-	(2,693,393)	(2,693,393)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive loss for the year	-	-	(2,693,393)	(2,693,393)
Adjustment from the adoption of AASB16	-	-	(7,892)	(7,892)
Adjustment for 2019 R&D fees	-	-	(28,568)	(28,568)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (note 36)	13,750	-	-	13,750
Shares issued via placement	1,225,440	-	-	1,225,440
Transaction costs	(9,068)	-	-	(9,068)
Cancellation of performance shares	67,662	(67,662)	-	-
Options lapsed	-	(82,650)	82,650	-
Balance at 30 June 2020	11,360,563	24,637	(11,384,889)	313

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 2020

	Note	Consolidated	
		2020	2019
		\$	\$
<b>Cash flows from operating activities</b>			
Receipts from customers (inclusive of GST)		280,421	798,815
Payments to suppliers (inclusive of GST)		(1,968,697)	(3,512,680)
		(1,688,276)	(2,713,865)
Interest received		2,312	13,817
Other revenue		57,379	3,602
Interest and other finance costs paid		(773)	-
Income taxes refunded		221,184	584,775
Net cash used in operating activities	34	(1,408,174)	(2,111,671)
<b>Cash flows from investing activities</b>			
Proceeds from disposal of property, plant & equipment		15,748	
Payments for property, plant and equipment	15	-	(27,663)
Payments for intangibles	16	-	(14,782)
Payments for security deposits		-	(8,182)
Net cash used in investing activities		15,748	(50,627)
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	21	707,864	1,121,439
Proceeds from issue of convertible notes		604,766	
Convertible notes uses transaction costs		(32,191)	
Redemption of convertible notes		(55,000)	
Share issue transaction costs		(9,067)	(115,902)
Net cash from financing activities		1,216,372	1,005,537
Net decrease in cash and cash equivalents		(176,054)	(1,156,761)
Cash and cash equivalents at the beginning of the financial year		354,580	1,511,341
Cash and cash equivalents at the end of the financial year	11	178,526	354,580

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

Level 8, 99 St Georges Terrace  
Perth WA 6000

### Principal place of business

Level 8, 99 St Georges Terrace  
Perth WA 6000

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 16 December 2020.

## 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.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

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

#### 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.

## **Note 2. Significant accounting policies (continued)**

### **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 \$2,693,393 and a net cash outflow from operating and investing activities of \$1,392,426 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 31.

### **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 2020 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.

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.

### **Contract liabilities**

Contract liabilities represent the consolidated entity's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the consolidated entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the consolidated entity has transferred the goods or services to the customer.

### **Foreign currency translation**

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

## Note 2. Significant accounting policies (continued)

### *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.

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.

## Note 2. Significant accounting policies (continued)

### 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.

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.

## Note 2. Significant accounting policies (continued)

### 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 2020. 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.

#### *Conceptual Framework for Financial Reporting (Conceptual Framework)*

The revised Conceptual Framework is applicable to annual reporting periods beginning on or after 1 January 2020 and early adoption is permitted. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards. Where the consolidated entity has relied on the existing framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under the Australian Accounting Standards, the consolidated entity may need to review such policies under the revised framework. At this time, the application of the Conceptual Framework is not expected to have a material impact on the consolidated entity's financial statements.

## 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.

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

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

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

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

Discount rate: 17.27%

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

#### *Allowance for expected credit losses*

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience, historical collection rates, the impact of the Coronavirus (COVID-19) pandemic and forward-looking information that is available. The allowance for expected credit losses, as disclosed in note 12, is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

#### *Goodwill and other indefinite life intangible assets*

The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows. Refer to note 16 for further information.

#### *Employee benefits provision*

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

### 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	
	2020	2019
	\$	\$
Subscription revenue	54,166	278,877
Consulting revenue	172,512	420,746
Training revenue	-	92,775
	<u>226,678</u>	<u>792,398</u>
Revenue	<u>226,678</u>	<u>792,398</u>

*Disaggregation of revenue*

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

	Consolidated	
	2020	2019
	\$	\$
Services transferred over time	54,166	278,877
Services transferred at a stage of completion	172,512	513,521
	<u>226,678</u>	<u>792,398</u>
	<u>226,678</u>	<u>792,398</u>

The following aggregated amounts of transaction prices related to the performance obligations from existing contracts that are unsatisfied or partially satisfied at 30 June 2020:

*Accounting policy for revenue recognition*

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

**Note 7. Other income**

	Consolidated	
	2020	2019
	\$	\$
Subsidies and grants	60,000	-
Other income	32,718	3,602
	<u>92,718</u>	<u>3,602</u>
Other income	<u>92,718</u>	<u>3,602</u>

*Other revenue*

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

**Note 8. Interest**

	Consolidated	
	2020	2019
	\$	\$
Interest revenue	2,312	13,817

*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	
	2020	2019
	\$	\$
Agency fees	-	108,469
ASX fees	27,943	33,232
Auditing or reviewing the financial report	40,991	51,210
Bank charges	14,916	1,626
Computer expenses	135	3,148
Consulting fees	155,235	2,675
Donation	43,704	64,000
Insurance	23,260	27,258
Legal fees	173,044	13,613
Outgoings	6,714	11,414
Professional fees	58,800	98,675
Share registry services	29,729	27,860
Travel expenses	14,514	76,396
Other operating expenses	222,505	86,544
	<u>811,490</u>	<u>606,120</u>

**Note 10. Income tax expense**

	Consolidated	
	2020	2019
	\$	\$
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	(2,693,393)	(2,198,635)
Tax at the statutory tax rate of 27.5%	(740,683)	(604,625)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Depreciation expense	2,182	5,293
Amortisation of intangibles	22,288	60,393
Share-based payments	3,781	22,000
Non-deductible expenses	221,619	13,136
Research and Development incentive	(59,057)	(210,745)
Non assessable grants	(16,500)	-
Non-deductible Research and Development expenditure	-	275,592
Other deductible adjustments	-	(102,356)
	(566,370)	(541,312)
Current year tax losses not recognised	566,370	541,312
Income tax expense	-	-

The Company has tax losses arising in Australia of \$8,305,132 (2019: \$6,245,605) 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	
	2020	2019
	\$	\$
Cash on hand	101	101
Cash at bank	178,425	354,479
	178,526	354,580

*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	
	2020	2019
	\$	\$
Trade receivables	1,100	60,725

*Allowance for expected credit losses*

The Group has recognised a loss of \$0 (2019: \$0) in profit or loss in respect of the expected credit losses for the year ended 2020.

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

Consolidated	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	2020	2019	2020	2019	2020	2019
	%	%	\$	\$	\$	\$
Not overdue	-	-	-	57,381	-	-
0 to 3 months overdue	-	-	-	1,364	-	-
3 to 6 months overdue	-	-	1,100	1,980	-	-
			1,100	60,725	-	-

*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	
	2020	2019
	\$	\$
Income tax refund due - Research and Development (R & D) Incentive	214,752	435,936

Note 14. Other assets

	Consolidated	
	2020	2019
	\$	\$
Prepayments	13,934	11,392
Security deposits	17,349	17,349
	<u>31,283</u>	<u>28,741</u>

Note 15. Property, plant and equipment

	Consolidated	
	2020	2019
	\$	\$
Furnitures and fittings - at cost	-	70,368
Less: Accumulated depreciation	-	(13,804)
	<u>-</u>	<u>56,564</u>
Computer equipment - at cost	-	52,733
Less: Accumulated depreciation	-	(40,561)
	<u>-</u>	<u>12,172</u>
Office equipment - at cost	-	6,366
Less: Accumulated depreciation	-	(3,720)
	<u>-</u>	<u>2,646</u>
	<u>-</u>	<u>71,382</u>

**Note 15. Property, plant and equipment (continued)**

*Reconciliations*

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

<b>Consolidated</b>	Furniture and fittings \$	Office equipment \$	Computer equipment \$	Total \$
Balance at 1 July 2018	38,644	2,388	19,399	60,431
Additions	24,454	1,104	2,105	27,663
Disposals	-	-	-	-
Depreciation expense	<u>(6,534)</u>	<u>(845)</u>	<u>(9,333)</u>	<u>(16,712)</u>
Balance at 30 June 2019	56,564	2,647	12,171	71,382
Additions	-	-	-	-
Disposals	(52,582)	(2,313)	(9,091)	(63,986)
Depreciation expense	<u>(3,982)</u>	<u>(334)</u>	<u>(3,080)</u>	<u>(7,396)</u>
Balance at 30 June 2020	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</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

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	
	2020	2019
	\$	\$
Development costs	-	1,068,438
Less: Accumulated amortisation	-	(459,842)
Less: Impairment	-	(13,707)
	<u>-</u>	<u>594,889</u>
Intellectual property - at cost	-	241,642
Less: Accumulated amortisation	-	(30,674)
	<u>-</u>	<u>210,968</u>
	<u>-</u>	<u>805,857</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 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	594,888	210,969	805,857
Additions	-	-	-
Derecognition of intangibles/Impairment expense	<u>(594,888)</u>	<u>(210,969)</u>	<u>(805,857)</u>
Balance at 30 June 2020	<u>-</u>	<u>-</u>	<u>-</u>

*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.

**Note 16. Intangibles (continued)**

*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	
	2020	2019
	\$	\$
Trade payables	434,580	120,708
Other payables	1,940	14,634
	436,520	135,342
	436,520	135,342

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	
	2020	2019
	\$	\$
Annual leave	-	106,728
	-	106,728
	-	106,728

**Note 18. Provisions (continued)**

*Movements in provisions*

Movements in each class of provision during the current financial year are set out below:

<b>Consolidated - 2020</b>	Annual leave \$
Carrying amount at the start of the year	106,728
Provisions used during the year	<u>106,728</u>
Carrying amount at the end of the year	<u><u>-</u></u>

*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	
	2020 \$	2019 \$
Unearned revenue	<u>1,159</u>	<u>7,044</u>

**Note 20. Employee benefits**

	Consolidated	
	2020 \$	2019 \$
Long service leave	<u>-</u>	<u>8,065</u>

*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

	2020 Shares	Consolidated		2019 \$
		2019 Shares	2020 \$	
Ordinary shares - fully paid	145,818,305	110,024,591	12,600,866	11,261,824
Transaction costs	-	-	(1,240,303)	(1,199,045)
	<u>145,818,305</u>	<u>110,024,591</u>	<u>11,360,563</u>	<u>10,062,779</u>

*Movements in ordinary share capital*

Details		Shares	\$
Balance	1 July 2018	86,687,851	8,976,742
Issued via share placements		11,000,000	550,000
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	110,024,591	10,062,779
Issued via share placements		16,253,676	707,864
Issued to employees		250,000	13,750
Issued to consultants		-	-
Conversion of Convertible Notes		19,290,038	549,766
Cancellation of performance shares		-	67,662
Transaction costs		-	(41,258)
Balance	30 June 2020	<u>145,818,305</u>	<u>11,360,563</u>

*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 2020. The terms and conditions of the Performance Shares are summarised below:

**Note 21. Issued capital (continued)**

Share class	Conversion event	Conversion	Time frame
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 2020 there were 10,000,000 Class C Performance Shares (2019: 22,000,000 Class A, Nil Class B and 10,000,000 Class C Performance Shares).

*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.

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	
	2020	2019
	\$	\$
Share-based payments reserve	24,637	174,949

**Note 22. Reserves (continued)**

*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:

<b>Consolidated</b>	Share-based payments reserve \$	Total \$
Balance at 1 July 2018	257,362	257,362
Share-based payments	<u>(82,413)</u>	<u>(82,413)</u>
Balance at 30 June 2019	174,949	174,949
Lapse of options	<u>(150,312)</u>	<u>(150,312)</u>
Balance at 30 June 2020	<u><u>24,637</u></u>	<u><u>24,637</u></u>

**Note 23. Accumulated losses**

	Consolidated	
	2020 \$	2019 \$
Accumulated losses at the beginning of the financial year	(8,737,686)	(6,621,464)
Loss after income tax expense for the year	(2,693,393)	(2,198,635)
Movement in share option reserve - options lapsed	82,650	82,413
Adjustment from disallowed deduction	(28,568)	
Adjustment in the adoption of AASB16	<u>(7,892)</u>	<u>-</u>
Accumulated losses at the end of the financial year	<u><u>(11,384,889)</u></u>	<u><u>(8,737,686)</u></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.

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 2020.

### *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.

**Note 25. Financial Risk Management (continued)**

***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
Narendra Kotti	Managing Director & CEO (appointed 20 January 2020)
Richard Symon	Non-Executive Director (appointed 20 January 2020)
Gregory Muller	Managing Director (resigned 20 January 2020)
Donald Stephens	Non-Executive Director (resigned 20 January 2020)
Jason Tonelli	Non-Executive Director (resigned 20 January 2020)
Emmanuel Foundas	Non-Executive Director (resigned 20 January 2020)

*Compensation*

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

	Consolidated	
	2020	2019
	\$	\$
Short-term employee benefits	422,456	612,716
Post-employment benefits	20,678	38,369
Share-based payments	100,000	-
	543,134	651,085
	543,134	651,085

**Note 27. Remuneration of auditors**

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

	Consolidated	
	2020	2019
	\$	\$
Auditing the financial statements (UHY Haines Norton)	22,000	-
Auditing the financial statements (Grant Thornton Audit Pty Ltd)	16,500	45,000
	38,500	45,000
	38,500	45,000

**Note 28. Contingencies**

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2020 (30 June 2019: None)

**Note 29. Commitments**

	Consolidated	
	2020	2019
	\$	\$
<i>Lease commitments - operating</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	-	136,690
One to five years	-	159,472
	-	296,162
	-	296,162

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.

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.

**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.

*Transactions with related parties*

The following transactions occurred with related parties:

	Consolidated	
	2020	2019
	\$	\$
Payment for goods and services:		
Consulting fees paid to Fiscus Capital Pty Ltd, of which Mr Richard Symon is a director	18,000	-

**Note 30. Related party transactions (continued)**

*Receivable from and payable to related parties*

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

	Consolidated	
	2020	2019
	\$	\$
Current payables:		
Trade payables to key management personnel	20,800	15,400

*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	
	2020	2019
	\$	\$
Loss after income tax	(586,257)	(188,406)
Total comprehensive income	<u>(586,257)</u>	<u>(188,406)</u>

**Note 31. Parent entity information (continued)**

*Statement of financial position*

	Parent	
	2020	2019
	\$	\$
Total current assets	<u>384,950</u>	<u>788,919</u>
Total assets	<u>10,514,226</u>	<u>9,824,068</u>
Total current liabilities	<u>171,370</u>	<u>96,509</u>
Total liabilities	<u>171,370</u>	<u>96,509</u>
Equity		
Issued capital	11,360,742	10,062,958
Share-based payments reserve	24,637	174,949
Accumulated losses	<u>(1,042,523)</u>	<u>(510,348)</u>
Total equity	<u><u>10,342,856</u></u>	<u><u>9,727,559</u></u>

*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 2020 and 30 June 2019.

*Contingent liabilities*

The parent entity had no contingent liabilities as at 30 June 2020 and 30 June 2019.

*Capital commitments - Property, plant and equipment*

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2020 and 30 June 2019.

*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	
		2020 %	2019 %
MSGooroo Pty Ltd	Australia	100.00%	100.00%

### Note 33. Events after the reporting period

On 1 July 2020 10,000,000 C Class Performance Shares were cancelled due to the Milestone Event to trigger conversion not being met.

On 2 July 2020, the Company issued 2,877,810 shares and 2,702,703 options exercisable at \$0.0001 expiring 1 January 2022, to Finnivate Inc. The issue of these securities was approved by shareholders at a general meeting held on 3 June 2020.

On 10 November 2020, the Company announced the issue of 22,100,000 convertible notes at \$0.025 each raising \$552,500 before cost. The convertible notes are unsecured and does not attract a coupon rate. The convertible notes convert at the earlier of (a) Completion of a transaction and reinstatement of its shares to trading on the ASX; and (b) 30 June 2021.

The outbreak of the COVID-19 pandemic is impacting global economic markets. The Directors continue to monitor the situation closely and have considered the impact of COVID-19 on the Group's business and financial performance. However, the situation is continually evolving and the consequences are therefore inevitably uncertain.

No other matter or circumstance has arisen since 30 June 2020 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	
	2020	2019
	\$	\$
Loss after income tax expense for the year	(2,693,393)	(2,198,635)
Adjustments for:		
Depreciation and amortisation	88,445	236,321
Derecognition of intangible assets	805,857	-
Loss on sale of assets	48,240	-
Net effect on adoption of AASB 16 on leases	(88,944)	-
2019 R&D expenses disallowed	(28,568)	-
Share-based payments	13,750	80,500
Write off of assets	-	-
Other expenses non-cash	-	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	59,268	40,923
Decrease/(increase) in income tax refund due	(221,184)	(181,461)
Decrease/(increase) in accrued revenue	0	2,400
Decrease/(increase) in prepayments	(2,542)	3,302
Increase in employee benefits	(112,853)	35,999
Increase/(decrease) in trade and other payables	363,650	(94,116)
Increase/(decrease) in other operating liabilities	(82,628)	(36,904)
Net cash used in operating activities	<u>(1,408,174)</u>	<u>(2,111,671)</u>

**Note 35. Earnings per share**

	Consolidated	
	2020	2019
	\$	\$
Loss after income tax attributable to the owners of Gooroo Ventures Limited	<u>(2,693,393)</u>	<u>(2,198,635)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>135,331,592</u>	<u>96,162,346</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>135,331,592</u>	<u>96,162,346</u>
	Cents	Cents
Basic earnings per share	(1.99)	(2.29)
Diluted earnings per share	(1.99)	(2.29)

**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:

2020

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	12/10/2019	\$0.25	750,000	-	-	(750,000)	0
28/02/2018	27/02/2021	\$0.25	250,000	-	-	-	250,000
			1,000,000	-	-	(750,000)	250,000
Weighted average exercise price			\$0.25	\$0.00	\$0.00	\$0.25	\$0.25

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

Grant date	Expiry date	2020 Number	2019 Number
12/10/2016	12/10/2019	0	750,000
28/02/2018	28/02/2021	250,000	250,000
		<u>250,000</u>	<u>1,000,000</u>

The weighted average remaining contractual life of options outstanding at the end of the financial year was 0.67 years (2019: 0.63 years).

**Note 36. Share-based payments (continued)**

Share-based payments during the year are:

	Consolidated	
	2020	2019
	\$	\$
<b>Recognised in the statement of profit or loss as share-based payments</b>		
Options issued to Directors and Consultants	-	-
Shares issued to Employees	13,750	75,000
Shares issued to Consultants	-	5,000
	<u>13,750</u>	<u>80,000</u>

In total, \$13,750 (2019: \$80,000) of share-based payments expense (all of which related to equity-settled share-based payment transactions) has been included in profit or loss.

*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 2020**

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 2020 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Group 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 or equivalent 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



Narendra Kotti  
Managing Director

18 December 2020

## 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 subsidiaries ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2020, 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, notes to the 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:

- i. giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- ii. 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 \$2,693,393 during the year ended 30 June 2020, and a net cash outflow from operating activities of \$1,408,174. 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 year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but 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 that there are no key audit matters to be communicated in our report.

### **Other Information**

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 2020, 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 accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report.

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 ability of the Group 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 has 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations,

or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on the Remuneration Report

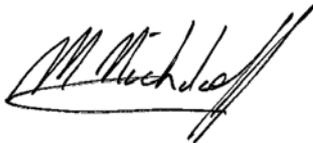
### *Opinion on the Remuneration Report*

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Gooroo Ventures Limited, for the year ended 30 June 2020, 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.

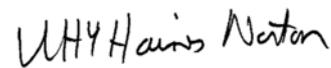


**Mark Nicholaeff**

Partner

Sydney

Date: 18<sup>th</sup> December 2020



**UHY Haines Norton**

Chartered Accountants

Gooroo Ventures Limited  
Shareholder information  
30 June 2020

The shareholder information set out below was applicable as at 30 October 2020.

**Distribution of equitable securities**

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

Range	Total holders	Units	% Units
1 - 1,000	9	1,719	0.00
1,001 - 5,000	15	48,236	0.03
5,001 - 10,000	97	829,068	0.56
10,001 - 100,000	324	14,708,719	9.89
100,001 Over	190	133,108,373	89.52
<b>Rounding</b>			<b>0.00</b>
<b>Total</b>	<b>635</b>	<b>148,696,115</b>	<b>100.00</b>

Holding less than a marketable parcel based on \$0.057 per share

70

**Equity security holders**

*Twenty largest quoted equity security holders*

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

	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

Substantial holders

Substantial holders in the Company are set out below:

Rank	Name	Units	% Units
1	FINNAVATE INC	29,491,697	19.83
2	JT & GIRLS PTY LTD <THREE GIRLS A/C>	8,385,402	5.64
3	GMGT HOLDINGS PTY LTD <GMGT FAMILY A/C>	8,385,401	5.64
4	MR DAVID STILLMAN + MS ANNEMAREE STILLMAN <STILLMAN SUPER FUND A/C>	2,631,579	1.77
5	MIRAMS INVESTMENTS PTY LTD	2,500,000	1.68
6	BRING ON RETIREMENT LTD	2,260,000	1.52
7	FOUNDAS INVESTMENTS PTY LTD <FOUNDAS SUPER FUND A/C>	2,258,894	1.52
8	JG & JH MULLER PTY LTD <J AND J MULLER SUPER A/C>	2,030,710	1.37
9	HENADOME PTY LTD <THE ALBOW A/C>	2,000,000	1.35
10	MR DANIEL EDDINGTON + MRS JULIE EDDINGTON <DJ HOLDINGS A/C>	1,948,702	1.31
11	MS KATHLEEN ELLEN FOUNDAS	1,931,327	1.30
12	MIRAMS INVESTMENTS PTY LTD	1,754,386	1.18
13	MS BARBARA KINNEY	1,528,506	1.03
14	MR DAMIEN CHARLES ANDERSON <D & C ANDERSON FAMILY A/C>	1,523,587	1.02
15	MS BARBARA KINNEY	1,491,228	1.00
16	MR EMMANUEL GEORGE FOUNDAS	1,319,171	0.89
17	MR ROSS DAVID MARTIENSEN	1,307,717	0.88
18	MR ALISTAIR GLEESON + MRS CAROLINE GLEESON	1,300,000	0.87
19	BOND STREET CUSTODIANS LIMITED <HBG - Q02166 A/C>	1,253,750	0.84
20	NURRAGI INVESTMENTS PTY LTD	1,250,000	0.84
<b>Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (Total)</b>		<b>76,552,057</b>	<b>51.48</b>
<b>Total Remaining Holders Balance</b>		<b>72,144,058</b>	<b>48.52</b>

Gooroo Ventures Limited  
 Shareholder information  
 30 June 2020

	Number on issue	Number of holders
Options over ordinary shares issued	250,000	1

Name	Class	Number held
Thomas Brown	Options over ordinary shares	250,000

**Substantial holders**

Substantial holders in the Company are set out below:

	Ordinary shares % of total shares issued	
	Number held	
FINNAVATE INC	29,491,697	19.83
JT & GIRLS PTY LTD	8,385,402	5.64
GMGT HOLDINGS PTY LTD	8,385,401	5.64

**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.

*Options*

No options have any voting rights.

**On-market buyback**

There is no current on-market buyback.