ANNUAL REPORT FOR FULL YEAR ENDED 30 JUNE 2020

The GO2 People Ltd

ACN 616 199 896

ANNUAL REPORT FOR THE YEAR ENDED
30 JUNE 2020

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CHAIRMAN'S ADDRESS

To Our Shareholders,

The 2020 Financial Year has been one of transformation for the Company.

In September 2019 we announced the termination of the IPW proposed acquisition and the abandonment of the associated capital raising. The Board decided that the best course of action was to streamline and simplify the underlying business, and as outlined in last year's Annual Report, "Focus" presentation on 22 October 2019 and subsequent ASX release on 4 November 2019 we had three clear goals for the 2020 Financial Year:

- To consolidate the core Recruitment & Training business to improve EBITDA performance;
- To undertake a Rights Issue to provide additional working capital; and
- To seek additional working capital support from the Company's financiers

I am pleased to report that all three of these initiatives have been successfully executed, with:

- The core Recruitment & Training business showing positive normalised EBITDA for the second half;
- The Rights Issue and subsequent Shortfall Offer having successfully raised some $392,000; and
- The announcement on 12 March 2020 of additional two year term to the Company's finance facility.

In addition, coinciding with the de-scaling of the Company's Building division, residual assets were liquidated and issues resolved during the year, including the sale of the Kintyre Camp and the resolution of the Meadowbrooke Lifestyle Village matter.

The benefit of these rationalisation efforts and the focus on the core Recruitment and Training business is evident, with the Company now having posted 3 consecutive quarters of positive cashflow generation from Operations.

Non-Executive Director Mr Dickie Dique retired by rotation at the Company's 2019 Annual General Meeting, and the Board extends its thanks on behalf of the Company's Shareholders for Mr Dique's Insight and contribution during his time with GO2. In replacement or Mr Dique on the Board, we welcomed Executive Director, Founder and major shareholder Paul Goldfinch.

Moving forward, we see a range of exciting opportunities in our core competencies of Recruitment & Training in our key target markets of mining, construction and infrastructure in WA & Queensland. Structural tailwinds arising from buoyant mineral commodity markets and government incentives and spending on construction & infrastructure projects are cause for optimism in our space, and the Company is well placed to capitalise on these opportunities. In addition, we continue to assess a range of potential merger & acquisition transactions, and will pursue these where the client & operational synergies are apparent, or where a transaction presents an opportunity to move into an adjacent client or geographical segment. In any case, only potential transactions which are clearly EBITDA and cashflow accretive are being considered.

On behalf of the Board, I extend my thanks to Shareholders for their patience as we worked through the potential IPW acquisition, and now ask for your support as we re-focus and build the underlying business to capitalise on the exciting range of opportunities we see in the year ahead.

Darren Cooper

Independent Non-Executive Chairman - The GO2 People Ltd

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CORPORATE DIRECTORY

Directors

Darren Cooper
Independent Non-Executive Chairman

Abilio "Billy" Ferreira
Managing Director

Paul Goldfinch
Executive Director

Company Secretaries

Peter Torre, Matthew Thomson

Registered Office

1/161 Great Eastern Highway,
Rivervale WA 6103

Phone 08 6151 9200

Auditor

William Buck Audit (Vic) Pty Ltd
Level 20, 181 William Street,
MELBOURNE VIC 3000

Australian Securities Exchange

ASX Code Ordinary Shares: GO2

Website

www.thego2people.com.au

Share Registry

Computershare Investor Services Pty Limited
Level 11, 172 St George's Terrace,
PERTH WA 6000

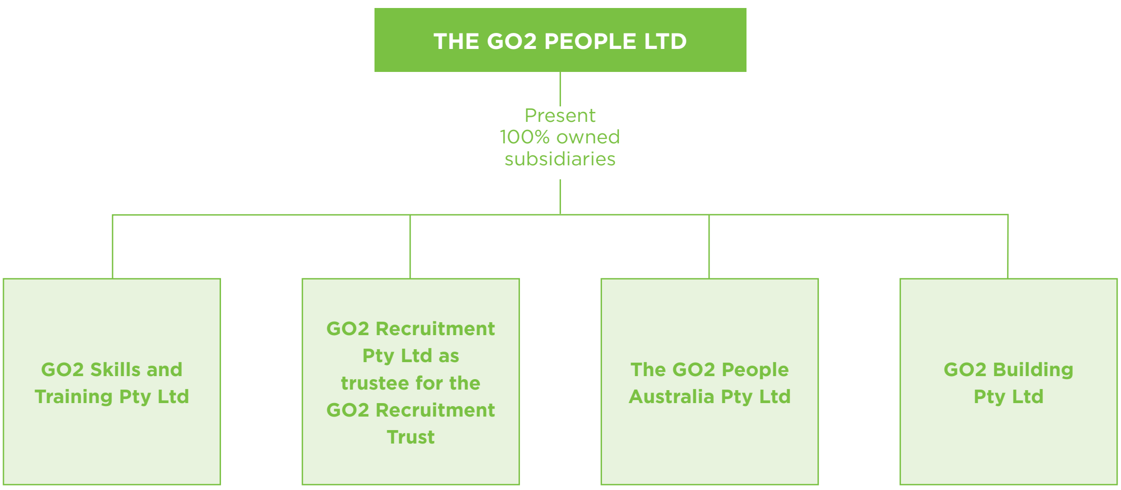
Phone 1300 557 010

Corporate Governance

A summary of the Company's compliance with the 3rd Edition of the ASX Corporate Governance Recommendations together with current policies and charters is available on the Company website.

www.thego2people.com.au/investor-centre/?id=1#1509345233432-4-0

CORPORATE STRUCTURE



THE GO2 PEOPLE LTD

What We Do

The GO2 People is a leading provider of vertically integrated Recruitment and Building services to industry throughout Australia. Our day to day operations are underpinned by strong core values and an ethical approach to business principles which drive innovation, collaboration and an ongoing commitment to continuous improvement.

Recruitment

The company's Recruitment Division provides tailored staffing solutions to a range of industries with a client base that includes national and multinational blue-chip organisations across the construction, resources and industrial sectors. The Recruitment Division delivers two specialist services, labour hire and professional recruitment.

Industries GO2 provides services to include:

- Major Infrastructure
- Construction
- Mining/Resources
- Electrical/Energy
- Warehousing/Logistics
- Waste Management

Training

GO2 Skills and Training Pty Ltd is a national Registered Training Organisation (RTO 40927), delivering accredited and non-accredited workplace training and education to industry throughout Australia.

SUMMARY OF FY20 CONSOLIDATION STRATEGY

Reduced total operational overhead spending by $4.5m, or 60%, annually

Group's gross margin as percentage of Revenue increased to 12.5% (from 11%),

Total cashflow positive for the year ended 30 June 2020.

Positive EBITDA achieved for the six months Jan – Jun 20

Positive EBITDA achieved for the full year FY20 (normalised)

Launched Training Division's first online training course with others under development

Maintained full operational delivery capacity during COVID-19 crisis

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DIRECTORS' REPORT

The Directors are pleased to present their report on the consolidated entity (referred to herein as the "Group") consisting of The GO2 People Ltd (the "Company") and its controlled entities for the year ended 30 June 2020.

Director and Company Secretary Details

Abilio "Billy" Ferreira	
Shares Held (direct and through related entities)	27,887,976
Options Held	3,100,000
Other directorships of Australian Publicly Listed entities	nil
Darren Cooper	
Shares Held (direct and through related entities)	1,000,000
Options Held	1,000,000
Other directorships of Australian Publicly Listed entities	Spectur Limited
Paul Goldfinch	
Shares Held (direct and through related entities)	27,527,730
Options Held	3,100,000
Other directorships of Australian Publicly Listed entities	nil

The following persons were directors of The GO2 People Ltd during the reporting period, but are no longer directors

Andries "Dickie" Dique **Resigned 28 November 2019**

The following persons held the position of Company Secretary of The GO2 People Ltd at the end of the reporting period:

Matthew Thomson
Peter Torre

Information on Directors and Secretaries

Darren Cooper - Independent Non-Executive Chairman

Darren Cooper spent in excess of 20 years with various companies in management and senior executive roles, and has a Bachelor of Business from Curtin University, a Masters of Applied Finance from Macquarie University, and is a graduate of the Australian Institute of Company Directors.

He is currently Managing Director of a private consulting business, Board Chair of Spectur Ltd (ASX:SP3), Deputy Board Chair of Foundation Housing Ltd and a Non-Executive Director of JDSi Consulting Engineers Pty Ltd and Ocean Gardens Retirement Village Inc.

The Board considers Mr. Cooper to be an independent Director, as he is not an executive member of management and is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect his capacity to bring an independent judgement to bear on issues before the Board.

Abilio "Billy" Ferreira - Managing Director

Billy is a proven senior manager and entrepreneur with a strategic, disciplined and practical approach.

After completing 5 years in the Australian Military in 2000 and undertaking a leadership role in the UK with London's exclusive health club, Next Generation, Billy gained valuable experience in construction as the General Manager of a residential building business in 2005-6 in Adelaide, South Australia. From here, Billy became a part of the senior management group of the then privately owned, Australian Portable Buildings (APB), in Sydney, New South Wales.

After a venture capitalist acquisition in 2007, Billy relocated to Perth, Western Australia and become an integral part of growing the business into a new territory. It was here that Billy was exposed, as a client, to the Labour Hire industry. Billy co-founded GO2 Recruitment in 2011 with Paul Goldfinch. Billy is a graduate of the company directors' course at the Australian Institute of Company Directors.

Mr Ferreira is not considered to be independent due to his executive role as Managing Director of the Company and his interest in securities in the Company.

Paul Goldfinch - Executive Director - Appointed 14th October 2019

Paul a proven senior executive with 15 years' experience in the recruitment industry, both in Australia and overseas. Paul co-founded GO2 Recruitment in 2011 with Billy Ferreira, prior to starting GO2, he held senior management and business development positions with national and international labour hire providers, during which time he has developed an intimate understanding of the sector.

Matthew Thomson - Joint Company Secretary

Matthew joined the Company as Chief Financial Officer and Company Secretary in May 2017. Matthew has a Bachelor of Commerce, Accounting and Finance from the University of New South Wales and is a Chartered Accountant. Having begun his career at Coopers & Lybrand (now PricewaterhouseCoopers) he has over 15 years' experience in senior financial and management accounting roles.

Peter Torre - Joint Company Secretary

Peter Torre is the principal of the corporate advisory firm Torre Corporate which provides corporate secretarial services to a range of listed companies including The GO2 People. Prior to establishing Torre Corporate, Mr Torre was a partner and Chairman of the National Corporate Services Committee of an internationally affiliated firm of Chartered Accountants working within its corporate services division for over nine years. Mr. Torre is the company secretary of several ASX-listed companies, and previously, companies listed on the London and Toronto Stock Exchange. He is a director of ASX listed Mineral Commodities Ltd, Zenith Energy Limited, VEEM Ltd and Volt Power Group Ltd. Mr Torre holds a Bachelor of Business, is a Chartered Accountant, a Chartered Secretary and is a member of the Institute of Company Directors.

Principal Activities

The principal activities of the Group during the reporting period, were the provision of Recruitment, and Training Services. The Group's Recruitment Division provides tailored workforce solutions to a range of industries with a client base that includes a number of national and multi-national blue-chip organisations across the construction, mining, and industrial sectors.

The Group's Training Division is a nationally Registered Training Organisation (RTO 40927), delivering workplace training and education courses.

The Building Division was a multi-disciplinary construction Company. As part of a Company restructure during H1 FY20, the Building Division was descaled and is only completing existing jobs. There is no new business being pursued by the division.

Review of Operations

The Group continued to pursue its principal Recruitment and Training activities during the year which included a significant restructuring of its business operations in Q1 FY20, the key focus of the consolidation strategy being EBITDA improvement, cashflow positivity and responsible capital management. The beneficial outcomes of this restructure were evident in H2 FY20. With a renewed focus on the pathway to earnings as opposed to the large-scale revenue growth model previously pursued, restructuring costs were incurred in H1FY20, predominately through staff redundancies and organisational changes. This restructuring has resulted in total operational overhead spending decreasing by $4.5m, or 60%, annually. A far leaner and sustainable business model was therefore implemented in FY20.

A critical part of the restructure was the descaling of the Group's Building division to reduce its exposure to the volatile and capital-intensive building industry. The Company will complete a small amount of existing works however it retains the capability to deliver small low risk projects for key clients through a project costing model, if it so chooses, which will not impact its new stable overhead structure. The shift away from building has allowed the Company to focus on high quality service delivery of its principal activities of recruitment and training.

Income from the Recruitment activities decreased by 37% to $27.2m for the full year ended 30 June 2020 (as compared to the full year end 30 June 2019) on the back of restructure and the later impacts of COVID-19. Pleasingly however, the division's Gross Margin % increased in FY20 from 10.9% to 12.5%. This was largely due to a consistent focus on maintaining the highest delivery standards to key customers with greater opportunities and high profit margins. The Company also implemented additional technology to assist with streamlining the recruitment and mobilisation of its workforce. Orders from key clients across the Recruitment Division remain strong and the Company has identified numerous opportunities on the back of tail winds in the mining and infrastructure sectors which will carry into FY21.

GO2's Training Division continued to deliver its advanced Leadership and Management training to key recruitment clients during the first half, whilst expanding its offering to include business to consumer online training courses. This additional offering, particularly in the mining supervisor space, produced additional revenue for H2 FY20 and is expected to grow into the FY21. The Training Division has new online courses under development which will be launched in H1 FY21. GO2 Skills and Training contributed $0.6m in FY20 which was in line with the prior year, although a reduction in the ability to deliver face to face training due to COVID-19 in H2 FY20 was partially offset by the increased online offering.

In the final quarter of the year, the Company's businesses adapted swiftly to the challenges presented by the COVID-19 crisis to maintain full operational delivery capacity. With the benefit of Government assistance, management remained focused on the consolidation strategy of its core recruitment and training operations and whilst revenues dipped slightly

during Q4, a leaner business model meant this had no impact on EBITDA positivity. The revenue dip was largely due to a bottleneck scenario for Companies in the WA mining sector attempting to mobilise personnel to mine sites. Border closures and less flights to regional areas of WA were the main hurdle however a return to more 'business as usual' mobilisation schedules will increase the Company's ability to get more workers on site.

As noted above, whilst the Group continued to provide Building Services, it is purely the completion of projects won in the prior period, and as a result revenue from building decreased 45% on the prior year.

The revenue from operations for the year was as follows:

REVENUE	2020 ($)	2019 ($)
From labour hire services	27,217,209	43,449,443
From building services	1,258,285	2,385,284
From training services	607,927	614,806
	29,083,421	**46,449,533**

A focus on key clients and relationships has seen the Group's gross margin as percentage of Revenue increase to12.5% (from 11%), with total gross dollar margins decreased from the prior year corresponding with the decrease
in revenue.

Overheads and operating costs have decreased on the prior year, both in total terms and as a percentage of revenue, through reduced operational head count lower costs.

Operational costs include significant one-off costs incurred in H1 FY20, including:

- $380k of non-recurring payroll related costs. Reductions in staff occurred across all divisions of the Company in order to structure the business to achieve its revised targets. Whilst the one-off costs relating to redundancies impacted H1 FY20, importantly, payroll costs decreased by 43% versus FY19.
- a net $192k in a bad debt relating to its involvement in the Meadowbrooke Lifestyle Village. The gross bad debt of $500k was incurred by the Building Division, however the Company was able to progress a claim against its previous advisors to recover $308k of this loss (after legal fees). For the purposes of the financial statements, the full impairment of the debt is included in the Corporate and Administration Costs and recovery is included as Other Income.
- $80k in relation to mandate and advisory costs following last year's abandoned acquisition.

The only one-off costs were incurred in H2 FY20 related to the sale, impairment and amortisation of assets in the building division totalling $170,895.

The impact on the results and EBITDA is as follows

	FULL YEAR 30 JUNE 2020 ($)	6 MONTHS TO 30 JUNE 2020 ($)	6 MONTHS 31 DEC 2019 ($)
LOSS AFTER TAX FOR THE YEAR	**(1,850,689)**	**(346,803)**	**(1,503,886)**
Add Back Depreciation and Finance Costs	1,091,362	620,541	470,821
Non-Cash Option and Rights expense	80,719	64,285	16,434
EBITDA	**(678,608)**	**338,023**	**(1,016,631)**
Add Back One-Off Costs			
Redundancy and Payroll Costs	379,971	-	379,971
Impairment of Building Debts	500,000	-	500,000
Less Settlement of Legal Claim	(307,208)	(307,208)	-
Transaction mandate	106,758	32,871	73,887
Loss from associates – noncore business	36,307	36,307	-
NORMALISED EBITDA	**37,220**	**99,993**	**(62,773)**

Associates

In line with its strategic plan the Group also invested in two Indigenous-owned businesses based in Western Australia during FY19. Indigi Personnel Services Pty Ltd is a recruitment business that focuses on the provision of Indigenous workforce personnel to the mining and construction sectors, whilst Giraffe Australia Pty Ltd (trading as Core FM) focuses on facilities management and maintenance services across Western Australia. Neither business contributed materially to the results of 2020, however the initial integration has now been completed and the Group expects both businesses to contribute positively to the Group's results in FY21.

Tax Losses

Deferred tax assets relating to unused tax losses of $2,472,372 (@ 27.5%) have not been recognised as at 30 June 2020. The losses have not been brought to account as it is not probable that they will be recovered in the next 12 months. However, it is expected over the longer term these losses have value and will be utilised by the Group.

Cashflows

Total cash at bank increased by $335k for the year. $3m of positive operational cashflows were recorded as the debtor book was reduced (collected) over the year, these inflows more than offset the outflows in recruitment costs which have reduced year on year. Operational cashflows were utilised to pay down the working capital facility with Scottish Pacific (BFS) Pty Ltd ("Scottish Pacific"). The facility with Scottish Pacific is used to provide ongoing working capital support to the Group, with significant payroll and on-costs being paid weekly, whilst debtor collections average 35 days. It is expected that as the debtor book grows in FY21 there will be an increase in the utilisaton of this working capital facility. Under the terms of the facility the debts are assigned (not sold) to Scottish Pacific, and as such the facility is deemed a Financing activity for the purposes of the cashflow statement.

Significant Changes in State of Affairs

Other than as discussed with respect to the Building division, there were no significant changes in the state of affairs of the Group during or since the end of the reporting period.

Dividends

No dividends were paid or declared during the year.

Matters Arising since the end of the reporting period

Other than reported elsewhere in this report, there has been no other significant events after reporting period.

Environmental Legislation

The Group's operations are not subject to significant environmental regulation under the laws of the Commonwealth and State. Despite this the Group has established procedures to assess and monitor compliance with any applicable environmental legislation.

Likely developments and expected results

Noting the uncertain impact of the continuing COVID-19 pandemic, the Group expects its operations to continue across both its Recruitment and Training Divisions. With easing of restrictions in WA there is increasing demand for Labour Hire. The closure of the WA borders is providing opportunities for the Skills division to provide services to clients and candidates to take up roles vacated by eastern states FIFO workers. QLD is also seeing an increase in demand as restrictions are eased. The company has very limited exposure to the VIC market so continued restrictions in this state are unlikely to negatively impact the group. The continuation of Government incentives through the September 2020 quarter and potentially into the December 2020 quarter will also provide additional support should it be required.

Remuneration Report (Audited)

The Directors present the Remuneration Report (the Report) for the Group for the period ended 30 June 2020. This Report forms part of the Director's Report and outlines the remuneration arrangements of the Group's key management personnel (KMP) in accordance with the requirements of the Corporations Act 2001 (the Act) and its regulations. This information has been audited as required by section 308 (3C) of the Act.

Introduction

For the purposes of this Report, KMP of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether executive or otherwise) of the Parent Company and include Executive and Non-Executive Directors.

Unless otherwise indicated, the following individuals were KMP for the entire financial period:

Current Directors

Abilio Ferreira – remunerated through employment contract and director fees

Darren Cooper – remunerated through director agreement only

Paul Goldfinch – remunerated from appointment on the 14th October 2019 through director agreement and a consulting agreement with respect to the Group's Skills and Training division.Previous Directors

Andries "Dickie" Dique – remunerated through director agreement only up until resignation on 28 November 2019.

Management

Matthew Thomson (CFO and Joint Company Secretary) – remunerated through employment contract

Peter Torre (Joint Company Secretary) – remunerated through services contract

Ross Lovell (EGM Recruitment) – remunerated through employment contract

Previous Key Management

Chris Streat (Head of Building) - remunerated through employment contract up until resignation on 16 December 2019.

Remuneration Governance

The Group's Remuneration and Nomination Committee ensures a clear link between performance and remuneration. This is achieved by a combination of fixed remuneration, short term incentives (STI) and long-term incentives (LTI) with appropriate performance-based hurdles which reflect short and long- term performance of the executives and the Group. For the executive management, the Board approves the remuneration arrangements as recommended by the Managing Director.

In making remuneration decisions the Board, assess the appropriateness of the nature and amount of remuneration on a periodic basis by reference to the status of the Group and the growth of its revenue and EBITDA, the skill sets required, trends in comparative ASX listed companies and the need for a balance between fixed remuneration and short and long- term cash and non-cash incentives. The process includes a review of Group and individual performances, broad market remuneration data and relevant comparative remuneration externally and internally. For the current period the Board has not utilised any services of remuneration consultants but acknowledges that in the future this resource would be beneficial to provide additional support to the remuneration decisions.

Remuneration Policy

Remuneration packages for executives include fixed remuneration with bonuses or equity-based remuneration entirely at the discretion of the Board, in applying the board's discretion the board takes into account industry practice, benchmark remuneration against industry salaries and have reference to Company performance and seek shareholder approval where required.

Non-Executive Directors receive fees agreed on an annual basis by the Board. Payments of Directors' fees are in addition to any payments to Directors in any employment capacity. A Director may also be paid fees or other amounts as the Directors determine, if a Director performs special duties or otherwise performs duties outside the scope of the normal duties of a Director. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

Remuneration Policy vs Financial Performance

The Company's policy is to remunerate based on industry practice and benchmark industry salaries rather than purely on performance as this takes into account the risk assumed by the directors and executives as a result of their involvement in a listed entity.

Director Fee Arrangements

Remuneration Structure

The structural component of Non-Executive Director (NED) fees is separate and distinct from executive remuneration. It is designed to attract and retain Directors of the highest calibre who can discharge the roles and responsibilities required in terms of good governance, whilst incurring a cost that is acceptable to shareholders.

Fee Policy

The remuneration of NEDs consists of Directors' fees and is adjusted for the chair role.

The ASX Listing Rules specify that the aggregate remuneration of Non-Executive Directors shall be determined from time to time by a general meeting. The Company's Constitution provides for the initial aggregate remunerations to be set at $500,000.

The table below summarises the annual fees payable to NEDs for the 2020 financial year (inclusive of superannuation):

BOARD FEES	TOTAL ($)
Non Executive Chair	82,125
NED	60,225

NEDs may be reimbursed for expenses reasonably incurred in attending to the Group's affairs.

Employment Details of Current Members of Key Management Personnel

The following table provides employment details of persons who as at 30 June 2020 are members of KMP of the consolidated group.

DIRECTOR	POSITION HELD	CONTRACT DETAILS
Darren Cooper	Chairman	Subject to the Company's constitutional rules on retirement and re-election of Directors.
Paul Goldfinch	Executive Director	Subject to the Company's constitutional rules on retirement and re-election of Directors.
Abilio Ferreira	Managing Director	Contracted from 1 June 2017, subject to normal commercial conditions, no fixed term, three months' notice required to terminate. Total remuneration $307,969 (inclusive of superannuation) plus provision of a Company owned vehicle.
Andries Dique	Non-Executive Director	Subject to the Company's constitutional rules on retirement and re-election of Directors. Andries Dique resigned on 28 November 2019.

MANAGEMENT	POSITION HELD	CONTRACT DETAILS
Matthew Thomson	CFO and Joint Company Secretary	Contracted from 4 May 2017, no fixed term, subject to normal commercial conditions, 1-month notice required to terminate. Total remuneration $202,575 (inclusive of superannuation) plus provision of a Company owned vehicle.
Peter Torre	Joint Company Secretary	Services agreement entered into on 30 June 2017, subject to normal commercial conditions, 1-month notice required to terminate.
Ross Lovell	EGM Recruitment	Contracted from 17 July 2017, subject to normal commercial conditions, no fixed term, 1-month notice required to terminate. Total remuneration $251,850 (inclusive of superannuation) plus provision of a Company owned vehicle.
Chris Streat	Head of Building	Contracted from 1 June 2017, subject to normal commercial conditions, 1-month notice is required to terminate. Total remuneration $219,000 (inclusive of superannuation) plus provision of a Company owned vehicle. Chris Streat was made redundant on 16 December 2019.

Details of Remuneration for Period Ended 30 June 2020

The following table of benefits and payments details, in respect to the financial period, the components of remuneration for each member of the key management personnel of the consolidated Group:

		SHORT TERM BENEFITS			POST-EMPLOYMENT	SHARE BASED REMUNERATION		TOTAL
		SALARY & FEES	STI CASH BONUSES	NON-MONETARY BENEFITS	SUPERANNUATION CONTRIBUTION	OPTIONS(1)	PERFORMANCE RIGHTS	TOTAL
Darren Cooper	2020	63,000	-	-	19,125	-	-	**82,125**
	2019	68,750	-	-	13,375	11,829	-	**93,954**
Abilio Ferreira	2020	281,250	-	21,154(4)	26,719	-	-	**329,123**
	2019	300,000	-	30,186(4)	28,500	-	-	**358,686**
Paul Goldfinch(3)	2020	153,981		(8,107)(4)	5,481	-	-	**151,355**
	2019	200,000	-	8,107(4)	19,000	-	-	**227,107**
Andries Dique	2020	20,075	-	-	-	-	-	**20,075**
	2019	60,225	-	-	-	7,885	-	**68,110**
Peter McMorrow(1)	2020	-	-	-	-	-	-	**-**
	2019	55,206	-	-	-	7,885	-	**63,091**
Subtotal – Directors	**2020**	**518,306**	**-**	**13,047**	**51,324**	**-**	**-**	**582,678**
	2019	**684,181**	**-**	**38,293**	**60,875**	**27,599**	**-**	**810,948**
Matthew Thomson	2020	185,000	-	6,404(4)	17,575	-	15,000	**223,979**
	2019	185,000	-	12,343(4)	17,575	-	-	**214,918**
Peter Torre	2020	39,000	-	-	-	-	-	**39,000**
	2019	39,000	-	-	-	-	-	**39,000**
Ross Lovell	2020	230,000	-	3,538(4)	21,850	-	15,000	**270,388**
	2019	230,000	-	17,059(4)	21,850	-	-	**268,909**
Christopher Streat	2020	150,889	-	(17,222)(4)	9,135	-	-	**142,802**
	2019	200,000	-	17,222(4)	19,000	-	-	**236,222**
Subtotal – Management	**2020**	**604,889**	**-**	**(7,280)**	**48,560**	**-**	**30,000**	**676,169**
	2019	**654,000**	**-**	**46,624**	**58,425**	**-**	**-**	**759,049**
Total	**2020**	**1,123,195**	**-**	**5,767**	**99,884**	**-**	**30,000**	**1,258,846**
	2019	**1,338,181**	**-**	**84,917**	**119,300**	**27,599**	**-**	**1,569,997**

(1) Peter McMorrow resigned FY2019 and was not remunerated during FY2020.
(2) Payments were made to Andries Dique prior to his resignation on 28 November 2019.
(3) Payments were made to Paul Goldfinch, through salary and wages, director fees and through a consulting agreement. Paul Goldfinch was remunerated through an employment services contract for his role as Head of Investor Relations and Growth with an annual salary of $219,000 (including benefits). This contract was terminated during September 2019. Upon appointment as a director on 14 October 2019 Paul was paid a director's fee in line with the agreed amount for NEDs. To further enhance the Company's online training presence, a consulting agreement has been entered into with Paul. The following are the key terms of this agreement

- Term: Ends 31 December 2020
- Fees: Maximum $3,011 per week based on minimum performance milestones of 19 candidates per week.
- Termination: The Company may terminate if minimum milestones are not met for 3 consecutive weeks.

(4) Provision for short term Annual Leave benefit, no person has qualified for any Long Service Leave benefits
(5) Payments were made to Chris Streat prior to his redundancy on 16 December 2019.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

NAME	FIXED REMUNERATION		AT RISK – STI		AT RISK – LTI	
	2020	2019	2020	2019	2020	2019
NON-EXECUTIVE DIRECTORS						
Darren Cooper	100%	100%	-	-	-	-
EXECUTIVE DIRECTORS						
Abilio Ferreira	100%	100%	-	-	-	-
Paul Goldfinch	85%	-	15%	-	-	-
MANAGEMENT						
Matthew Thomson	100%	100%	-	-	-	-
Peter Torre	100%	100%	-	-	-	-
Ross Lovell	100%	100%	-	-	-	-

Long Term Incentives (LTI)

The Company has two LTI plans in operation for the period ended 30 June 2020, both of which were issued in prior periods. The LTIs are a combination of incentive options and performance rights as part of total remuneration. The grant of the incentive options and performance rights is designed to:

(a) reward management and executives them for the significant efforts they have put into the growth of the Group; and

(b) encourage the participating management and executives to have a greater involvement in the achievement of the Company's objectives and to provide an incentive to strive to that end by participating in the future growth and prosperity of the Company through share ownership.

A total of 1,750,000 options were granted to directors on 29 November 2018 pursuant to the approval at the Company's AGM on 29 November 2018. These options which vested immediately are exercisable at $0.30 each, on or before 17 December 2021 and are included as Class B options. There are no conditions to exercise. The options were valued at the time using the Black-Scholes Model with a spot rate of 2 cents, a risk-free rate of 1.9% p.a. with volatility set at 50% and a dividend yield of 0%. No options have been issued in the current period as LTI's.

2019 Annual General Meeting

At the Company's Annual General Meeting on 28 November 2019, a resolution was put to the meeting to approve the adoption of the remuneration report as contained in the Company's annual financial report for the financial year ended 30 June 2019. This resolution received more than 25% votes against the Remuneration Report, and as such, the Company has recorded its first strike in accordance with the Corporations Act 2001.

Following the 2019 AGM the Company has reviewed the remuneration of KMPs and all employees under its general strategic review of operations to reduce overheads. Certain amendments were made as a result of this and the Board is of the view that the level of remuneration for KMP's remaining is commensurate with their level of service and comparable to market rates. The Company also implemented an Incentive Performance Rights Plan under which certain employees were offered Performance Rights subject to certain vesting conditions as disclosed elsewhere in this report.

Other Transactions with Key Management Personnel

There have been no transactions involving equity instruments. Please refer to Note 20 of the Financial Statements for additional information on related party transactions.

KMP Shareholdings

Number of shares held (either directly or through beneficial ownership) by each KMP of the Group during the period is as follows:

	BALANCE 1 JULY 2019	ISSUED / GRANTED DURING THE PERIOD	PARTICIPATION IN RIGHTS ISSUE	PURCHASE OF SHARES ON MARKET	SALE OF SHARES ON MARKET	MOVEMENT OF SHARES OFF MARKET	DIRECTOR RESIGNATION	BALANCE 30 JUNE 2020
Darren Cooper	500,000	-	500,000	-	-	(1,000,000)	-	**-**
Cooper Retirement Pty Ltd <Cooper Retirement Fund>	-	-	-	-	-	1,000,000	-	**1,000,000**
Andries Dique(1)	450,000	-	-	-	-	-	(450,000)	**-**
Abilio Ferreira	27,887,976	-	-	-	-	-	-	**27,887,976**
Matthew Thomson	100,000	-	-	-	-	-	-	**100,000**
ThomKid Pty Ltd <Thomson Family Super>	170,000	-	625,000	-	(10,000)	-	-	**785,000**
Peter Torre	-	-	-	-	-	-	-	**-**
Ross Lovell	200,000	-	200,000	-	-	-	-	**400,000**
Ross & Nicola Lovell	67,277	-	67,277	-	-	-	-	**134,554**
Paul Goldfinch	27,527,730	-	-	-	-	-	-	**27,527,730**

(1) Andries Dique resigned on 28 November 2019

KMP Option Holdings

Number of options held (either directly or through beneficial ownership) by each KMP of the Group during the period is as follows:

	BALANCE 1 JULY 2019	ISSUED / GRANTED DURING THE PERIOD	OPTIONS EXERCISED DURING THE YEAR	DIRECTOR RESIGNATION	BALANCE 30 JUNE 2020
Abilio Ferreira	3,100,000	-	-	-	**3,100,000**
Matthew Thomson	350,000	312,500	-	-	**662,500**
Ross Lovell	350,000	133,639	-	-	**483,639**
Paul Goldfinch	3,100,000	-	-	-	**3,100,000**
Darren Cooper	750,000	250,000	-	-	**1,000,000**
Andries Dique (1)	500,000	-	-	(500,000)	**-**

(1) Andries Dique resigned on 28 November 2019. As at 30 June 2020 all options were fully vested.
Options issued / granted during the period, were the attaching options in respect of the monies committed to the capital raise.

Performance Rights

	BALANCE 1 JULY 2018	ISSUED / GRANTED DURING THE PERIOD	EXERCISED DURING THE YEAR	BALANCE 30 JUNE 2020
Abilio Ferreira	-	-	-	-
Matthew Thomson	-	1,000,000	-	1,000,000
Ross Lovell	-	1,000,000	-	1,000,000
Paul Goldfinch	-	-	-	-
Darren Cooper	-	-	-	-
Andries Dique (1)	-	-	-	-

(1) Andries Dique resigned on 28 November 2019

During the year, 5,000,000 Performance Rights were issued to a number of key employees, with the vesting condition being the continuation of employment up and until 1 July 2020, at which time the Rights will fully vest. The cost of the Rights was expensed evenly each month from the issue date to the date the Performance Rights fully vested. The valuation of the Rights was based on the Black Scholes Model using a spot price at issue of $0.015, a risk-free rate of 0.92% p.a., market volatility of 75% and a dividend yield of 0%. Due to the short vesting period it is assumed 100% of the Rights will be exercised.

End of Remuneration Report

Directors meetings

During the financial year, twelve meetings of Directors were held. Attendances by each director during the year based on their eligibility were as follows:

DIRECTOR	BOARD MEETINGS		REMUNERATION AND NOMINATION COMMITTEE		AUDIT AND RISK COMMITTEE	
	Held	Attended	Held	Attended	Held	Attended
Billy Ferreira	12	12	-	-	2	2
Darren Cooper	12	12	-	-	2	2
Paul Goldfinch	9	9	-	-	1	1
Dickie Dique	4	4	-	-	1	1

Options

At the date of this report, the unissued ordinary shares of The GO2 People Ltd under option are as follows:

GRANT DATE	DATE OF EXPIRY	EXERCISE PRICE	NUMBER OF OPTIONS
21 June 2017	21 June 2021	$0.225	2,500,000
21 June 2017	21 June 2021	$0.30	5,000,000
21 June 2017	21 June 2021	$0.40	7,500,000
18 December 2018	17 December 2021	$0.30	1,750,000
29 November 2019	29 January 2021	$0.04	9,025,497
12 February 2020	29 January 2021	$0.04	3,075,950
			28,851,447

Option holders do not have any rights to participate in any issues of shares or other interests in the Group or the Company or any other entity.

Performance Rights

At the date of this report, the unissued ordinary shares of The GO2 People Ltd related to performance rights as follows:

GRANT DATE	DATE OF EXPIRY	EXERCISE PRICE	NUMBER OF PERFORMANCE RIGHTS
26 November 2019	31 December 2020	-	5,000,000
			5,000,000

Performance Rights holders do not have any rights to participate in any issues of shares or other interests in the Group or the Company or any other entity.

Indemnities and Insurance Premiums Paid

Effective 1 October 2018, the Group paid and continues to pay for a policy to insure all past, present and future Directors against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct while acting in the capacity of Directors of the Group, other than conduct involving a wilful breach of a duty in relation to the Group. The provision of details in respect of the terms and conditions of the policy are prohibited from disclosure under the terms of the policy.

The Group has executed Indemnity, Insurance and Access Deeds with Messers Ferreira, Cooper and Goldfinch. These agreements indemnify the Directors of the Group for costs incurred, in their capacity as a director, for which they may be held personally liable, expect where there is a lack of good faith.

Additional information

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

	2020	2019	2018
Revenue	29,083,421	46,449,533	45,074,653
EBITDA*	(678,608)	(2,121,859)	(976,354)
EBIT	(1,508613)	(2,495,834)	(1,257,011)
Profit after income tax	(1,850,689)	(3,588,144)	(1,344,927)

* EBITDA Excludes share based payments

Proceedings on behalf of the Group

No person is bringing proceedings on behalf of the Group.

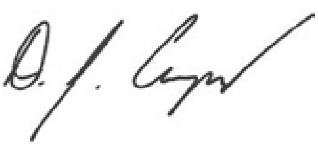
Non-audit services

There were no non-audit services provided by William Buck during the year.

Auditors Independence

The auditor's (William Buck (Vic) Pty Ltd) independence declaration for the year ended 30 June 2020 has been received and is attached to this Directors' Report.

This Directors' Report is signed in accordance with a resolution of the Board of Directors.



Darren Cooper
Company Chair – The GO2 People Ltd
28 August 2020

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William Buck

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF THE GO2 PEOPLE LTD

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020 there have been:

— no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

— no contraventions of any applicable code of professional conduct in relation to the audit.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN: 59 116 151 136

A. A. Finnis
Director

Melbourne, 28 August 2020

ACCOUNTANTS & ADVISORS
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CONSOLIDATED FINANCIALSTATEMENTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	2020 ($)	2019 ($)
Revenue	4	29,083,421	46,449,533
Cost of sales/services	5	(25,428,974)	(41,349,925)
GROSS PROFIT		**3,654,447**	**5,099,608**
Other Income	6	679,863	81,440
Selling and marketing expenses		(82,929)	(155,279)
Employee benefits expense		(3,380,714)	(5,941,914)
Corporate and administration expenses		(1,593,687)	(1,205,714)
Share of loss of associates accounted for using equity method		(36,307)	(19,597)
LOSS BEFORE FINANCE COSTS, DEPRECIATION AND INCOME TAX		**(759,327)**	**(2,141,456)**
Finance costs	5	(342,076)	(600,081)
Depreciation and amortisation expenses	5	(749,286)	(354,378)
LOSS BEFORE INCOME TAX		**(1,850,689)**	**(3,095,915)**
Income tax expense	7	-	(492,229)
LOSS FOR THE YEAR		**(1,850,689)**	**(3,588,144)**
Other comprehensive loss, net of tax		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(1,850,689)**	**(3,588,144)**
LOSS PER SHARE			
Basic / diluted loss per share	18(c)	(1.4) cents	(3) cents

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	NOTE	2020 ($)	2019 ($)
ASSETS			
Current Assets			
Cash and cash equivalents	8	1,274,113	938,804
Trade and other receivables	9	4,484,131	9,027,101
Other assets	10	391,655	632,467
Other financials assets		156,843	156,878
Assets held for sale	11	79,136	-
TOTAL CURRENT ASSETS		**6,385,878**	**10,755,250**
Non-Current Assets			
Plant and equipment	12	95,606	990,356
Right of use assets	14	473,647	-
Investments accounted for using equity method		105,589	141,896
Intangible assets	13	481,519	552,019
Loans to associates	20	48,546	-
TOTAL NON-CURRENT ASSETS		**1,204,907**	**1,684,271**
TOTAL ASSETS		**7,590,785**	**12,439,521**
LIABILITIES			
Current Liabilities			
Trade and other payables	15	3,893,981	5,130,101
Employee Benefits		259,898	226,500
Lease liabilities	16	345,801	263,193
Borrowings	17	3,138,405	5,176,918
TOTAL CURRENT LIABILITIES		**7,638,085**	**10,796,712**
Non-Current Liabilities			
Lease liabilities	16	89,096	288,427
TOTAL NON-CURRENT LIABILITIES		**89,096**	**288,427**
TOTAL LIABILITIES		**7,727,181**	**11,085,139**
NET ASSETS		**(136,396)**	**1,354,382**
EQUITY			
Issued capital	18	16,164,644	15,858,288
Reserves	19	1,689,019	1,608,300
Accumulated losses		(17,990,059)	(16,112,206)
TOTAL EQUITY / (DEFICIENCY)		**(136,396)**	**1,354,382**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020

		ISSUED CAPITAL ($)	ACCUMULATED LOSSES ($)	SHARE BASED PAYMENTS RESERVE ($)	TOTAL EQUITY (DEFICIENCY) ($)
AT 1 JULY 2019	**Note**	**15,858,288**	**(16,112,206)**	**1,608,300**	**1,354,382**
Adjustment for change in accounting standards	1	-	(27,164)		**(27,164)**
Restated Opening Balance		15,858,288	(16,139,370)	1,608,300	**1,327,218**
Loss for the year		-	(1,850,689)	-	**(1,850,689)**
TOTAL COMPREHENSIVE INCOME					
TRANSACTION WITH OWNERS IN THEIR CAPACITY AS OWNERS					
Issue of shares	18(a)	399,777	-	-	**399,777**
Vesting of share-based payments		-	-	80,719	**80,719**
Share issue costs	18(a)	(93,421)	-	-	**(93,421)**
AT 30 JUNE 2020		**16,164,644**	**(17,990,059)**	**1,689,019**	**(136,396)**

	ISSUED CAPITAL	ACCUMULATED LOSSES	SHARE BASED PAYMENTS RESERVE	TOTAL EQUITY
AT 1 JULY 2018	**15,858,288**	**(12,524,062)**	**1,580,701**	**4,914,927**
Loss for the year	-	(3,588,144)	-	**(3,588,144)**
TOTAL COMPREHENSIVE INCOME				
TRANSACTION WITH OWNERS IN THEIR CAPACITY AS OWNERS				
Vesting of share-based payments	-	-	27,599	**27,599**
Share issue costs	-	-	-	**-**
AT 30 JUNE 2019	**15,858,288**	**(16,112,206)**	**1,608,300**	**1,354,382**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

	NOTES	2020 ($)	2019 ($)
OPERATING ACTIVITIES			
Receipts from customers and other sources		34,218,821	55,400,358
Payments to suppliers, employees and GST		(30,861,880)	(54,188,873)
Finance costs paid		(342,076)	(600,081)
NET CASH GENERATED FROM OPERATING ACTIVITIES	**8**	**3,014,865**	**611,404**
INVESTING ACTIVITIES			
Purchase of plant and equipment		(15,359)	(126,445)
Investment in term deposit		-	(50,244)
Purchase of intangible assets		-	(25,045)
Payments for investments acquired		-	(161,431)
Granting of loans to an associate		(41,780)	(6,046)
Proceeds from sale of plant and equipment		156,000	172,000
NET CASH GENERATED FROM / (USED IN) INVESTING ACTIVTIES		**98,861**	**(197,211)**
FINANCING ACTIVITIES			
Repayment of borrowings		(2,765,963)	(1,648,803)
Repayment of lease liabilities		(356,996)	(438,065)
Proceeds received from the issue of share capital		398,778	-
Payment of share issue costs		(54,236)	-
NET CASH USED IN FINANCING ACTIVITIES		**(2,778,417)**	**(2,086,868)**
Net increase in cash held		**335,309**	**(1,672,675)**
Cash and cash equivalents at the beginning of the period		**938,804**	**2,611,479**
Cash and cash equivalents at the end of financial period		**1,274,113**	**938,804**
RECONCILIATION OF CASH			
Cash at the end of the period consists of			
Cash at bank and on hand		1,274,113	938,804
Cash at bank and on hand	**8**	**1,274,113**	**938,804**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying note.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The GO2 People Ltd is a for-profit listed public Company incorporated and domiciled in Australia.

(a) 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').

Principles of Consolidation

The consolidated financial statements cover GO2 People Ltd (Company) and the entities it controlled (Group) at the end of or at any time during the period ended 30 June 2020. A list of controlled entities is included in Note 20.

Control is achieved when the Group is exposed, or has the rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group re-assesses whether it controls and entity if facts and circumstances indicate that there are changes to one or more of the three elements of control. Specifically, the Group controls an entity if and only if the Group has all the following:

- Power over the entity (i.e. existing rights that give it the current ability to direct the relevant activities of the entity);
- Exposure, or rights, to variable returns from its involvement with the entity; and
- The ability to use its power over the entity to affect its returns

Going Concern

During the year, the Consolidated Group generated a loss after tax of $1,850,689 (30 June 2019: $3,588,144), is reporting a net working capital deficiency of $1,252,207 (30 June 2019: $41,462), but has incurred net cash inflows from operations of $3,014,865 (30 June 2019 $611,404). As at 30 June 2020, the Group had $1,274,113 in cash (30 June 2019: $938,804) and consolidated net asset deficiency of $136,396 (30 June 2019: net assets 1,354,382).

To achieve the Group's objectives, ensure its continuing viability and its ability to continue as a going concern and to meet its debts and commitments as they fall due, the Board of Directors of the Group is continuing to pursue the following strategies:

- The Group expects to continue to keep expenditure to a minimum, noting the significant reduction in operating costs in the financial year, with a significant part of the loss for the year due to the implementation of cost reduction measures in the NSW & WA recruitment offices and in the Building Division. The Group will continue to monitor operating costs to identify if further reductions need to be implemented. As such, the level of operating expenditure in FY21 is expected to be less than FY20.
- The Board believes it has the ability to raise additional capital, and will engage with interested parties and shareholders on capital raising efforts at the appropriate time;
- The Group continues to engage with its working capital providers who may be able to provide additional advances.
- There financial statements do not include any adjustments to the recoverability or classification of recorded asset accounts or to the classification of liabilities, which might be necessary should the Group not be able to continue as a going concern

(b) Income Tax

The income tax expense (benefit) for the period comprises current income tax expense (income) and deferred tax expense (income).

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

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

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

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

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

Tax losses related to the current financial year and historical tax losses have not been recognised following the loss made by the company this year as there is an expectation that these loses will not be utilised in the short term.

(c) Plant and Equipment

Plant and equipment

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. Repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all plant and equipment are depreciated on a diminishing value basis over the asset's useful life to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

CLASS OF PLANT AND EQUIPMENT	DEPRECIATION RATE
Plant and Equipment	20% - 50%
Motor Vehicle	25%
Office Equipment	20% - 66.66%
Computer Equipment	33.33%
Minor Equipment	33% - 50%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss when the item is derecognised.

(d) Intangible Assets

Intangibles other than goodwill

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

Patents and Intellectual Property

Patents and Intellectual Property are initially recognised at cost of acquisition, they have an indefinite useful life.

Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

(e) Leases

AASB 16 – Leases ("AASB 16")

The Group has adopted AASB 16 from 1 July 2019. This standard replaces AASB 117 "Leases" and for leases eliminates the classification 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 (including operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier period of the lease, the expense associated with the lease under AASB 16 will be higher when compared to the lease expense 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 with the statement of cash-flows, the interest portion is disclosed in operating activities and the principle portion of the lease payments are separately disclosed in the financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Right-of-use assets

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

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

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with a term of 12 months or leases of low-value assets. Lease payments on these assets are expenses to profit or loss as incurred.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payment to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments, less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred. Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used, residual guarantees, lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the following right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Impact of adoption – calculation of operating leases on inception of AASB 16

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

IMPACT OF ADOPTION CONTINUED

ASSETS	($)
Right of Use Assets	765,450
Plant and equipment	(414,359)
TOTAL ASSETS	**351,091**
LIABILITIES	
Lease liabilities – current	250,268
Lease liabilities – non-current	127,987
TOTAL LIABILITIES	**378,255**
TOTAL ADJUSTMENTS TO EQUITY	
Retained earnings	(27,164)
The lease liabilities as at 1 July 2019 can be reconciled to the operating lease commitments as of 30 June 2019 as follows:	
Operating lease commitments at 30 June 2019	398,164
Weighted average incremental borrowing rate at 1 July 2019	5.25%
Discounted operating lease commitments at 1 July 2019	378,256
Finance lease commitments at 30 June 2019	551,620
LEASE LIABILITIES AT 1 JULY 2019	**929,876**

(f) Short-Term Employee Benefits

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages and salaries are recognised as a part of current trade and other payables in the statement of financial position.

(g) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

(h) Revenue and Other Income

The Group recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

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.

Other revenue

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

(i) Finance Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(j) Trade and Other Receivables

Trade and other receivables include amounts due from customers for services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

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. Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

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.

(k) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(l) Other financial assets

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

(m) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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 ATO is included with other receivables or 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 ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(n) 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.

(o) Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

(p) Share-based payments

Share-based compensation benefits are provided to employees in accordance with the Company's long-term incentive plan. Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of the equity settled share-based payments is expensed on a straight line basis over the expected vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the options/performance rights reserve. Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

(q) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of The GO2 People 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.

(r) Assets held for sale

Non-current assets and other assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or other assets to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and other assets to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of

disposal of a non-current assets and other assets, but not in excess of any cumulative impairment loss previously recognised.

Assets classified as held for sale are presented separately on the face of the statement of financial position, in current assets.

(s) Government grants

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

(t) Associates

Associates are entities over which the consolidated entity has significant influence but not control or joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post acquisition changes in the consolidated entity's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment.

When the consolidated entity's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the consolidated entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The consolidated entity discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

(u) New or amended Accounting standards and interpretations adopted

Other than the policies related to lease liabilities as noted above there have been no changes in accounting policies during the year ended 30 June 2020.

(v) Accounting standards and interpretations issued but not yet effective

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective and have not been adopted by the Group for the annual reporting period ended 30 June 2020 are outlined in the table below.

STANDARD	MANDATORY DATE FOR ANNUAL REPORTING PERIODS BEGINNING ON OR AFTER)	REPORTING PERIOD STANDARD ADOPTED BY THE COMPANY
The revised Conceptual Framework for Financial Reporting	1 January 2020	1 July 2020
AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business	1 January 2020	1 July 2020
AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material	1 January 2020	1 July 2020
AASB 2020-1 Amendments to Australian Accounting Standards – Classification of liabilities as Current or Non-Current	1 January 2023	1 July 2023

At this time, the application of these Australian Accounting Standards and Interpretations is not expected to have a material impact on the Group's financial statements.

(w) Critical accounting estimates and judgments

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts in the consolidated financial statements. Management continually evaluates its judgments and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgments and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

Management has identified the following critical accounting policies for which significant judgments, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the consolidated financial statements.

Recoverability of receivables

The Group continues to provide against the likelihood of ultimate collectability of trade receivables and other related party receivables where appropriate. The consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts that might be necessary should the Group's judgments differ from future circumstances.

Tax losses recognised

Deferred tax assets relating to unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised. As at 30 June 2020 it has been determined that loses of $2,472,372 at a tax rate of 27.5% will not be brought to account as it is not probable that they will be recovered in the next 12 months.

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 consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. During the year ended 30 June 2020 no such indicators was relevant to the Group.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Group operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Goodwill and other indefinite life intangible assets

The Group 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.

(W) Critical accounting estimates and judgment continued

Estimated fair value of share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

For the long-term incentive plans the fair value of the rights at grant date is determined using on options pricing model and is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest.

At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss, where the change is unrelated to market conditions, such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the employee share plans reserve

NOTE 2
FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise receivables, payables, borrowings and cash and cash equivalents.

Risk Exposures and Responses

The Group manages its exposure to key financial risks in accordance with the Group's financial risk management policy. The objective of the policy is to support the delivery of the Group's financial targets whilst protecting future financial security.

(i) Interest rate risk

The Group's exposure to interest rate risk, which is the risk that the borrowings will fluctuate as a result of changes in the market interest rates. Where possible borrowings used for fixed asset purchases will be at a fixed interest rate providing certainty on future interest payments. The Group's Trade Debtor financing facility has an interest rate payable referenced to the Bank Bill Rate. The Group manages its interest exposure with respect to weekly drawdowns vs prevailing interest rates and the Groups' working capital position. The represents a significant cash-flow risk.

SENSITIVITY OF INTEREST RATE RISK

	50 BPS DECREASE ($)	50 BPS INCREASE ($)
FY2020 Effect on profit	15,963	(15,963)
FY2019 Effect on profit	343,465	(343,465)

(ii) Credit risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents and, trade and other receivables. The Group's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. Exposure at reporting date is addressed in each applicable note.

The Group manages credit risk by trading only with recognised, credit-worthy third parties, along with a credit insurance policy to cover for potential insolvency of clients. Collateral is not requested nor is it the Group's policy to secure its trade and other receivables.

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. Risk limits are set for each customer and are regularly monitored. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is spread. There are no significant concentrations of credit risk within the Group.

(iii) Liquidity risk

Liquidity risk requires the Group to maintain sufficient liquid assets to be able to pay debts as and when they fall due. The Group manages the liquidity risk by having a facility to finance its trade debtors effectively accelerating payment terms. A significant amount of costs is variable linked directly to revenue sources, if revenue falls then the operating costs also fall. The Group has strong internal systems around approval of clients, cost incurrence and cashflow management. The Group is exposed to liquidity risk via trade, other receivables and financing lease liabilities.

Remaining contractual maturities
When assessing the contractual maturity of the financial liabilities the entire liability balance has a matruity of < 12 months except for non-current lease liabilities of $89,096. In the prior year the balance not < 12 months was 288,427.

NOTE 3
SEGMENT INFORMATION

(a) Identification of reportable segments

As noted within this annual report the Group has reassessed its business operations during the year and how the business is viewed by the Directors being the Chief Operating Decision Makers of the Group. In the prior period the Group operated under the following four segments;

- Labour Hire and Recruitment Services
- Residential and Remote Building Services
- Skills and Training Services
- Corporate cost centre

During the year it was determined the Group would no longer focus on the activities performed by the building division. In addition, the Skills and Training business contributed approximately $0.6 million (2%) of Group revenue which is insignificant to the Group

The Directors and management have therefore determined that the Group operates in a single operating segment being the provision of labour hire, recruitment and training services in Australia.

(b) Segment results

Segment results represent earnings before depreciation, interest, tax and other significant items and prior to any corporate costs.

Segment revenues and expenses are those that are directly attributable to a segment and the relevant portion that can be allocated to the segment on a reasonable basis. There is no significant concentration of revenue per customer.

Segment revenues, expenses and results exclude transfers between segments. The revenue from external parties is reported to the chief operating decision maker and is measured in a manner consistent with that in the statement of profit or loss and other comprehensive income.

(c) Segment location

The Group only operates in one geographic segment being Australia

(d) Major customers

During the year ended 30 June 2020, 2 large mining services and construction companies accounted for 14.97% and 14.91% respectively of the Group's external recruitment revenue, as compared to 12.1% being derived from sales to a major Australian waste management company for the 30 June 2019 year.

NOTE 4
REVENUE

REVENUE	2020 ($)	2019 ($)
Labour hire services	27,128,636	43,113,590
Building services	1,258,285	2,385,284
Training services	607,927	614,806
Other labour hire revenue	88,573	335,853
TOTAL REVENUE	**29,083,421**	**46,449,533**
Services provided at a point in time	27,825,136	44,063,979
Services transferred over time	1,258,285	2,385,284
	29,083,421	**46,449,263**

NOTE 5
EXPENSES

PROFIT BEFORE INCOME TAX INCLUDES THE FOLLOWING SPECIFIC EXPENSES:	2020 ($)	2019 ($)
COST OF SALES		
COST OF SALES	**25,428,974**	**41,349,925**
DEPRECIATION		
Plant & Minor Equipment	177,744	56,967
Motor Vehicles	49,698	234,887
Office Equipment incl Computers	74,053	62,524
TOTAL DEPRECIATION	**301,495**	**354,378**
AMORTISATION		
Property lease	237,955	-
Motor vehicles lease	109,065	-
Amortisation of building intangible assets	100,771	-
TOTAL AMORTISATION	**447,791**	**-**
TOTAL DEPRECIATION AND AMORTISATION	**749,286**	**354,378**
IMPAIRMENT		
TRADE RECEIVABLES	**506,245**	**(2,125)**
FINANCE COSTS		
Interest and finance charges paid payable	331,816	581,377
Bank fees paid	10,260	18,704
FINANCE COSTS EXPENSED	**342,076**	**600,081**
SUPERANNUATION EXPENSE	**236,076**	**379,000**
SHARE-BASED PAYMENTS EXPENSE	**80,719**	**27,599**

NOTE 6
OTHER INCOME

REVENUE	2020 ($)	2019 ($)
Net gain on disposal of property, plant and equipment	57,196	81,440
Government incentives	272,667	-
Settlement of Legal Claim	350,000	-
TOTAL OTHER INCOME	**679,863**	**81,440**

The settlement of the legal claim relates to the Building debtor that was placed into administration and deficiencies in the services provided by the group's previous legal advisor, which left the company in an unsecured position when it expected to have security in the administration process.

NOTE 7
INCOME TAX EXPENSE

Deferred tax assets relating to unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised. As at 30 June 2020 it has been determined that tax losses of $2,472,372 tax effected at 27.5% will not be brought to account as it is not probable that they will be recovered in the short term.

NOTE 8
CASH AND CASH EQUIVALENTS

For the purposes of the Statement of Cash Flows, cash and cash equivalents comprise the following:

	2020 ($)	2019 ($)
Cash at bank and on hand	1,274,113	938,804
	1,274,113	**938,804**
RECONCILIATION OF NET PROFIT AFTER TAX TO NET CASH FLOWS FROM OPERATIONS		
Loss for the period	(1,850,689)	(3,588,144)
Share option costs	80,719	27,599
Depreciation amortisation and impairment expenses	749,285	444,938
Net impairment of receivables	156,245	-
Recovery/(Impairment) of related party loans	-	491,295
Share of equity accounted investment results	36,307	19,597
CHANGE IN OPERATING ASSETS AND LIABILITIES		
Decrease/(Increase) in trade and other receivables	4,512,698	3,461,349
Decrease/(Increase) in other assets	83,969	(99,977)
Increase in provisions	33,393	42,608
Increase / (Decrease) in trade and other payables	(787,062)	(680,090)
(Decrease) / Increase in current tax liabilities	-	492,229
NET CASH GENERATED BY / (USED IN) OPERATING ACTIVITIES	**3,014,865**	**611,404**

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES	NOTE	BALANCE AT 1 JULY 2019	FINANCING CASHFLOWS	NON-CASH CHARGES NEW FINANCE LEASES	BALANCE AS AT 30 JUNE 2020
Insurance Premium funding facility	17	129,602	(1,031,794)	1,027,866	125,674
		129,602	**(1,031,784)**	**1,027,866**	**125,674**

NOTE 9
TRADE AND OTHER RECEIVABLES

	2020 ($)	2019 ($)
Trade receivables	4,252,892	8,765,994
Work in progress and accrued revenue	324,775	330,050
Less provision for expected credit losses	(135,588)	(394,164)
	4,442,079	**8,701,880**
Other receivables	42,052	325,221
TOTAL RECEIVABLES	**4,484,131**	**9,027,101**

Trade receivables are non-interest-bearing trading terms vary from 7 days from invoice to 45 days from the end of month of invoice date. A majority of the clients are on 30 – 45 days end of month terms.

As at 30 June 2020 the ageing analysis of trade receivables is as follows:

	TOTAL ($)	0-30 DAYS ($)	31-60 DAYS ($)	61-90 DAYS ($)	+ 91 DAYS ($)
30 June 2020	4,252,892	2,407,268	1,151,487	263,878	430,258
Expected credit loss 2020	(135,588)	-	-	-	(135,588)
30 June 2019	8,765,994	4,450,793	1,974,761	569,373	1,469,903
Expected credit loss 2019	(328,164)	-	-	-	(135,588)

NOTE 10
OTHER ASSETS

	2020 ($)	2019 ($)
Prepayments	391,655	396,037
Inventory	-	230,384
Other receivables	-	6,046
	391,655	**632,467**

NOTE 11
ASSETS HELD FOR SALE

	30 JUNE 2020 ($)	30 JUNE 2019 ($)
Building division assets – held for sale	79,136	-
	79,136	**-**

The Group's descaled Building Division has a number of assets on market for sale which are expected to be realised within the next 6 months and as such are classified as a current asset held for sale.

NOTE 12
PLANT AND EQUIPMENT

Year ended 30 June 2020

	Plant & Equipment ($)	Motor Vehicles ($)	Office Equipment ($)	Computers & Software ($)	Minor Equipment ($)	Total ($)
AT 30 JUNE 2020						
Cost	169,274	188,255	341,169	118,699	21,102	838,499
Accumulated depreciation	(169,274)	(159,297)	(278,811)	(117,729)	(17,782)	(742,893)
NET CARRYING AMOUNT	**-**	**28,958**	**62,358**	**970**	**3,320**	**95,606**
MOVEMENTS IN CARRYING AMOUNT OF PLANT AND EQUIPMENT						
AT 1 JULY 2019 NET OF ACCUMULATED DEPRECIATION	**199,170**	**665,845**	**109,525**	**7,556**	**8,260**	**990,356**
Additions	-	-	15,359	-	-	15,359
Disposals	(99,549)		-	-	-	(99,549)
Depreciation	(99,621)	(49,698)	(62,526)	(6,586)	(4,940)	(223,371)
Reclassification to Right of use Asset	-	(587,189)	-	-	-	(587,189)
AT 30 JUNE 2020 NET OF ACCUMULATED DEPRECIATION	**-**	**28,958**	**62,358**	**970**	**3,320**	**95,606**

NOTE 12 PLANT AND EQUIPMENT CONTINUED

Year ended 30 June 2019

	Plant & Equipment ($)	Motor Vehicles ($)	Office Equipment ($)	Computers & Software ($)	Minor Equipment ($)	Total ($)
AT 30 JUNE 2019						
Cost	323,454	1,132,183	325,809	118,699	21,108	1,921,247
Accumulated depreciation	(124,284)	(466,338)	(216,284)	(111,143)	(12,842)	(930,891)
NET CARRYING AMOUNT	**199,170**	**665,845**	**109,525**	**7,556**	**8,260**	**990,356**
MOVEMENTS IN CARRYING AMOUNT OF PLANT AND EQUIPMENT						
AT 1 JULY 2018 NET OF ACCUMULATED DEPRECIATION	**214,418**	**507,245**	**57,131**	**22,049**	**6,247**	**637,777**
Additions	37,478	475,143	82,794	1,273	4,456	770,034
Assets acquired on acquisition	-	-	24,728	-	-	24,728
Disposals	(284)	(98,373)	(600)	-	(1,789)	(101,046)
Depreciation	(52,442)	(234,887)	(59,495)	(3,029)	(4,525)	(354,378)
AT 30 JUNE 2019 NET OF ACCUMULATED DEPRECIATION	**199,170**	**665,845**	**109,525**	**7,556**	**8,260**	**990,356**

NOTE 13
INTANGIBLE ASSETS

	2020 ($)	2019 ($)
Intellectual property	70,500	70,500
Less: Accumulated impairment	(70,500)	-
	-	**70,500**
Goodwill	481,519	481,519
Less: Accumulated impairment	-	-
	481,519	**481,519**

The goodwill is attributable to the acquisition of the GO2 Skills and Training business. Intellectual property impaired during the period relates to the Group's building division. Based on the change to the Group's strategy as discussed elsewhere in this report this amount has been impaired in full.

Impairment tests for goodwill

For impairment testing purposes, the Group identifies its cash generating units (CGUs) as the smallest identifiable group of assets that generate cash inflows largely independent of the cash inflows of other assets or groups of assets. The Group has identified two CGUs being;

- The recruitment and labour hire CGU; and
- The skills and training CGU.

Indefinite life intangible assets held by each CGU are as follows:

	2019 ($)	2018 ($)
Recruitment and labour hire CGU	-	-
Skills and Training CGU	481,519	481,519

Indefinite life intangible assets in the Skills and Training CGU relates to goodwill created on the acquisition of the GO2 Skills and Training business, which was completed during the year ended 30 June 2019.

The Group completes an annual impairment test in accordance with AASB 136 for each CGU with indefinite life intangible assets or when an impairment trigger exists. Where the carrying amount of assets contained within the CGU exceeds its recoverable amount the assets contained within the CGU are considered impaired and written down to their recoverable amount. The Group considers its relationship between its market capitalisation and book value of equity, among other factors, when reviewing for indicators of impairment.

Based on the above, an impairment test was performed for the Skills and Training CGU during the year.

NOTE 13 INTANGIBLE ASSETS CONTINUED

Impairment assessment for Skills and Training CGU.

The recoverable amount of the CGU is determined based on value in use. Value in use is calculated using a discounted cash flow model covering a five-year period with an appropriate terminal growth rate at the end of that period for each CGU. The model is based upon an estimated future five-year cash flow forecast, incorporating a base year 1 budget year, a four-year forecast period, and a terminal value calculation in the fifth year, with the following key input assumptions:

KEY ASSUMPTIONS	30 JUNE 2020
Growth rate over forecast period	5.0%
Terminal value growth rate	2.0%
Pre-tax discount rate	15.0%

As at 30 June 2020, management has assessed the carrying value of assets and performed an impairment test on the Skills and Training CGU.

No comparative information has been disclosed as this the first year in which an impairment test has been performed following the completion of the acquisition in the year ended 30 June 2019.

The key estimates and assumptions used to determine the recoverable amount of a CGU are based on management's current expectations after considering past experience and external information and are considered to be reasonably achievable.

The Directors and management have considered and assessed reasonably possible changes for key assumptions in relation to the CGU and have not identified any reasonable instances that could cause the carrying amount to exceed its recoverable amount.

NOTE 13
RIGHT-OF-USE ASSETS

Year ended 30 June 2020

	LAND AND PROPERTIES ($)	MOTOR EHICLES ($)	TOTAL ($)
AT 30 JUNE 2020			
Cost	413,225	589,047	1,002,272
Accumulated amortisation	(237,955)	(290,670)	(528,625)
NET CARRYING AMOUNT	**175,270**	**298,377**	**473,647**
MOVEMENTS IN CARRYING AMOUNT OF RIGHT OF USE ASSETS			
AT 1 JULY 2019 NET OF AMORTISATION	**351,091**	**-**	**351,091**
Reclassification to Right of use Asset	-	587,189	587,189
Additions	62,134	-	62,134
Disposals	-	(179,747)	(179,747)
amortisation	(237,955)	(109,065)	(347,020)
AT 30 JUNE 2020 NET OF ACCUMULATED AMORTISATION	**175,270**	**298,377**	**473,647**

Right of use assets – land and buildings consist of the Group's rental leases for properties in Western Australia (remaining term 12 months, option to extend not included in the valuation), New South Wales (remaining term 5 months, no option to extend included in the valuation) and Queensland (remaining term 16 months, no option to extend included in the valuation). For calculation of the value the Group has used a discount based on the weighted average incremental borrowing rate of 5.25%

Right of use asset - plant and equipment consists of vehicles previously disclosed as plant and equipment. For comparative purposes, at 30 June 2019 this balance was $565,757.

The Group leases office equipment under specific agreements. These leases are either short-term or low-value, so have been expensed as incurred and not capitalised as right-of-use assets.

NOTE 15
TRADE AND OTHER PAYABLES

	2020 ($)	2019 ($)
Trade payables and accruals	555,692	674,923
Payroll liabilities	1,430,039	1,873,382
Other payables	1,908,250	2,581,796
	3,893,981	**5,130,101**

Trade payables are non-interest bearing and are normally settled on 30-day terms. Other payables predominantly relate to obligations with the Australian Tax Office for GST, which is not considered overdue

NOTE 16
LEASE LIABILITIES

	30 JUNE 2020 ($)	30 JUNE 2019 ($)
Finance Lease liabilities (i)	-	551,620
Lease Liabilities (i)(ii)	434,898	-
TOTAL LEASE LIABILITIES	**434,898**	**551,620**
Current	345,801	263,193
Non-current	89,096	288,427
	434,897	**551,620**

Summary of borrowing arrangements:

(i) Secured by a charge on the Group's motor vehicles. Interest rates varying between 5.75% and 4.65% per annum is charged on the outstanding loan balance. Repayable over 5 years. Including in Borrowings in FY2019

(ii) Relates to the Group's rental leases for properties in in Western Australia (remaining term 12 months, option to extend not included in the valuation), New South Wales (remaining term 5 months, no option to extend included in the valuation) and Queensland (remaining term 16 months, no option to extend included in the valuation). For calculation of the lease liability the Group has used a discount based on the weighted average incremental borrowing rate of 5.25%. $16,818 in interest on lease liabilities has been recognised through the profit or loss.

NOTE 17
BORROWINGS

SECURED – AT AMORTISED COST	30 JUNE 2020 ($)	30 JUNE 2019 ($)
Insurance premium funding (i)	121,782	125,722
Bank debt factoring (ii)	3,000,249	5,016,777
Other	16,374	34,419
TOTAL BORROWINGS	**3,318,405**	**5,176,918**
Current	3,318,405	5,176,918
Non-current	-	-
	3,318,405	**5,176,918**

Summary of borrowing arrangements

(i) Relates to the Group's insurance premium funding facility, an interest rate of 3.2% per annum is charged on the initial facility balance. Repayable over 10 months.

(ii) Collateral over the Group's trade receivables. Effective interest of 6.42% per annum. Repayable on collection of the receivables funded and drawn again to fund new receivables. The facility limit amounted to $15,000,000 and unused facility as at reporting date was $11,999,751.

NOTE 18
ISSUED CAPITAL

a) Ordinary Shares in GO2 People Ltd

	NUMBER OF SHARES ($)	SHARE PRICE ($)	($)
BALANCE AT 1 JULY 2018	**117,964,583**	**0.140**	**16,543,514**
Less Share Issue Costs			(685,226)
BALANCE AT 30 JUNE 2019	**117,964,583**		**15,858,288**
TRANSACTIONS TO 30 JUNE 2020			
Rights issue Dec 19	18,050,985	0.016	288,815
Less Share Issue Costs			(65,671)
Shortfall issue Feb 20	6,500,000	0.016	104,000
Less Share Issue Costs			(25,828)
Options exercised	174,050	0.04	6,962
Less Share Issue Costs			(1,922)
BALANCE AT 30 JUNE 2020	**142,689,618**		**16,164,644**

Issued capital reflects the issued capital of GO2 People Ltd.
Each respective ordinary share entitles the holder to participate in dividends, and to share in the proceeds of winding up the respective legal entity in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

b) Options and rights issue

On 29 November 2019 the Company invited its shareholders to subscribe to a rights issue of 117,964,583 ordinary shares at an issue price of $0.016 per share on the basis of 1 share for every 1 ordinary share held, with such shares to be issued on 24 December 2019.

The offer included 1 free attaching option for every 2 shares issued exercisable at $0.04 per new option on or before 29 January 2021.

The Company received acceptances for 18,050,985 shares and 9,025,497 attached options. The Company also placed a further 6,500,000 shares (3,250,000 attaching options) as shortfall.

NOTE 18 ISSUED CAPITAL CONTINUED

Movement in Options

	OPENING BALANCE AT 1 JULY 2019	GRANTED DURING PERIOD	FORFEITED DURING PERIOD	EXERCISED DURING PERIOD	OUTSTANDING AT 30 JUNE 2020	EXERCISABLE AT 30 JUNE 2020	WEIGHTED EXERCISE PRICE
Class A	2,500,000	-	-	-	2,500,000	2,500,000	$0.225
Class B	6,750,000	-	-	-	6,750,000	6,750,000	$0.30
Class C	7,500,000	-	-	-	7,500,000	7,500,000	$0.40
Class D	-	12,275,497	-	174,050	12,101,447	12,101,447	$0.04
TOTAL	**16,750,000**	**12,275,497**	**-**	**174,050**	**28,851,447**	**28,851,447**	**$0.21**

c) Loss per share

	2020 ($)	2019 ($)
Loss used to calculate basic and diluted EPS	(1,850,689)	(3,588,144)
	No.	No.
Weighted average number of ordinary shares used in calculating basic and diluted EPS	129,622,482	117,694,583

The effect of potential ordinary shares from exercise of any of the options issued by the Company have not been included in the calculation of the diluted loss per share as their effect is anti-dilutive. These options could potentially dilute basic earnings per share in the future.

NOTE 19
RESERVES

a) Share Based Payments Reserve

This reserve records items recognised as expenses on the issue and valuation of shares, options or other rights as issued. The costs associated with the issue of options during the period was $80,719 (2019: $27,599).

b) Performance rights

On 26 November 2019 the Company issued 5,000,000 performance rights to a number of key employees which vest on 1 July 2020, subject to holding employment with the Company up to and until 1 July 2020. The performance rights expire on 31 December 2020. The valuation of the Rights was based on the Black Scholes Model using a spot price at issue of $0.015, a risk-free rate of 0.92% p.a., market volatility of 75% and a dividend yield of 0%. Due to the short vesting period it is assumed 100% of the Rights will be exercised.

c) Value of Payments through the Share Based Payments Reserve

All share-based payments are valued using the Black Scholes Method the time of payment or issue of options/rights. Variables in the model being spot price, risk free rate, volatility and dividend yield are all calculated with reference to relevant markets at the date of issue.

NOTE 20
RELATED PARTY DISCLOSURES

All transactions which occurred between companies within The GO2 People Ltd have been eliminated in the preparation of the consolidated financial statements.

TRANSACTIONS WITH DIRECTOR RELATED ENTITIES	2020 ($)	2019 (PRE-ACQUISITION) ($)
GO2 Skills & Training		
Payment for skills and leadership training	-	(19,635)
Recovery of insurance premiums, office and facility costs	-	56,051
Consultancy fees	20,850	-
	20,850	**36,416**

LOANS TO ASSOCIATED PARTIES		
GO2 People Ltd		
Loan to Giraffe Australia Pty Ltd (trading as Core FM)	48,546	-
	48,546	**-**

THE CONSOLIDATED FINANCIAL STATEMENTS INCLUDE	COUNTRY OF INCORPORATION*	OWNERSHIP INTEREST	
		2020	2019
GO2 People Ltd	Australia	100%	100%
GO 2 Building Pty Ltd	Australia	100%	100%
Terra Firma Constructions Pty Ltd	Australia	100%	100%
The GO2 Recruitment Unit Trust*	Australia	100%	100%
GO2 Recruitment Pty Ltd	Australia	100%	100%
The GO2 People Australia Pty Ltd	Australia	100%	100%
GO2 Skills & Training Pty Ltd	Australia	100%	100%

* GO2 Recruitment Unit Trust was settled in Australia, it is not an incorporated entity.

NOTE 20 RELATED PARTY DISCLOSURES CONTINUED

Key Management Personnel

The Directors and other key management personnel of the Group during or since the end of the financial period were:

Current Directors

- Abilio Ferreira – remunerated through employment contract and director fees
- Darren Cooper – remunerated through director agreement only
- Paul Goldfinch– remunerated through director agreement and consulting agreement

Previous Directors

- Andries Dique – remunerated through director agreement only up until resignation on 28 November 2019.

Key Management

- Matthew Thomson (CFO and Joint Company Secretary) – remunerated through employment contract
- Peter Torre (Joint Company Secretary) – remunerated through consulting contract
- Ross Lovell (EGM Recruitment) – remunerated through employment contract

Previous Key Management

- Chris Streat (Head of Building) - remunerated through employment contract up until resignation on 16 December 2019.
- The receivable due from Chris Streat relating to the Building project was repaid during the year

	2020 ($)	2019 ($)
Short term employee benefits	1,128,962	1,423,098
Superannuation benefits	99,884	119,300
Share based payments	-	27,599
Performance rights	30,000	-
	1,258,846	**1,569,997**

NOTE 21
AUDITOR'S REMUNERATION

	30 JUNE 2020 ($)	30 JUNE 2019 ($)
AMOUNT RECEIVED OR DUE AND RECEIVABLE BY FOR:		
An audit and review of the financial statements of the Group	51,250	50,150
Other services		
Due Diligence Report related to a business acquisition	-	20,717
	51,250	**70,867**

NOTE 22
PARENT ENTITY FINANCIAL INFORMATION

The individual financial statements for the parent entity being the GO2 People Ltd, which was incorporated on 30 November 2016, show the following aggregate amounts:

	30 JUNE 2020 ($)	30 JUNE 2019 ($)
ASSETS		
Cash and cash equivalents	1,034,623	917,750
Other assets	107,987	106,232
Investments	6,991,423	6,991,423
Loans receivable	6,011,806	6,469,431
TOTAL ASSETS	**14,145,839**	**14,484,836**
LIABILITIES		
Trade and other payables	51,288	268,177
TOTAL LIABILITIES	**51,288**	**268,177**
NET ASSETS	**14,094,551**	**14,216,659**
EQUITY		
Issued capital	16,164,644	15,840,782
Reserves	1,689,019	1,598,225
Retained earnings / (accumulated losses)	(3,759,112)	(3,222,348)
TOTAL EQUITY	**14,094,551**	**14,216,659**
LOSS OF THE PARENT ENTITY	**536,764**	**528,932**
TOTAL COMPREHENSIVE LOSS OF THE PARENT ENTITY	**536,764**	**528,932**

Related Party Transactions - Refer to Note 20 for disclosure of transactions between the parent entity andrelated parties.

NOTE 23
CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

Contingent liabilities

Term deposits included in other financial assets to the value of $156,843 (2019: $156,878) secure bank guarantees provided to support Lease agreements for the Group's operations in Western Australia, Queensland and New South Wales.

The GO2 People Ltd does not have any other contingent liabilities at 30 June 2020.

Contractual Capital Commitments

With the exception of matters disclosed in Note 16, and other than leases of office equipment that are either short-term or low-value, The GO2 People Ltd does not have any contracted capital commitments at 30 June 2020.

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DIRECTORS' DECLARATION

In accordance with a resolution of the Directors, I state that:

1. In the opinion of the Directors:

   (a) The financial statements and notes of the GO2 People Ltd for the financial period ended 30 June 2020 are in accordance with the Corporations Act 2001, including:

      (i) complying with Australian Accounting Standards and the Corporations Regulations 2001;

      (ii) giving a true and fair view of the Group's financial position as at 30 June 2020 and its performance for the period then ended;

   (b) The financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1; and

   (c) There are reasonable grounds to believe that the Group will be able to pay its debts as and when they fall due.

2. This declaration has been made after receiving the declarations required to be made to the directors by the Group Managing Director and the Group Chief Financial Officer in accordance with section 295A of the Corporations Act 2001 (Cth) for the financial year ended 30 June 2020.

Darren Cooper
Company Chair – The GO2 People Ltd

28 August 2020

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William Buck

The GO2 People Ltd

Independent auditor's report to members

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of The GO2 People Ltd (the Company) and its controlled entities (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, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, 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 (including Independence Standards)* (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 1 of the financial statements which indicates that the Group incurred a net loss before income tax of $1,850,689 and is in a net working capital deficiency of $1,252,207. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the

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Group's ability to continue as a going concern and therefore, the Group may be unable to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

RECOGNITION OF REVENUE UNDER SERVICE CONTRACTS	
Area of focus **Refer to Notes 1 and 4**	**How our audit addressed it**
The Group has service contracts with major customers in its residential and remote building services segment. These service contracts have invoicing and payment milestones included within their terms, which may or may not be directly aligned with the performance obligations under the contract. In order to accrue revenue appropriately in the correct accounting period, management have developed a model which identifies the period in which revenue is accrued, adjusted for invoicing milestones. There is potential for subjectivity in determining which period to which the revenue should be attributed. In designing the model management considers: — The time period over which the service revenue is generated, and the performance obligations are satisfied; — Indicators of levels of effort in generating that revenue, being that the accretion of costs to service that revenue or surveys of work performed; and — The potential for any post-contract servicing work to be performed at the conclusion of the contract.	Our audit procedures included assessing management's application of the requirements of AASB 15 *Revenue from Contracts with Customers* on the revenue recognition of the group: — Examining and recalibrating management's revenue recognition model; — Testing of customer invoicing under the contract; and — Tracing through to new service contracts to understand material terms and conditions, including identification of performance obligations, any particular seller warranties or indemnities given and their potential impact upon the revenue recognition model. We also assessed the adequacy of the Group's disclosures in the financial report.

William Buck

RECOVERY OF TRADE RECEIVABLES	
Area of focus **Refer to Notes 1 and 9**	**How our audit addressed it**
In prior periods the Group has incurred significant losses relating to bad debts and in the current period the Group has an expected credit loss in relation to trade receivables of approximately $0.14 million. At each reporting date, management reviews the profile of their book of receivables to consider and recognise the expected credit loss. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The entity makes use of a simplified approach in accounting for trade receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. The entity uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses.	To ensure receivables that were recorded as at financial reporting date were recoverable, our audit procedures included the following: — Examining the control environment for managing credit positions with existing and new customers; — At year-end, confirming directly and vouching to contract significant trade receivable balances with customers; — Vouching receipts from those aforesaid customers post reporting date; — Examining the ageing profile of customers as at reporting date for receivable positions beyond contractually agreed terms; and — Corroborating the above audit evidence with management's calculation of the expected credit loss. We also assessed the adequacy of the Group's disclosures in the financial 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 the 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.

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*

William Buck

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.

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:
http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

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 The GO2 People Ltd, 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.

William Buck

William Buck Audit (Vic) Pty Ltd
ABN: 59 116 151 136

Alan Finnis

A. A. Finnis
Director
Melbourne, 28 August 2020

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SHAREHOLDER INFORMATION

Additional information required by the Australian Securities Exchange Ltd Listing Rules and not disclosed elsewhere in this report. This information is current as of 27th August 2020.

Top Holders

THE GO2 PEOPLE LTD		ORDINARY FULLY PAID (TOTAL)	
TOP HOLDERS (GROUPED) AS OF 8/26/2020		COMPOSITION : ORD,E24,ES1	
RANK	**NAME**	**UNITS**	**% UNITS**
1	EVERGLADES INVESTMENT PTY LTD <EVERGLADES DISCRETIONARY A/C>	27,500,000	19.27
1	GOLDFINCH DISCRETIONARY PTY LTD <GOLDFINCH DISCRETIONARY A/C>	27,500,000	19.27
3	MR GREGORY PHILIP GOLDFINCH	6,278,579	4.40
4	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	5,814,046	4.07
5	MR SAMUEL JAMES POMANA	2,859,500	2.00
6	NAVIGATOR CONSULTING & RESEARCH PTY LTD <A HALL FAMILY SUPER FUND A/C>	2,631,107	1.84
7	MR JOHN THOMAS HARRIS	2,377,420	1.67
8	MR PETER JOHN BELLGROVE <PETER BELLGROVE FAM S/F A/C>	2,000,000	1.40
8	PAGONDAS PTY LTD <PAGONDAS A/C>	2,000,000	1.40
10	MR MICHAEL WILLIAM GAULE	1,784,805	1.25
11	MR CHRISTOPHER STREAT	1,510,000	1.06
12	CITICORP NOMINEES PTY LIMITED	1,383,226	0.97
13	ALIITAEAO ASIATA	1,250,000	0.88
13	GUNZ PTY LTD <GUNZ S/F A/C>	1,250,000	0.88
15	LUIK HOLDINGS PTY LTD <JEFFREY ODONNELL FAMILY A/C>	1,200,000	0.84
16	MR TIMOTHY JOHN KEMP-BISHOP + MRS ARRIARNE KEMP-BISHOP	1,111,110	0.78
17	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	1,105,000	0.77
18	MR WILLIAM COOKE	1,083,809	0.76
19	MR CAMERON JOHN ROSS	1,060,000	0.74
20	COOPER RETIREMENT PTY LTD <THE COOPER RETIREMENT F A/C>	1,000,000	0.70
20	EVCORP AUSTRALIA PTY LTD	1,000,000	0.70
20	DANIEL FORD + MARLENA FORD <D & M FORD INVESTMENT A/C>	1,000,000	0.70
20	GUNNIBLE RIDGE INVESTMENTS PTY LTD <BAXTER FAMILY A/C>	1,000,000	0.70
20	R & M O THOMAS PTY LTD <THOMAS RETIREMENT FUND A/C>	1,000,000	0.70
20	MR PAUL XIRADIS + MRS EVE XIRADIS <PEX SUPER FUND A/C>	1,000,000	0.70
Totals: Top 25 holders of ORDINARY FULLY PAID (Total)		**97,698,602**	**68.47%**
Total Remaining Holders Balance		**44,991,016**	**31.53%**

Distribution of Equity Security Holders

RANGE	TOTAL HOLDERS	UNITS	% UNITS
1 - 1,000	8	1,715	0.00
1,001 - 5,000	17	60,135	0.04
5,001 - 10,000	82	780,871	0.55
10,001 - 100,000	185	8,924,487	6.25
100,001 Over	144	132,922,410	93.15
Rounding			0.01
Total	**436**	**142,689,618**	**100.00**

Marketable Parcels

Number of shareholders holding less than a marketable parcel of ordinary shares is 95.

Unlisted Options

Number of shareholders holding less than a marketable parcel of ordinary shares is 95.

THE GO2 PEOPLE LIMITED				[CUSTOM SELECTION]
ISSUED CAPITAL AS OF 26/08/2020				COMPOSITION : OP2,OP1,OP5,PER,O12,EOP
REGISTER	SUB-REGISTER	CURRENT HOLDERS	NIL HOLDERS	UNITS
UNL OPTS EXP 17/12/21 @ $0.30 (OP2)				
WESTERN AUSTRALIA	Issuer	3	0	1,750,000
	WESTERN AUSTRALIA Total	3	0	1,750,000
UNL OPTS EXP 21/06/21 @ $0.40 (OP1)				
WESTERN AUSTRALIA	Issuer	5	0	7,500,000
	WESTERN AUSTRALIA Total	5	0	7,500,000
UNL OPTS EXP 21/06/21 @$0.225 (EOP)				
WESTERN AUSTRALIA	Issuer	1	5	2,500,000
	WESTERN AUSTRALIA Total	1	5	2,500,000
UNL OPTS EXP 21/06/21 @$0.30 (O12)				
WESTERN AUSTRALIA	Issuer	6	0	5,000,000
	WESTERN AUSTRALIA Total	6	0	5,000,000
UNL OPTS EXP 29/01/21 @ $0.04 (OP5)				
WESTERN AUSTRALIA	Issuer	38	2	12,101,447
	WESTERN AUSTRALIA Total	38	2	12,101,447
CLASS TOTALS		50	2	28,851,447

Voting Rights

Every ordinary shareholder present in person or by proxy at meetings of shareholders shall have one vote for every share held. Option holders have the right to attend meetings but have no voting rights until the options are exercised.

Substantial Shareholders

The following shareholders are considered substantial shareholders.

1 EVERGLADES INVESTMENT PTY LTD <EVERGLADES DISCRETIONARY A/C>	27,500,000	23.31
1 GOLDFINCH DISCRETIONARY PTY LTD <GOLDFINCH DISCRETIONARY A/C>	27,500,000	23.31

Share Buy Backs

There is no current on market share buy-back.

THE GO2 PEOPLE

Queensland - Brisbane, Gold Coast, Sunshine Coast, Toowoomba
New South Wales - Sydney • Western Australia - Perth, Bunbury
Victoria - Melbourne

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