



HALF YEAR FINANCIAL REPORT

For the half year ended
31 December 2017

The GO2 People Ltd (ASX:GO2)

ACN 616 199 896

IMPORTANT INFORMATION

This is an important document that should be read in its entirety. If you do not understand it you should consult your professional advisers without delay.

The interim financial report is to be read in conjunction with the financial report for the year ended June 30 2017 and public announcements made for the period to 31 December 2017.



The GO2 People are a leading provider of vertically integrated recruitment and building services to industry throughout Australia.

Recruitment

The GO2 Recruitment Division provides a full suite of tailored workforce solutions to a range of industries including:

- ✓ Major Infrastructure
- ✓ Construction
- ✓ Mining/Resources Operations
- ✓ Energy
- ✓ Telecommunications
- ✓ Utilities/Maintenance
- ✓ Transport/Logistics

Building

The GO2 Building Division delivers high quality buildings using its Rapid Build methodology with a focus on:

- ✓ Over 55's Lifestyle Estates
- ✓ Aged Care / Assisted Living
- ✓ Retirement Villages
- ✓ Indigenous Housing
- ✓ Onsite Mining Infrastructure

FINANCIAL HIGHLIGHTS

H1 FY18



\$18.9m = 22.7% increase

Group revenue generated of \$18.9m, an increase of 22.7% on the corresponding period last year

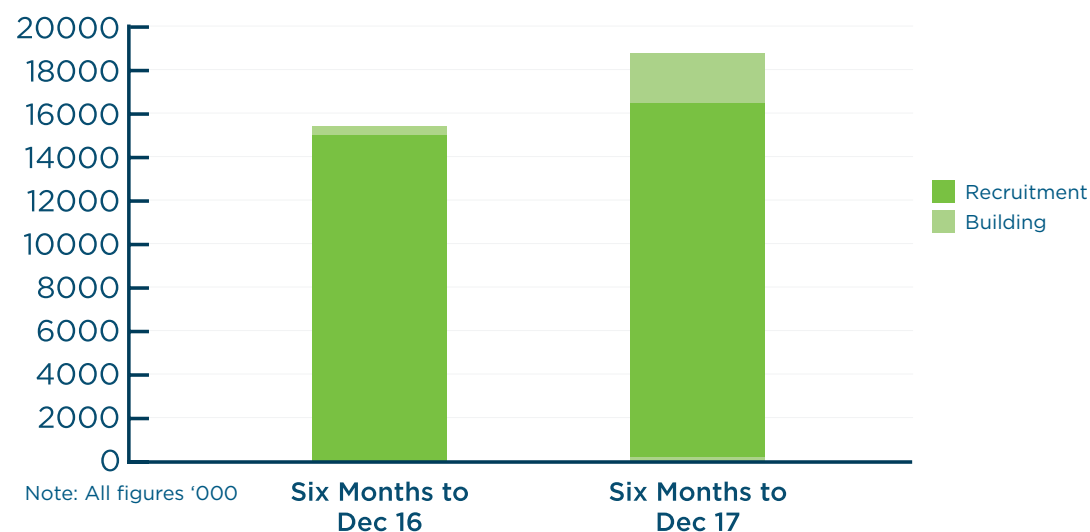
BUILDING DIVISION



\$2.6m = 978% increase

Building Division generated revenue of \$2.6 million, up 978% on H1 FY17, and sets basis for continued growth to the end of FY18

Revenue H1 FY17 vs H1 FY18



12.9%GM H1 FY18 v 10%GM H1 FY17

Gross margin increase of 2.9% in the past 12 month period

Gross Profit up 52% to \$2.4m

Net asset improvement to \$5.4m from deficiency of \$2.8m @ 30 June

FINANCIAL HIGHLIGHTS

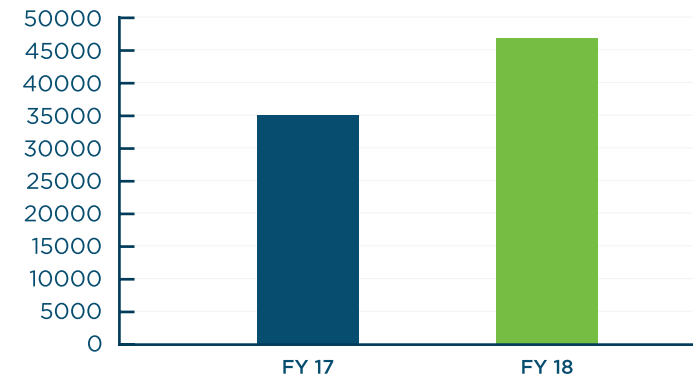
OUTLOOK



\$45m forecast revenue

30% increase to \$45m, projected revenue increase from \$35m FY17

Revenue FY17 vs FY18



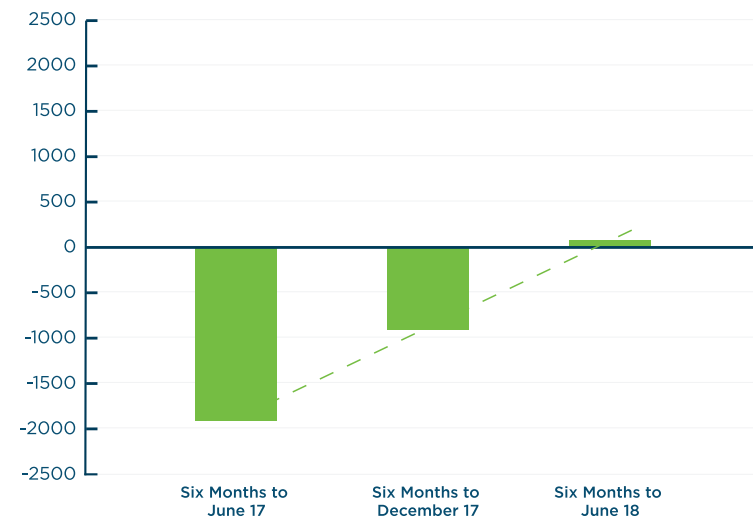
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Forecasting positive EBITDA

Group forecasting positive EBITDA for H2 FY18

EBITDA ('000's)

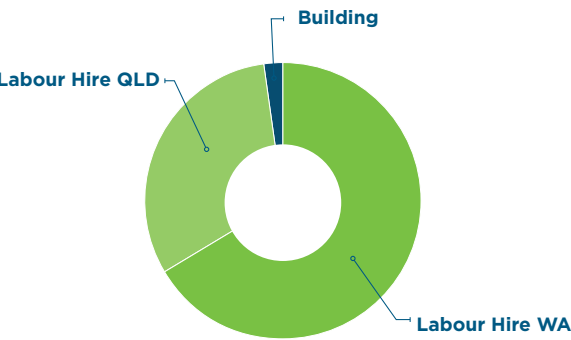


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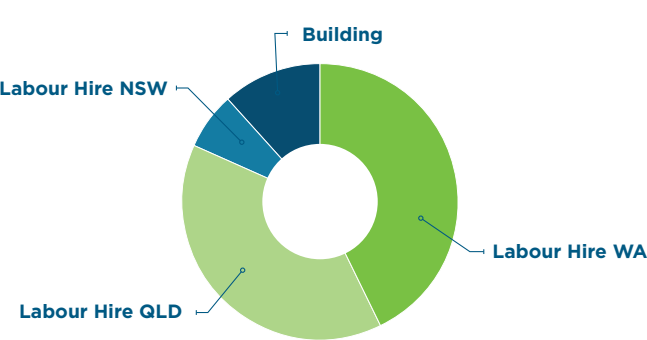
FINANCIAL HIGHLIGHTS

REVENUE CONTRIBUTION

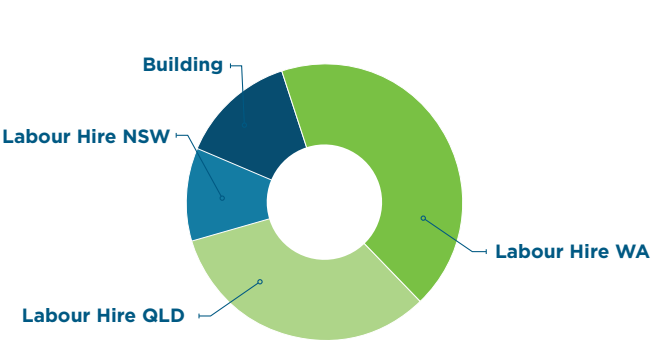
The GO2 People Revenue Contribution
H1 FY17



The GO2 People Revenue Contribution
H1 FY18



The GO2 People Revenue Contribution
Projected FY18



BUILDING HIGHLIGHTS



01

MEADOWBROOKE LIFESTYLE ESTATE

Award of **\$18m** Stage 1 of Meadowbrooke Lifestyle Estate retirement village in WA. Project commenced in February 2018

02

DIRK HARTOG ISLAND

Subsequent to period end, signed Exclusive Builder Agreement with Dirk Hartog Island Developments in WA for the construction of up to 33 rapid build homes expected to generate between \$12.5 - \$16.5m revenue.

03

SUNNY WEST LIFESTYLE ESTATE

Received Letter of Intent for Sunny West Lifestyle Estate, expected **\$16m** revenue due for commencement in FY19 after council approvals, subsequent confirmation of specifications and a formal contract award.

04

ALTURA PROJECT

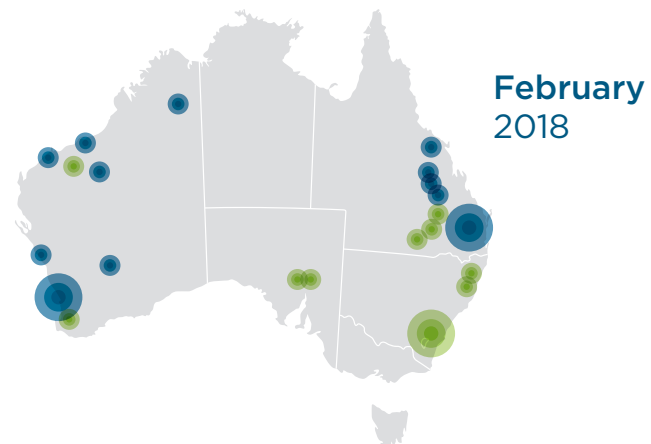
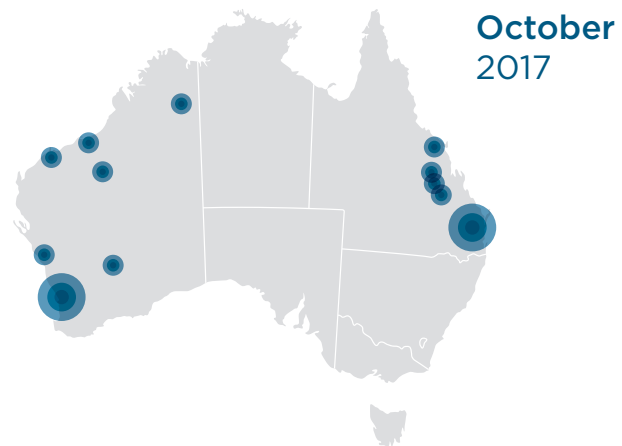
Contract extensions for Altura Project lifting the original contract price of \$950,000 to over \$2.8m.

05

SET UP OF LEGO2 PTY LTD

A joint venture with Lomwest Enterprises tasked with conducting research and development in the Indigenous Housing space. Prototype to be completed by end of FY 2018.

RECRUITMENT HIGHLIGHTS



01

OPEN NSW OFFICE

Successfully entered NSW market by opening office in Parramatta. This office is ahead of schedule, leveraging off national preferred supplier agreements, whilst identifying and converting good prospects into new clients.

02

ESTABLISHED TOOWOOMBA OPERATION

Successfully set up operations in Toowoomba to take advantage of growing region, and upcoming major projects.

03

NEXT STOP NEW ZEALAND

A comprehensive appraisal process has commenced to evaluate the commercial potential of acquiring a NZ labour hire business with a view to enter the NZ market by the end of FY 18

04

WORKFORCE PRESENCE INCREASE

Increased workforce presence to multiple new locations throughout Australia, including South Australia.

05

SOLAR FARMS

Commenced placement of workforce on major Solar Farm projects throughout Queensland

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 Limited ("the Company") and its controlled entities for the half year ended 31 December 2017.

On 30 November 2016, The GO2 People Limited was incorporated. On the same date, The GO2 People Limited was deemed to have acquired the GO2 Recruitment Unit Trust and Terra Firma Constructions Pty Ltd, through a common control transaction, which had the same principal activities as The GO2 People Limited. The common control transaction was entered into in relation to the proposed listing of The GO2 People Limited onto the Australian Securities Exchange ('ASX') which occurred on 31 October 2017.

Director and Company Secretary Details

The following persons were directors of The GO2 People Limited during or since the end of the reporting period, up to the date of this report:

Abilio "Billy" Ferreira	Managing Director	
Darren Cooper	Independent Non-Executive Chairman	appointed 28 July 2017
Doug Grewar	Non-Executive Director	appointed 28 July 2017
Paul Goldfinch		resigned 10 July 2017
Kathleen Ferreira		resigned 10 July 2017

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

Matthew Thomson
Peter Torre

Principal Activities

The principal activities of the Group during the reporting period, were the provision of Labour Hire and Building Services.

Labour Hire services are provided to clients in Western Australia, Queensland, NSW, and relate to the provision of temporary staffing solutions to the following sectors:

- Major infrastructure
- Building & construction
- Mining/resources operations
- Electrical
- Telecommunications
- Utilities/maintenance
- Transport/logistics

Using the founders and key management's building industry skills, builder and building supplies networks, the Group provides a number of Building Services. The Group offers a full range of building and construction services, specialising in construction (buildings, accommodation and workshops) in the mining, resources and government sectors and rapid build residential properties throughout Western Australia.

Review of Operations

The Group continued to pursue its principal activities of recruitment and building during the half year. The Recruitment Division has expanded with the opening of the NSW office to take advantage of the largest market in Australia. This office is already tracking ahead of expectations. The Recruitment Division continues to grow in WA and QLD, winning a number of new agreements in its core focus sectors. This has resulted in a 7% increase in recruitment revenue as compared to the half year ended 31 December 2016. With a strong pipeline of current and future works for the balance of the 2018 financial year it is expected the Recruitment division will meet its continued growth targets over the medium term.

Significant growth in the Building Division has increased its revenues ten-fold as compared to the half year ended 31 December 2016. This was underpinned by contract expansions of the Altura Mining works agreement. The long term order book has also increased following the successful award of the Meadowbrooke Lifestyle Estate contract which is now underway.

The Group's gross margin has increased on the same time last year, to 12.9%. An increase in revenue contribution from the Building Division is predominately responsible for this, and indicates the opportunity for further growth in gross margin as building revenues increase. Total gross profit totaled \$2.4m, up 52% from \$1.6m as at 31 December 2016.

GO2 continues to seek a more cost effective and flexible alternative to its current debtor finance facility. Discussions are being held with a number of major financial institutions and a new arrangement is expected to be in place by the end of FY18. An alternative finance facility should reduce the interest costs and narrow the gap between EBITDA and NPAT. Whilst group revenue and gross margins have increased, profits have decreased, largely in part to the one off corporate and administration costs, associated with the IPO process. Given these expenses are a one off in FY18, they will not impact the profitability of the Group in FY19 and beyond.

The Net Asset position has improved from a deficit of \$2.8m as at 30 June 2017, to \$5.3m for the half year ended 31 December 2017, and provides adequate funding for the Group to execute its strategic plan for the medium term.

The revenue from operations for the year was as follows:

	2017 \$000	2016 \$000
REVENUE		
- from labour hire services	16,402,081	15,235,387
- from building services	2,586,994	240,070
	18,989,075	15,475,457

Significant Changes in State of Affairs

The following significant changes in the state of affairs the Group during or since the end of the reporting period, and up to the date of this report are as follows:

- (i) Completion of the Purchase agreements for Terra Firma Constructions and GO2 Building Pty Ltd
- (ii) Issuance of 5,500,000 new shares to complete the above acquisitions
- (iii) Completion of the company's IPO raising \$10,026,250
- (iv) Issuance of 50,131,250 new shares on the completion of the IPO

Matters Arising since the end of the reporting period

After the period end, the group reported a material debtor VCS Civil and Mining Pty Ltd (VCS) had entered in voluntary administration and subsequent to that event Receivers were appointed, a provision for doubtful debts has been recorded in the results for this half year. The company has not traded extensively with VCS during this reporting period, with the amounts owing largely due for services provided in the prior financial year. As such the administration of VCS does not impact the expected revenues for the group's Labour Hire Division for the full financial year ending 30 June 2018.

Other than as reported and as above there has been no other significant events after the reporting period.

Dividends

No dividends were paid or declared during the half year

Options

At the date of this report, the unissued ordinary shares of The GO2 People Limited 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
			15,000,000

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. There have been no options granted since the end of the reporting period. There has also been no exercise of options during the financial period or up to the date of this report.

Proceedings on behalf of the Group

No person is bringing proceedings on behalf of the Group.

Auditors Independence

The auditor's William Buck (Vic) Pty Ltd independence declaration for the half year ended 31 December 2017 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 and is signed on behalf of the Directors.

28/02/2018

Darren Cooper
Company Chair
The GO2 People Ltd



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 half year ended 31 December 2017 there have been:

- no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

William Buck

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

A handwritten signature in black ink, appearing to read 'N. S. Benbow'.

N. S. BENBOW
Director

**CHARTERED ACCOUNTANTS
& ADVISORS**

Level 20, 181 William Street
Melbourne VIC 3000

Telephone: +61 3 9824 8555

williambuck.com

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**CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2017**

	NOTE	31 DECEMBER 2017 \$	31 DECEMBER 2016 \$
Revenue		18,989,075	15,475,457
Cost of goods sold		(16,544,805)	(13,866,381)
Gross profit		2,444,270	1,609,076
Employee Benefit expenses		(2,018,846)	(926,030)
Corporate and administration expenses		(1,609,161)	(649,686)
Impairment recovered/ (loss)		189,071	(266,156)
Profit / (loss) before finance costs, depreciation and income tax		(994,666)	(232,796)
Finance costs		(339,194)	(265,768)
Depreciation expenses		(117,741)	(76,099)
Profit / (loss) before income tax		(1,451,601)	(574,663)
Income tax benefit / (expense)		536,757	(1,739)
Net profit / (loss) for the year		(914,845)	(576,402)
Other comprehensive loss, net of tax		-	-
Total comprehensive income / (loss) for the year		(914,845)	(576,402)
Loss per share			
From operations:			
Basic / diluted loss per share	5(c)	0.01	0.34

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

CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

	NOTE	31 DECEMBER 2017 \$	30 JUNE 2017 \$
ASSETS			
Current Assets			
Cash and cash equivalents		4,869,249	464,033
Trade and other receivables	3	8,318,075	8,390,924
Prepaid insurance		1,153,830	69,261
Other assets		263,750	14,170
Inventory		93,671	-
Other financial assets		65,439	10,000
Total Current Assets		14,764,014	8,948,388
Non-Current Assets			
Plant and equipment		899,966	637,777
Intangible assets		31,818	22,727
Other financial assets		104,409	83,159
Deferred tax assets		482,384	-
Total Non-Current Assets		1,518,577	743,663
TOTAL ASSETS		16,282,591	9,692,051

CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017 - CONTINUED

	NOTE	31 DECEMBER 2017 \$	30 JUNE 2017 \$
LIABILITIES			
Current Liabilities			
Trade and other payables		5,001,859	7,611,942
Provisions		135,226	93,296
Current tax liabilities		-	95,922
Borrowings	4	5,415,670	4,336,564
Total Current Liabilities		10,552,755	12,137,724
Non-Current Liabilities			
Borrowings	4	299,319	328,970
Deferred tax liabilities		86,509	44,957
Total Non-Current Liabilities		385,828	373,927
TOTAL LIABILITIES		10,938,583	12,511,651
NET ASSETS		5,344,008	(2,819,600)
EQUITY			
Issued capital	5(a)	15,858,287	5,417,264
Reserves	6	(6,996,708)	(5,634,138)
Retained earnings / (accumulated losses)		(3,517,571)	(2,602,726)
TOTAL EQUITY		5,344,008	(2,819,600)

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

CONDENSED STATEMENT CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	ISSUED CAPITAL \$	RETAINED EARNINGS \$	SHARE BASED PAYMENTS RESERVE \$	COMMON CONTROL RESERVE \$	TOTAL EQUITY FOR HALF YEAR ENDED 31 DECEMBER 17 \$
At 1 July 2017	5,417,264	(2,602,726)	1,580,701	(7,214,839)	(2,819,600)
Loss for the half-year ended 31 December 17	-	(914,845)	-	-	(914,845)
Total comprehensive income	-	(914,845)	-	-	(914,845)
Transaction with owners in their capacity as owners					
Issue of shares	11,126,250	-	-	-	11,126,250
Share issue costs	(685,227)	-	-	-	(685,227)
Common control transactions (Note 6b)	-	-	-	(1,362,570)	(1,362,570)
At 31 December 2017	15,858,287	(3,517,571)	1,580,701	(8,577,409)	5,344,008

CONDENSED STATEMENT CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2017 - CONTINUED

	ISSUED CAPITAL \$	RETAINED EARNINGS \$	SHARE BASED PAYMENTS RESERVE \$	COMMON CONTROL RESERVE \$	TOTAL EQUITY FOR HALF YEAR ENDED 31 DECEMBER 16 \$
At 1 July 2016	102	361,091	-	-	361,193
Profit for the period	-	(576,402)	-	-	(576,402)
Total comprehensive income	-	(576,402)	-	-	(576,402)
Transaction with owners in their capacity as owners					
Allocation of profits to beneficiaries of the Trust	-	580,456	-	-	580,456
At 31 December 2016	102	365,145	-	-	365,247

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

CONDENSED STATEMENT OF CASH FLOWS FOR THE HALF YEAR ENDED 31 DECEMBER 2017

	NOTE	31 DECEMBER 2017 \$	31 DECEMBER 2016 \$
Operating activities			
Receipts from customers		18,592,060	15,990,563
Payments to suppliers, employees and GST		(19,148,975)	(17,813,046)
Finance costs paid		(339,194)	(269,740)
Net cash generated by / (used in) operating activities		(896,109)	(2,092,223)
Investing activities			
Purchase of plant and equipment		(181,801)	(20,820)
Payments for investments acquired	7(d)	(150,000)	-
Purchase of intangible assets		(9,091)	-
Net cash used in investing activities		(340,892)	(20,820)
Financing activities			
(Repayment of) / proceeds from borrowings - net		(3,122,147)	2,060,384
Proceeds received from the issue of share capital		10,026,250	-
Payment for costs incurred in issue of share capital		(1,261,886)	-
Net cash (used in) / generated by financing activities		5,642,217	2,060,384
Net increase in cash held		4,405,216	(52,659)
Cash and cash equivalents at the beginning of the period		464,033	383,951
Cash and cash equivalents at the end of financial period		4,869,249	331,292

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

NOTE 1**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Condensed Financial Statements cover The GO2 People Limited (Company) and the entities in controlled (the Group) at the end of or at any time during the period ended 31 December 2017.

The GO2 People Limited was incorporated on 30 November 2016 and on that date under a Group reorganisation obtained control of Terra Firma Constructions Pty Ltd, GO2 Building Pty Ltd, the GO2 Recruitment Unit Trust and GO2 People Australia Pty Ltd. These Condensed Financial Statements present the results of operations as if the acquisitions had occurred as at 1 July 2015.

The GO 2 People Limited is a for-profit listed public Company incorporated and domiciled in Australia.

The Condensed Financial Statements were authorised for issue on the date of signing the attached Directors' declaration.

(a) Basis of preparation

These Condensed Financial Statements for the half year reporting period ended 31 December 2017 have been prepared in accordance with the Australian Accounting Standard 134 'Interim Financial Reporting' and the Corporations Act 2001.

These half year financial statements, for the half year reporting period ended 31 December 2017, do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financial and investing activities of the entity as the annual financial statements. Accordingly, these half-year financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2017 and any public announcements made by the Company during the half-year reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Except for the cashflow information, the financial statements have been prepared on an accruals basis, has been prepared on a historical cost basis and are presented in Australian dollars.

(b) Accounting Policies

The accounting policies and methods of computation adopted in the preparation of this financial report for the half year under review are consistent with those adopted in the annual financial statements for the year ended 30 June 2017.

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(c) New Standards Not Yet Adopted 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 half year reporting period ended 31 December 2017 are outlined in the table below.

STANDARD	MANDATORY DATE FOR ANNUAL REPORTING PERIODS (BEGINNING ON OR AFTER)	REPORTING PERIOD STANDARD ADOPTED BY THE GROUP
AASB 9 Financial Instruments and related standards	1 January 2018	1 July 2018
AASB 15 Revenue from Contracts with Customers and AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15	1 January 2018	1 July 2018
AASB 16 – Leases	1 January 2019	1 July 2019

Management are currently assessing the impact of these new standards on the Group and have commenced an analysis on the impact of AASB 15 – Revenue from Contracts with Customers.

Management are considering the impact of AASB 16 - Leases and note based on the analysis performed there would be a material impact on the Group. The Group is currently in the process of performing an analysis of identifying leases signed between the Group and various third parties. However, it is expected that the operating and lease commitments identified in Note 15 of the Company's 30 June 2017 financial report will be required to be included in the Consolidated Statement of Finance Position when the standard becomes effective. Following the implementation of the standard the rental expense currently recognised in administration related expenses will be replaced by an amortisation charge in the statement of profit or loss and other comprehensive income.

NOTE 2

SEGMENT INFORMATION

(a) Identification of reportable segments

The activities of the group are predominately operated through a number of 100% owned and controlled subsidiaries, focusing on the Labour Hire Industry and Building Services, with a Corporate Cost Centre to support the operations of the business units.

The Business Units are separated into distinct operating entities, as such management has determined the operating segments based on reports reviewed by the chief operating decision maker. Reports reviewed consider the business primarily by the services provided. The following reportable segments have been identified:

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

(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.

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.

NOTE 2

SEGMENT INFORMATION - CONTINUED

	LABOUR HIRE AND RECRUITMENT SERVICES		RESIDENTIAL AND REMOTE BUILDING SERVICES		CORPORATE COSTS		Inter Segment Transactions		TOTAL	
	31 DECEMBER 2017	31 DECEMBER 2016	31 DECEMBER 2017	31 DECEMBER 2016	31 DECEMBER 2017	31 DECEMBER 2016	31 DECEMBER 2017	31 DECEMBER 2016	31 DECEMBER 2017	31 DECEMBER 2016
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revenue	16,672,264	15,270,591	2,586,994	240,070	-	-	(270,183)	(35,204)	18,989,075	15,475,457
Results										
Segment Results	205,445	76,752	508,291	(42,780)	(1,058,687)	-	-	-	(344,951)	33,972
Depreciation	(90,585)	(62,832)	(27,156)	(13,267)	-	-	-	-	(117,741)	(76,099)
Interest Expense	(322,585)	(260,808)	(16,609)	(4,960)	-	-	-	-	(339,194)	(265,768)
Other Expenses	(469,864)	(266,156)	-	-	(179,851)	-	-	-	(649,715)	(266,566)
Profit before income tax expense									(1,451,601)	(574,663)
Income Tax Expense							-	-	536,756	(1,739)
Profit for the year									(914,845)	(576,402)

	LABOUR HIRE AND RECRUITMENT SERVICES		RESIDENTIAL AND REMOTE BUILDING SERVICES		CORPORATE COSTS		Inter Segment Transactions		TOTAL	
	31 DECEMBER 2017	30 JUNE 2016	31 DECEMBER 2017	30 JUNE 2016	31 DECEMBER 2017	30 JUNE 2016	31 DECEMBER 2017	30 JUNE 2016	31 DECEMBER 2017	30 JUNE 2016
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Assets	9,899,023	8,544,754	1,811,286	998,992	4,798,270	302,738	(225,988)	(154,433)	16,282,591	9,692,051
Liabilities	10,059,830	11,733,404	1,039,853	764,205	64,888	168,475	(225,988)	(154,433)	10,938,583	12,511,651

NOTE 3

TRADE AND OTHER RECEIVABLES

	31 DECEMBER 2017 \$	30 JUNE 2017 \$
Trade receivables	8,934,642	8,625,444
Work in Progress and accrued revenue	333,047	135,693
Less provision for doubtful debts	(949,614)	(433,655)
	8,318,075	8,327,482
Other receivables	-	63,442
Total receivables	8,318,075	8,390,924

Trade receivables are non-interest bearing. Trading terms vary from 14 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.

NOTE 4**BORROWINGS**

	31 DECEMBER 2017 \$	30 JUNE 2017 \$
Unsecured	-	-
Other liabilities (i)	286,165	-
Secured – at amortised cost		
Finance lease liabilities (ii)	646,289	542,939
Bank debt factoring (iii)	4,788,535	4,122,595
	5,428,824	4,665,534
	5,714,989	4,665,534
Current	5,714,989	4,336,564
Non-current	299,319	328,970
	5,714,989	4,665,534

Summary of borrowing arrangements:

- (i) Unsecured liabilities, relates to the Group's insurance premium funding facility, an interest rate of 2.15% per annum is charged on the initial facility balance. Repayable over 10 months.
- (ii) Secured by a charge on the Group's motor vehicles. Interest of 4.95% to 10.99% per annum is charged on the outstanding loan balance(s). Repayable over 5 years.
- (iii) Collateral over the Group's trade receivables. Effective interest of 7.8% per annum. Repayable on collection of the receivables funded, and drawn again to fund new receivables. The facility limit amounted to \$10,000,000 and unused facility as at reporting date was \$5,217,465.

NOTE 5

ISSUED CAPITAL

a) Ordinary Shares in
GO2 People Limited

	NUMBER OF SHARES	\$
Balance at 1 July 2016	102	102
Cancellation of share capital and units	(102)	(102)
Initial share issue	10,000,000	10,000
Acquisition of Go 2 Recruitment Unit Trust - April 2017	15,000,000	15,000
Acquisition of Go 2 People Australia Pty Ltd - June 2017	34,000,000	5,100,000
Share Issue June 2017	3,333,333	500,000
Share issue costs	-	(207,736)
Balance at 31 December 2017	62,333,333	5,417,264
Transactions to 31 December 2017		
Balance at 1 July 2017	62,333,333	5,417,264
Acquisition of GO2 Building Pty Ltd	3,000,000	600,000
Acquisition of Terra Firma Constructions Pty Ltd	2,500,000	500,000
Initial Public Offer Share issue	50,131,250	10,026,250
Share issue costs	-	(685,227)
Balance at 30 June 2017	117,964,583	15,858,287

Issued capital reflects the issued capital of The GO2 People Limited.

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.

NOTE 5

ISSUED CAPITAL (CONTINUED)

b) Options

A total of 15,000,000 options were issued to contractors and employees for the performance of services in the year ended June 30 2017. These were fully vested as at that date but remain unexercised for the half year ended 31 December 2017.

This issue comprised 2,500,000 Options exercisable at \$0.225 each, on or before 21 June 2021 (Class A Options), 5,000,000 Options exercisable at \$0.30 each, on or before 21 June 2021 (Class B Options) and 7,500,000 Options exercisable at \$0.40 each on or before 21 June 2021 (Class C Options). There are no conditions to exercise.

The share price at date of the issue of the Options was \$0.15 with reference to the capital raise completed at 30 June 2017.

Movement in Options

	OPENING BALANCE AT 1 JULY 2017	GRANTED DURING PERIOD	FORFEITED DURING PERIOD	EXERCISED DURING PERIOD	OUTSTANDING AT 31 DEC 2017	EXERCISABLE AT 31 DEC 2017	Weighted Exercise Price
Class A	2,500,000	-	-	-	2,500,000	2,500,000	\$0.225
Class B	5,000,000	-	-	-	5,000,000	5,000,000	\$0.30
Class C	7,500,000	-	-	-	7,500,000	7,500,000	\$0.40
Total	15,000,000	-	-	-	15,000,000	15,000,000	\$0.34

c) Loss per share

	31 DECEMBER 2017 \$	31 DECEMBER 2016 \$
Loss (excluding share based payments) used to calculate basic and diluted EPS	(914,845)	(576,402)
Weighted average number of ordinary shares outstanding during the year used in calculating basic and diluted EPS	81,181,078	1,693,989

NOTE 6

RESERVES

a) **Share Based
Payments Reserve**

This reserve records items recognised as expenses on the issue and valuation of the Options Issued. There was no movement for the period.

b) **Common Control
Reserve**

The Group has accounted for the acquisitions of the GO2 Recruitment Unit Trust, Terra Firma Pty Ltd and GO2 Building Pty Ltd as common control transactions. Common control transactions are accounted for prospectively from the date the Group obtains control and all assets and liabilities are recognised on consolidation at their respective carrying value. Any excess of the purchase consideration over the carrying value of assets and liabilities has been recognized in a "common control reserve". The reserve was recognised for the first time during the 2017 year. Movements for the reporting period ended 31 December 2017 are as follows:

	NOTE	\$
Balance at 30 June 2017		7,214,839
Transactions to 31 December 2017		
Forgiveness of beneficiary loan accounts	7(c)	97,713
Forgiveness of loan accounts	7(d)	14,857
Acquisition of Terra Firma Constructions Pty Ltd	7(d)	650,000
Acquisition of GO2 Building	7(e)	600,000
Balance at 31 December 2017		8,577,409

NOTE 7

COMMON CONTROL TRANSACTIONS

a) Background	<p>On 30 November 2016 The GO2 People Limited was incorporated and for accounting purposes is deemed to have obtained control over Terra Firma Construction Pty Ltd, GO2 Building Pty Ltd and GO2 Recruitment Trust from that date as part of a Group reorganisation. The GO2 People Limited was established to facilitate a capital raising and subsequent initial public offering and as a result the following transactions also occurred to restructure the Group. As there was no change in control, any difference between the consideration transferred and the carrying amounts of acquired assets and liabilities was recognised in a common control reserve.</p>
b) Acquisition of The GO2 Recruitment Unit Trust by the GO2 People Ltd	<p>On 28 April 2017, The GO2 People Limited acquired all the units on issue in the GO2 Recruitment Unit Trust.</p> <p>Consideration</p> <p>In consideration for 100% of the units issue in the GO 2 Recruitment Unit Trust, The GO2 People Limited has paid the following in consideration to the then unit holders:</p> <ul style="list-style-type: none"> - 15,000,000 Shares in The GO2 People Limited; and - loan balances owing to beneficiaries amounting to \$1,994,298 as at 31 October 2017 were forgiven. <p>As a consequence of this transaction an amount of \$2,009,298 was recognised in the common control reserve.</p>
c) Acquisition of The GO2 People Australia Pty Ltd by the GO2 People Ltd	<p>On 16 June 2017, The GO2 People Limited completed the acquisition of all the shares on issue in The GO 2 People Australia Pty Ltd.</p> <p>Consideration</p> <p>In consideration for 100% of the fully paid ordinary shares in The GO 2 People Australia Pty Ltd, The GO2 People Limited has paid the following in consideration to the then Share Holders:</p> <ul style="list-style-type: none"> - 34,000,000 Shares in The GO2 People Limited; and <p>As a consequence of this transaction an amount of \$5,093,200 was recognised in the common control reserve.</p>

NOTE 7

COMMON CONTROL TRANSACTIONS - CONTINUED

d) Acquisition of Terra Firma Construction Pty Ltd by the GO2 People Ltd

On 16 June 2017, The GO2 People Limited entered into a binding terms sheet with Terra Firma Construction Pty Ltd and its sole shareholder, Mr Christopher Streat, pursuant to which the Company agreed to buy, and Mr Streat agreed to sell 100% of the fully paid ordinary shares in Terra Firma (Terra Firma Agreement). The transaction settled on 31 October 2017. The material terms of the Terra Firma Agreement are as follows:

Consideration

In consideration for 100% of the fully paid ordinary shares in Terra Firma, The GO2 People Limited provided the following consideration to Mr Streat:

- 2,500,000 Shares in The GO2 People Limited; and
- a cash payment of \$150,000 (plus GST, if applicable).
- loans, trade debtor and creditor balances owing to related entities of Mr. Streat amount to \$225,613 as at 30 June 2017 were forgiven.

As a consequence of this transaction an amount of \$862,239 was recognised in the common control reserve

e) Acquisition of GO2 Building Pty Ltd by the GO2 People Ltd

On 16 June 2017, The GO2 People Limited entered into a binding terms sheet with GO2 Building Pty Ltd and its Shareholders pursuant to which the Company agreed to buy, and the Shareholders agreed to sell 100% of the fully paid ordinary shares in GO2 Building (GO2 Building Agreement). The transaction settled on 31 October 2017. The material terms of the GO2 Building Agreement are as follows:

Consideration

In consideration for 100% of the fully paid ordinary shares in GO2 Building, The GO2 People Limited has provided the following consideration:

- 3,000,000 Shares in The GO2 People Ltd

As a consequence of this transaction an amount of \$599,400 was recognised in the common control reserve.

NOTE 8**RELATED PARTY DISCLOSURES**

All transactions which occurred between companies within The GO2 People Limited have been eliminated in the preparation of the consolidated financial statements. Details of transactions of related party transactions are disclosed below:

Loans to Director related entities, GO2 Skills & Training Pty Ltd & GO2 Building Solution Pty Ltd were impaired in full during the prior period. Abilio Ferreira and Paul Goldfinch are Directors of both GO2 Skills & Training Pty Ltd & GO2 Building Solutions Pty Ltd.

During the period GO2 Skills and Training Pty Ltd was able to repay part of the impaired loan to the value of \$195,000, this amount is recognised as a recovery of impairment in the Condensed Statement of Profit or Loss and Other Comprehensive income.

GO2 Skills and Training also charged the Group an amount of \$33,250 for Traineeships and Training materials provided, whilst paying the Group service fees of \$34,600 covering shared rental space, printing, stationary and other office related costs.

The consolidated financial statements include:

	COUNTRY OF INCORPORATION*	OWNERSHIP INTEREST
The GO2 People Limited	Australia	100%
GO 2 Building Pty Ltd	Australia	100%
Terra Firma Constructions Pty Ltd	Australia	100%
The GO2 Recruitment Unit Trust*	Australia	100%
GO2 Recruitment Pty Ltd	Australia	100%
The GO2 People Australia Pty Ltd	Australia	100%

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

DIRECTORS' DECLARATION

The Directors of the company declare that:

- (a) The financial statements and notes of the GO2 People Limited for the half year ended 31 December 2017 are in accordance with the Corporations Act 2001, and:
 - (i) give a true and fair view of the Company's financial position as at 31 December 2017 and its performance for the period then ended;
 - (ii) comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.
- (b) In the Director's opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.
- (c) This declaration has been made after receiving the declarations required to be made to the directors by the Group Managing Director and Group Chief Financial Officer in accordance with section 295A of the Corporations Act 2001.

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



28.02.2018

Darren Cooper
Company Chair
The GO2 People Ltd



The GO2 People Ltd

Independent auditor's review report to members

Report on the Review of the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of The GO2 People Ltd and the entities it controlled at the half-year's end or from time to time during the half year (the consolidated entity), which comprises the consolidated condensed statement of financial position as at 31 December 2017, the consolidated condensed statement of profit or loss and other comprehensive income, consolidated condensed statement of changes in equity and consolidated condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of The GO2 People Ltd is not in accordance with the Corporations Act 2001 including:

- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the half year ended on that date; and
- b) complying with Australian Accounting Standard 134 Interim Financial Reporting and the Corporations Regulations 2001.

Responsibilities of the Directors for the Half-Year Financial Report

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

Auditor's Responsibilities for the Review of the Half-Year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including:

- giving a true and fair view of the consolidated entity's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and
- complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

**CHARTERED ACCOUNTANTS
& ADVISORS**

Level 20, 181 William Street
Melbourne VIC 3000

Telephone: +61 3 9824 8555

williambuck.com



As the auditor of The GO2 People Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

A handwritten signature in black ink that reads "William Buck".

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

A handwritten signature in black ink, appearing to be "N. S. Benbow".

N. S. BENBOW
Director

Dated this 28th day of February, 2018

THE GO2 PEOPLE



For more information please contact:

Paul Goldfinch - Growth & Investor Relations

Mobile 0479 193 903

Email paulg@thego2people.com.au

Web www.thego2people.com.au