



# 2018 ANNUAL REPORT

**The GO2 People Ltd**

ACN 616 199 896

---

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30 JUNE 2018

# CONTENTS

01. Company Chair's Address	3
02. Managing Director's Address	5
03. Corporate Overview	8
04. Operational Achievements & Financial Highlights	12
05. Directors Report	15
06. Independent Auditors Declaration	31
07. Consolidated Financial Statements	33
08. Notes to the Consolidated Financial Statements	38
09. Directors Declaration	69
10. Audit Report	71
11. Shareholder Information	77

01



# COMPANY CHAIR'S ADDRESS

It is with pleasure and a sense of achievement that we present the first Annual Report for The GO2 People as a listed entity. Following listing, our focus has been the prudent growth of the business to achieve our aim of tripling our revenue in 3 years. In order to do this, we have built out the management structure of the business to enable a focus on business development. Whilst this has had a short-term impact to overheads, we are pleased that we are now achieving positive EBITDA month-on-month, and we have a clear pathway to profitability.

Importantly, shareholders would have noticed that your Directors have taken the opportunity to purchase shares "on market" throughout the year, and even more recently. This should reinforce that your Directors believe in the strategy of the business and have confidence in its prospects over the medium term.

I would also like to take this opportunity to thank our Managing Director Billy Ferreira and his management team for the efforts over the past year. The IPO process was a distraction for many of the senior staff which impacted their focus for some time leading up to the listing – however I am pleased to say that, since listing, the team has remained focused and driven under Billy's leadership and guidance, with a clear business strategy and plans for execution.

Culture is a key foundation of any successful business, and The GO2 People is built on a strong set of values and a clear and deliberate corporate culture. That culture has remained intact through the listing process, and continues to drive us and define and shape our behaviours and our approach to the business.

Those values and that culture now extends to our relationship with our shareholders, and in closing I'd like to extend a vote of thanks to our loyal shareholders who supported us in the IPO process and, like us, believe in the medium – long term vision for the business. Our pathway to profitability and dividend flow over the next few years is clear, and we intend to prosecute our strategies with all of the passion and energy that defines The GO2 People.



**Darren Cooper**  
Company Chair – The GO2 People Ltd

02





# MANAGING DIRECTOR'S ADDRESS

To Our Shareholders,

The GO2 People Ltd has completed its first 8 months as a listed entity. Our focus has been on delivery after the distractions of listing for the 12 months preceding the IPO. Delivery is what we pride ourselves on and it is what this business has been built on. As Co-Founders and ASX novices, Paul Goldfinch and I have learnt a lot about the world of listed life but one thing we brought to the table is an unwavering dedication to prove ourselves and 'walk the walk'.

## Pre-IPO vs Post-IPO

On our IPO Roadshow, we presented the pathway to achieving our goal of tripling the business in 3 years from listing. Raising capital to ease working capital restraints was aimed at unlocking our ability to scale the business.

On listing, GO2 operated in only 2 States, Western Australia and Queensland. Since listing, we have commenced operations in New South Wales, Australia's largest market in the construction and temporary staffing industries. Our Sydney office in Parramatta has been a strong contributor to the Groups' growth despite only operating for the second half of FY18. Through existing national supply contracts, GO2 is well positioned to take advantage of the State and Federal investment in infrastructure throughout New South Wales.

In addition to New South Wales, GO2 established a strategic presence in regional Queensland via a satellite operation in Toowoomba. Toowoomba is a gateway to the Surat Basin and there are a number of infrastructure projects underway and earmarked for the region over the coming years. The area is currently subject to massive growth in the renewable energy sector, a sector we have established a strong presence in with labour supply contracts in place with Tier 1 contractors. As we head into FY19, we will begin operations in Victoria to announce ourselves as a genuine national company.

When we hit the boards of the ASX, our Building Division was nothing more than a fledgling contributor to the Group, having generated \$700k revenue in FY17 and with a limited pipeline of work. Listing has allowed GO2 to execute contracts which has seen this division grown tenfold since listing, generating \$7.2m in revenue and contributing to an improved overall Group margin in FY18. This was largely due to the successfully completed Non-Process Infrastructure works for Altura Mining at its Pilgangoora Lithium Mine. Non-Process Infrastructure works a focus for the Building Division, particularly as the WA mining sector is taking off again. The foundation of secured project work, which includes Meadowbrooke Lifestyle Estate and Dirk Hartog Island, has created certainty as we continue to grow the division.

GO2 was a \$34m turnover business in FY17 and grew over 30% to \$45m in FY18. Importantly, we have seen an improved gross margin from 10% to 12%. We haven't been shy about our overhead structure. The overhead expenditure is in line with our plan to prepare the business for the coming growth. Now that our executive team and senior management structure is in place, we expect to see overheads stabilise as we progress through the next stage of our growth and focus on improved profitability.

## Board

One of the benefits of listing and scaling our business has been the ability to formalise our Board structure. The Executive team is supported by a Corporate Board that is well balanced and reinforces our organisational culture. The composition of the Board is a testament to our business and its associated growth profile. Led by Company Chair, Darren Cooper, our Board has an abundance of strategic and operational experience in large public companies, which was evident at our recent off-site strategic planning session. Coupled with their commitment to best practice corporate governance, GO2 has been well directed by the Board since listing.

We are often asked about the IPO process and the potential distraction of being listed. The IPO process was all consuming and a distraction in 2017. Since listing, we have remained committed to embracing the requirements of being listed while focusing our efforts on execution and delivery. Our Board continues to seamlessly lead our corporate governance obligations. All Board members have purchased shares on market since listing which shows their confidence in the path ahead.

### **Growth Opportunities**

The East Coast of Australia is experiencing a well-documented Infrastructure Boom. GO2 is well positioned to service these projects as well as the labour force vacuum that they create across blue collar sectors, particularly in New South Wales and Victoria. The buoyant Mining industry in Western Australia is expected to drive economic growth in the state and create a skills and labour shortage that, in turn, will drive GO2's growth in the West. In Queensland, GO2's growth will center around Mining and Renewables, particularly Solar. GO2's Building Division will continue to focus on remote and regional construction in WA through Government contracts, remote and Indigenous Housing and Mining-Related Non-Process Infrastructure.

### **Expectations**

Our strategic plan sets out the pathway to achieving our short and long-term goals. At a point during this financial year, we expect to represent a business that is twice the size that it was pre-listing. We anticipate a continuation of the trend towards positive EBITDA in FY19 and NPAT in FY20. We expect our overheads to remain relatively stable as we continue to grow over the coming years. Our Quarter 4 FY18 performance points to continued growth in FY19, and momentum gained during this period is expected to contribute to the Company achieving its targets.

### **Culture**

As with all businesses, ours isn't without risk. We have dedicated a large amount of time at Board level to identifying our key risks and actioning mitigation plans. Our biggest operational risk is our ability to maintain our organisational culture as we grow. Our culture is our single greatest asset and a large reason for our success to date. From inception, we have been convinced that 'The GO2 Way' could be scaled and we remain focused on personifying our values.

We thank our clients, candidates and shareholders for their continued support. Above all, we thank the doubters. You motivate us and drive us to our goals.

We will remain committed to achieve the best possible return for our shareholders, staying true to our values.

Finally, I thank our people. I'm proud to lead our team. It is my life's work.



**Billy Ferreira**

**Managing Director - The GO2 People Ltd**

03





# CORPORATE DIRECTORY

## Directors

**Darren Cooper**

Independent Non-Executive Chairman

**Abilio “Billy” Ferreira**

Managing Director

**Peter McMorrow**

Independent Non-Executive Director

**Andries “Dickie” Dique**

Independent Non-Executive Director

## Company Secretaries

Peter Torre, Matthew Thomson

## Registered Office

10 Belmont Avenue,  
Belmont WA 6104

**Phone** 08 6151 9200

## Auditor

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

## Australian Securities Exchange

**ASX Code Ordinary Shares:** GO2

## Webiste

[www.thego2people.com.au](http://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 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

## Building

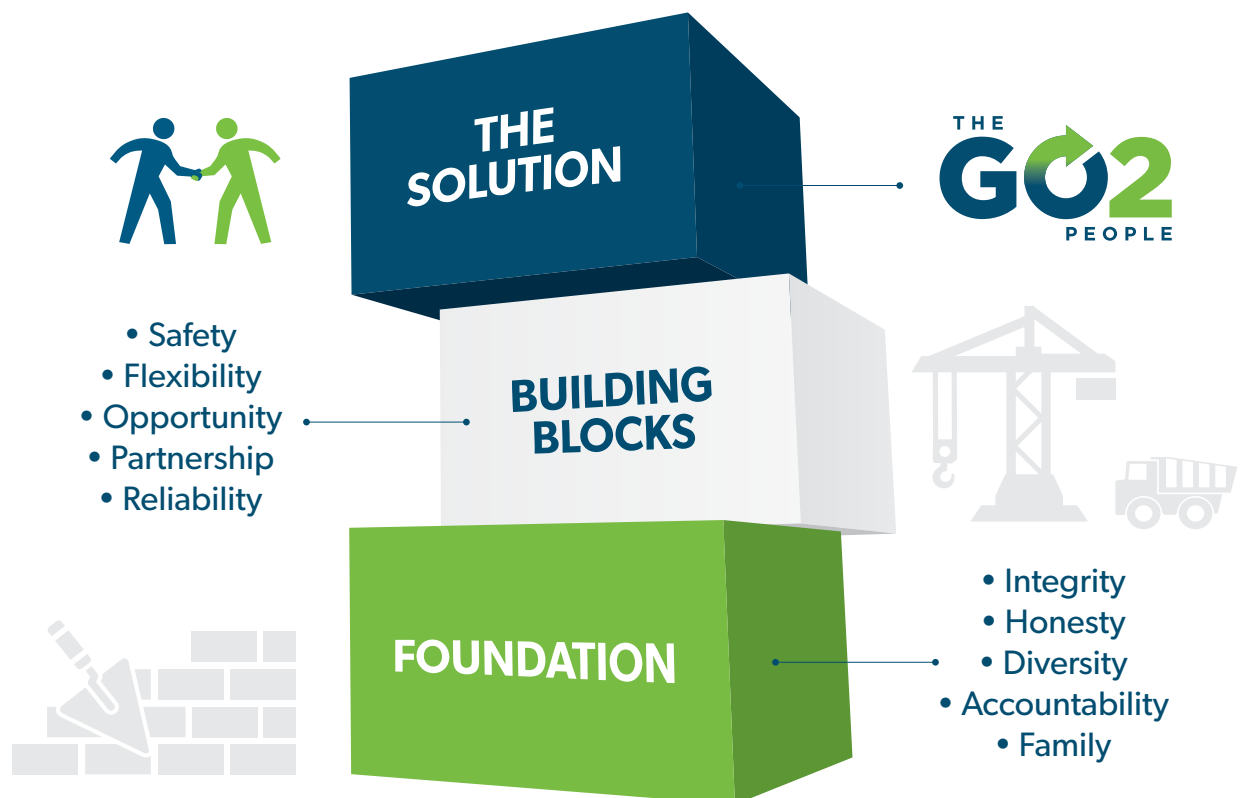
The Building Division operates as a multidisciplinary construction company offering a full range of building, civil, construction and project management services in remote and regional areas of Australia.

### Our highly qualified team provide specialist delivery of:

- Non-Process Infrastructure (NPI)
- Accommodation Facilities
- Civil Works
- Cyclical Maintenance
- Remote / Regional Commercial
- Remote / Regional Residential



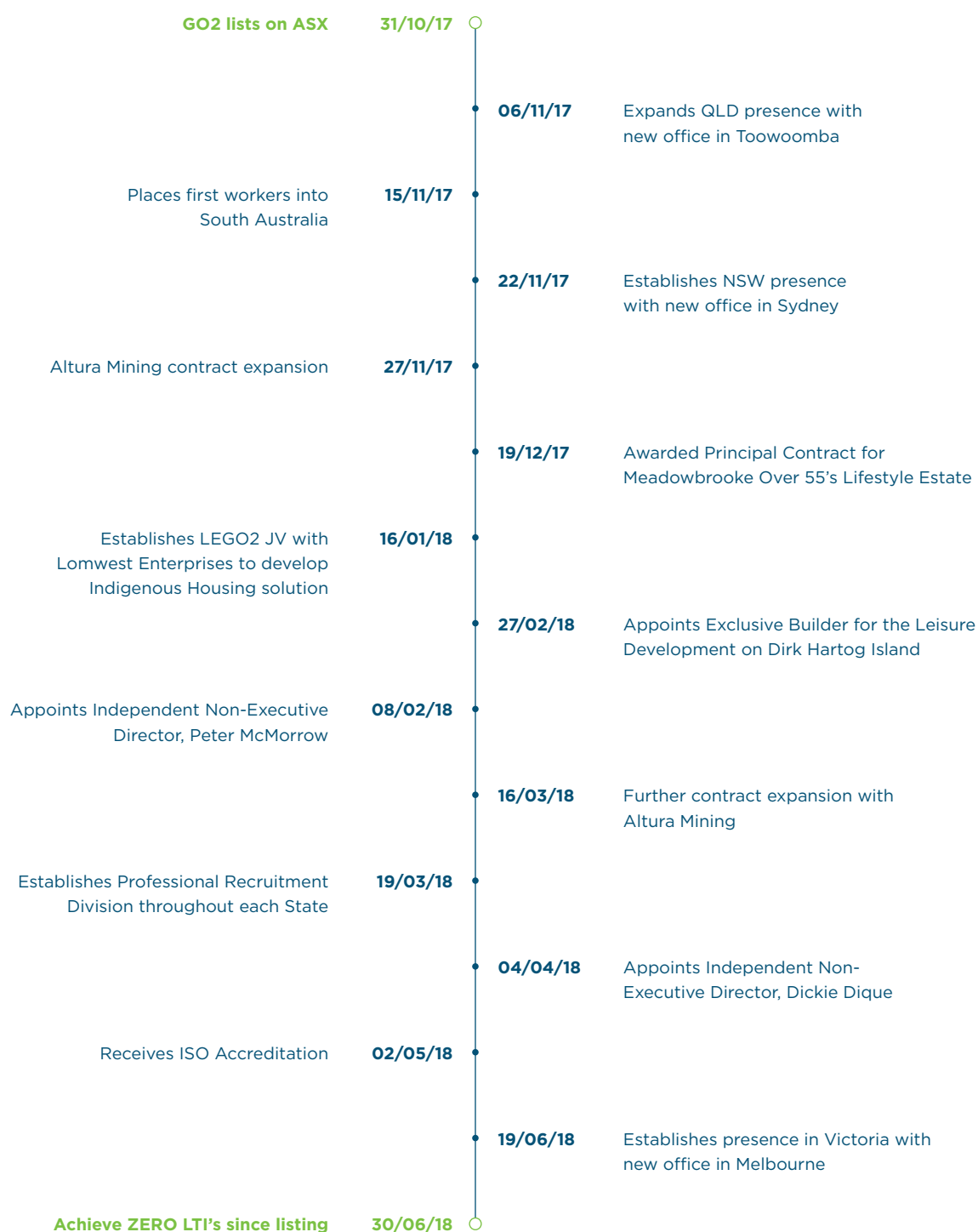
# COMPANY VALUES



04



# OPERATIONAL ACHIEVEMENTS SINCE LISTING

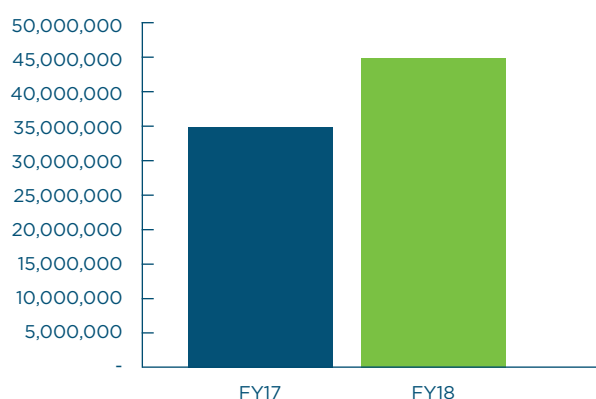




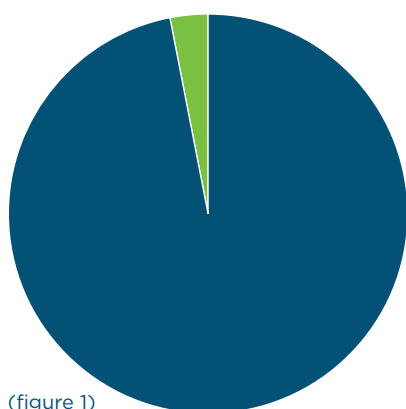
# FINANCIAL HIGHLIGHTS



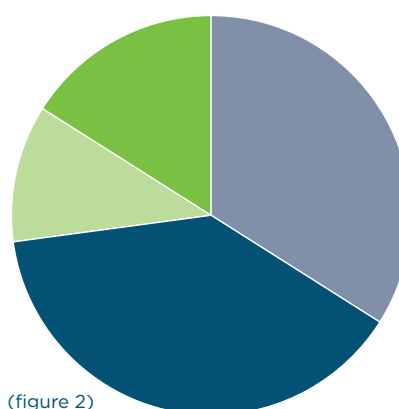
**Group achieves FY18 revenue target of \$45m, 30% increase on FY17**



**Revenue Contribution FY17**



**Revenue Contribution FY18**



**FY17 (figure 1)**

- Recruitment - WA & QLD
- Building

**FY18 (figure 2)**

- Recruitment - WA
- Recruitment - QLD
- Recruitment - NSW
- Building

**Gross profit margin increased from 10% in FY17 to 12% in FY18**

05



# 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 2018.

## Director and Company Secretary Details

The following persons are current directors of The GO2 People Ltd as at the date of this report:

Director	Shares Held (direct and through related entities)	Options Held	Other directorships of Australian Publicly Listed entities
<b>Abilio "Billy" Ferreira</b>	27,887,976	3,100,00	nil
<b>Darren Cooper</b>	400,000	nil	nil
<b>Peter McMorrow</b>	1,193,500	nil	SRG Limited
<b>Andries "Dickie" Dique</b>	450,000	nil	Decmil Limited

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

<b>Doug Grewar</b>	Appointed 28 July 2017 Resigned 08 March 2018
<b>Paul Goldfinch</b>	Resigned 10 July 2017
<b>Kathleen Ferreira</b>	Resigned 10 July 2017

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

<b>Matthew Thomson</b>
<b>Peter Torre</b>

## Information on Directors and Secretaries

### Darren Cooper

#### **Independent Non-Executive Chairman**

#### **Member of the Audit and Risk Committee**

#### **Member of the Remuneration and Nomination Committee**

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.

Darren now holds a number of Board and Strategic Advisory roles across a range of industries including property, professional services and telecommunications. He is also an investor in and director of a range of technology & media-based startup businesses. In addition, Darren undertakes a number of volunteer roles, including with Foundation Housing (Community Housing), Bethanie (Aged Care) and Nature Play WA Inc (Childhood Wellbeing).

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 capital 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.

### Peter McMorrow

#### **Independent Non-Executive Director**

#### **Chairman of the Audit and Risk Committee**

#### **Member of the Remuneration and Nomination Committee**

Mr. McMorrow has over 30 years' project and executive experience and is a respected leader in the infrastructure and resources industries. His experience covers all disciplines of engineering and he has worked on a wide variety of large and complex infrastructure projects both in Australia and abroad. His extensive knowledge extends to all facets of engineering, project identification, winning and delivery as well as management of dynamic, profitable and long-lasting business operations.

Mr. McMorrow was appointed Managing Director of Leighton Contractors Pty Limited (LCPL) in 2004, and under his leadership the Company experienced an unprecedented period of growth and success, increasing revenue to over \$5 billion and diversifying into areas including mining, industrial, telecommunications, investment, and services activities. Prior to this he held top level executive roles at Leighton in Asia, Australia and New Zealand, and served as General Manager at Boulderstone Hornibrook. He is currently the Chairman of SRG Limited, a provider of specialised services to the infrastructure and mining sectors.

## Mr Andries “Dickie” Dique

### **Independent Non-Executive Director**

#### **Chairman of the Remuneration and Nomination Committee**

#### **Member of the Audit and Risk Committee**

Andries “Dickie” Dique has 25 years’ experience in senior executive and management roles in construction businesses and is a respected leader in the Western Australian construction industry. A registered builder in a number of states in Australia, Mr Dique’s experience covers the commercial, civil, residential, mining and modular sectors.

Mr Dique’s most recent operational role was as a Director at Pindan Contracting (“Pindan”). Prior to that, Mr Dique was General Manager and then Chief Operating Officer at Decmil Group Limited (ASX:DCG). Mr Dique was a key driver to significant periods of growth during his tenure at both Decmil and Pindan. He is currently a Non-Executive Director of Decmil Limited a provider of building and construction services.

## 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 Limited, VEEM Limited and Volt Power Group Limited. Mr Torre was also formerly a Director of ASX listed Weststar Industrial Limited. Mr Torre holds a Bachelor of Business is a Chartered Accountant, a Chartered Secretary and is a member of the Institute of Company Directors.

## Matthew Thomson

### **Joint Company Secretary / CFO**

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

## Paul Goldfinch

### **Non-Independent Executive Director**

#### **Director – resigned 10 July 2018**

Paul Goldfinch is a trade qualified carpenter who utilised his practical background to transition into a business development role with Gallowglass, the United Kingdom and Europe’s largest supplier of personnel to the live events industry. Following considerable success in this role, Paul was head hunted by a recruitment business in Western Australia to assist in the growth of a start-up office. As the best performing consultant over a 2-year period, he was eventually offered the role of National Business Manager, responsible for the smooth operation of offices in 3 States. Paul’s entrepreneurial spirit and desire for greater success led him to pursue his vision of starting GO2 Recruitment as a co-founder.

Through his professional relationship with Billy, they developed a synergy and understanding of how they could build a business which could not only meet, but exceed, market expectations in the recruitment/labour hire industry.



## Doug Grewar

### **Independent Non-Executive Director - Resigned 08 March 2018**

Doug holds a Bachelor of Business Degree and a Master's Degree in Mineral Economics with distinctions. He is a Fellow of the Australian Institute of Mining and Metals and a graduate of the Australian Institute of Company Directors. Doug has over 30 years' experience the resources and civil construction sectors over holding board and senior management positions in private and ASX listed mining services companies and resource businesses. In recent years he has consulted to industry as a turnaround, restructuring expert. His primary role has been to provide strategic pathways for businesses to recapitalise and restructure to obtain best outcomes for stakeholders.

Since 2012, Doug has held the ASX positions of Managing Director of MACA Limited (Oct 2012 – May 2014), Managing Director of Viento Group (March 2015 – April 2015), Director of Hughes Drilling Limited (July 2016 – Sept 2016).

## Kathleen Ferreira

### **Non-Independent Executive Director - Resigned 10 July 2018**

Along with her partner Billy, Kathleen was a founder of GO2 Recruitment. Kathleen helped drive the marketing efforts to establish the business and provided support services to the business as it grew from a start up enterprise to an established entity.

## Principal Activities

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

The Building Division operates as a multidisciplinary construction company offering a full range of building, civil, construction and project management services in remote and regional areas of Australia. This highly qualified team provide specialist delivery of:

- Non-Process Infrastructure (NPI)
- Accommodation Facilities
- Civil Works
- Cyclical Maintenance
- Remote / Regional Commercial
- Remote / Regional Residential

## Review of Operations

The Group continued to pursue its principal activities of Recruitment and Building during the full year. The Recruitment Division expanded in FY18 with the opening of a new NSW office in late November to take advantage of the largest recruitment market in Australia. This office experienced solid growth in its first year of operation and is expected to be a large contributor to the Group's revenue targets in the future. The Recruitment Division continued to grow in WA and QLD, securing multiple new service provider agreements in its core focus sectors of construction, mining/resources and industrial. This has resulted in a 11% increase in recruitment revenue to \$37,780,058, as compared to the full year ended June 30th, 2017. A secured pipeline of current works and tendered future works is expected to provide for continued growth in the Recruitment Division in FY19.

Significant growth in the Building Division has increased its revenues to \$7,294,595, an increase of 847% as compared to the full year ended June 30th, 2017. This was underpinned by the delivery of the Altura Mining works contracts, the Meadowbrooke Lifestyle Estate contract which is underway, and multiple residential dwellings delivered throughout FY18.

The Group's gross margin has increased on the same time last year, to 12%. 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 totalled \$5.4m, up 47.3% from \$3.7m as at 30 June 2017.

The Group reported positive EBITDA in H2 FY18 and performed particularly well in Quarter 4 FY18, delivering \$14.4m in revenue and 1.3% EBITDA. This is largely due to increased revenue and a stable overhead structure. The Company carries momentum gained in Quarter 4 into FY19. It is a clear indicator of the Group's Strategic Plan being executed at an operational level.

GO2 continues to seek a more cost effective and flexible alternative to its current debtor finance facility. Discussions have been held with a number of major financial institutions and a new arrangement is expected to be in place by the end of Quarter 1 in FY19. 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, operating expenses have increased as the Company implements its strategic plans. These costs however have stabilised as the Company now has the infrastructure and resources in place to deliver continued growth over the next 2 years. One off costs associated with the IPO process have been included in corporate and administration expenses. 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 \$4.9m for the financial year ended 30 June 2018.

On the back of responsible and measured capital management, significant financial improvements have been made in the short period since the Company listed in October 2017. The GO2 People Ltd carries momentum gained during this time into FY19.

	2018 (\$)	2017 (\$)
<b>REVENUE</b>		
from labour hire services	37,780,058	34,058,971
from building services	7,294,595	770,548
	<b>45,074,653</b>	<b>34,829,519</b>

## 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 of \$10,026,250
- (iv) Issuance of 50,131,250 new shares on the completion of the IPO
- (v) Appointment of three new directors during the year
- (vi) Expansion of the Labour Hire Business into New South Wales and Victoria

## Dividends

No dividends were paid or declared during the year

## Matters Arising since the end of the reporting period

Other than as 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 Outlook

The Company expects operations to continue as normal across both its Recruitment and Building Divisions. It is well positioned in buoyant market sectors including mining and resources, infrastructure and renewable energy to achieve its financial targets in FY19. Its recent strategic growth into New South Wales and Victoria further enhances the Company's ability to service clients on a national scale.

## Remuneration Report (Audited)

The Directors present the Remuneration Report (the Report) for the Group for the period ended 30 June 2018. 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 L Ferreira - remunerated through employment contract and director fees

Darren Cooper - remunerated through director agreement only

Peter McMorrow - remunerated through director agreement only

Andries Dique - remunerated through director agreement only

### Previous Directors

Doug Grewar - remunerated through director agreement only up until resignation on 8 March 2018.

Paul Goldfinch - no remuneration for his role as a director resigned 10 July 2018

Kathleen Ferreira - no remuneration for her role as a director resigned 10 July 2018

### Management

Matthew Thomson CFO and Joint Company Secretary - remunerated through employment contract

Peter Torre Joint Company Secretary - remunerated through services contract

Paul Goldfinch Head of Growth and Investor Relations - remunerated through employment contract

Ross Lovell EGM Recruitment - remunerated through employment contract

Christopher Streat Head of Building - remunerated through employment contract

### Remuneration Governance

The Group established a Remuneration and Nomination Committee, consisting of Mr Dique (Chairman), Mr McMorrow and Mr Cooper, subsequent to the end of the period. Up to that point, the Board was therefore responsible for reviewing the overall remuneration philosophy, strategy, plans, policies and practices (including performance management methodology) to implement the remuneration objective. In making decisions the Remuneration and Nomination Committee, ensures a clear link between performance and remuneration. This is achieved by a combination of fixed remuneration, short (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 may be beneficial to provide additional support to the remuneration decisions.

### Remuneration Policy

It is the policy of the Board to set remuneration levels competitively, to attract and retain appropriately qualified and experienced Directors and senior executives.

Remuneration packages for executives will include fixed remuneration with bonuses or equity-based remuneration entirely at the discretion of the Board based on the performance of the Company and 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

As the Company was recently incorporated and listed on the ASX (31 October 2017) there is no current link between the Company's remuneration policy and its financial performance. The Company's policy is to remunerate based on industry practice and benchmark industry salaries rather than performance as this takes into account the risk assumed by the directors and executives as a result of their involvement in a newly 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 2018 financial year (exclusive of superannuation):

BOARD FEES	BOARD (\$)	TOTAL (\$)
Chair	20,000	75,000
NED	55,000	55,000

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 2018 are members of KMP of the consolidated group.

DIRECTOR	POSITION HELD	CONTRACT DETAILS
<b>Darren Cooper</b>	Chairman	Subject to the Company's constitutional rules on retirement and re-election of Directors.
<b>Peter McMorro</b>	Non-Executive Director	Subject to the Company's constitutional rules on retirement and re-election of Directors.
<b>Andries Dique</b>	Non-Executive Director	Subject to the Company's constitutional rules on retirement and re-election of Directors.
<b>Abilio Ferreira</b>	Managing Director	Contracted from 1 June 2017, subject to normal commercial conditions, no fixed term, three months' notice required to terminate. Total Remuneration \$328,500 (inclusive of superannuation) plus provision of a Company owned vehicle.

MAMAGEMENT	POSITION HELD	CONTRACT DETAILS
<b>Matthew Thomson</b>	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.
<b>Peter Torre</b>	Joint Company Secretary	Services agreement entered into on 30 June 2017, subject to normal commercial conditions, 1-month notice required to terminate.
<b>Paul Goldfinch</b>	Head of Investor Relations and Growth	Contracted from 1 June 2017, no fixed term subject to normal commercial conditions, 1-month notice required to terminate. Total Remuneration \$219,000 (inclusive of superannuation) plus provision of a Company owned vehicle.
<b>Ross Lovell</b>	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.
<b>Christopher Streat</b>	Head of Building	Contracted from 1 June 2017, subject to normal commercial conditions, 1-month notice required to terminate. Total Remuneration \$219,000 (inclusive of superannuation) plus provision of a Company owned vehicle.

### Details of Remuneration for Period Ended 30 June 2018

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 Bonues	Non- Monetary Benefits	Superannuation Contribution	Options <sup>(1)</sup>	Total
<b>Darren Cooper</b>	2018	55,550	-	13,200 <sup>(2)</sup>	6,531	-	<b>75,281</b>
	2017	-	-	-	-	-	<b>-</b>
<b>Peter McMorrow</b>	2018	18,975	-	-	-	-	<b>18,975</b>
	2017	-	-	-	-	-	<b>-</b>
<b>Andries Dique</b>	2018	13,687	-	-	-	-	<b>13,687</b>
	2017	-	-	-	-	-	<b>-</b>
<b>Abilio Ferreira</b>	2018	294,583	-	22,781 <sup>(3)</sup>	28,990	-	<b>346,354</b>
	2017	21,154	-	-	2,010	311,730	<b>334,894</b>
<b>Doug Grewar<sup>(1)</sup></b>	2018	33,229	-	-	3,156	-	<b>36,385</b>
	2017	-	-	-	-	-	<b>-</b>
<b>Subtotal - Directors</b>	<b>2018</b>	<b>416,024</b>	<b>-</b>	<b>35,981</b>	<b>38,677</b>	<b>-</b>	<b>490,682</b>
	<b>2017</b>	<b>21,154</b>	<b>-</b>	<b>-</b>	<b>2,010</b>	<b>311,730</b>	<b>334,894</b>
<b>Matthew Thomson</b>	2018	185,000	-	6,650 <sup>(3)</sup>	18,250	-	<b>209,900</b>
	2017	26,327	-	-	2,501	34,714	<b>63,542</b>
<b>Peter Torre</b>	2018	32,500	-	-	-	-	<b>32,500</b>
	2017	-	-	-	-	-	<b>-</b>
<b>Paul Goldfinch</b>	2018	200,000	-	414 <sup>(3)</sup>	19,730	-	<b>220,144</b>
	2017	15,385	-	-	1,458	311,730	<b>328,573</b>
<b>Ross Lovell</b>	2018	211,480	-	6,883 <sup>(2)(3)</sup>	20,589	-	<b>238,952</b>
	2017	-	-	-	-	34,714	<b>34,714</b>
<b>Christopher Streat</b>	2018	182,275	-	3,491 <sup>(3)</sup>	17,316	-	<b>203,082</b>
	2017	124,996	-	-	11,874	311,730	<b>448,600</b>
<b>Subtotal - Management</b>	<b>2018</b>	<b>811,255</b>	<b>-</b>	<b>17,438</b>	<b>75,885</b>	<b>-</b>	<b>904,578</b>
	<b>2017</b>	<b>166,708</b>	<b>-</b>	<b>-</b>	<b>15,833</b>	<b>692,888</b>	<b>875,429</b>
<b>Total</b>	<b>2018</b>	<b>1,227,279</b>	<b>-</b>	<b>53,419</b>	<b>114,562</b>	<b>-</b>	<b>1,395,260</b>
	<b>2017</b>	<b>187,862</b>	<b>-</b>	<b>-</b>	<b>17,843</b>	<b>1,004,618</b>	<b>1,210,323</b>

(1) Payments were made to Doug Grewar prior to his resignation on 8 March 2018.

(2) Payments under salary sacrifice arrangement.

(3) Provision for short term Annual Leave benefit, no person has qualified for any Long Service Leave benefits.

**Long Term Incentives (LTI)**

The Company has two LTI plans in operation for the period ended 30 June 2018, both of which were established 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 for the significant efforts they have put into the growth of the Company; 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.

No awards were made under the plans during the period ended 30 June 2018.

**2017 Annual General Meeting**

This is the first financial year that the Company is required to present its Remuneration Report to its shareholders for approval. As such, the Remuneration Report was not considered at the 2017 Annual General Meeting. The remuneration for the 2018 Financial Year is at a level that was disclosed in the Company's Prospectus as lodged with the ASIC and used for the capital raising completed during the year.

**Other transactions with Key Management Personnel**

The Group used the services of GO2 Skills & Training Pty Ltd a firm over which Mr. Billy Ferreira and Mr. Paul Goldfinch exercise control. The amounts billed related to this service amounted to \$88,360 (2017: \$24,090), based on normal market rates and was fully billed as of the reporting date.

GO2 Skills & Training Pty Ltd currently owes a group entity \$525,811. GO2 Skills and Training Pty Ltd has repaid a total of \$248,157 during the year (2017: \$nil). The loan is supported by a loan agreement with interest charged at 7% and minimum loan repayments of \$45,000 per quarter.

Please refer to Note 15 of the Financial Statements for additional information on Related Party transactions.

During the year Common Control transactions occurred when the Company acquired its subsidiaries GO2 Recruitment Pty Ltd and Terra Firma Constructions Pty Ltd. Loan accounts or receivable balances owing by entities associated with Mr. Billy Ferreira, Mr. Paul Goldfinch and Mr. Chris Streat were forgiven for a total of \$112,570 (2017 \$2,107,341).

Please refer to Note 15 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 2017	ISSUED / GRANTED DURING THE PERIOD	PURCHASE OF SHARES ON MARKET	BALANCE 30 JUNE 2018
<b>Darren Cooper</b>	-	-	400,000	<b>400,000</b>
<b>Peter McMorrow</b>	-	-	1,193,500	<b>1,193,500</b>
<b>Andries Dique</b>	-	-	450,000	<b>450,000</b>
<b>Abilio Ferreira</b>	27,500,000	-	387,976	<b>27,887,976</b>
<b>Doug Grewar<sup>(1)</sup></b>	-	-	75,000	<b>75,000</b>
<b>Matthew Thomson</b>	200,000	-	20,000	<b>220,000</b>
<b>Peter Torre</b>	-	-	-	<b>-</b>
<b>Ross Lovell</b>	200,000	-	41,200	<b>241,200</b>
<b>Paul Goldfinch</b>	27,500,000	-	137,301	<b>27,637,301</b>
<b>Christopher Streat</b>	-	2,500,000	35,166	<b>2,535,166</b>

(1) Doug Grewar resigned on 8 March 2018

### 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 2017	ISSUED / GRANTED DURING THE PERIOD	NET CHANGE DURING THE YEAR	BALANCE 30 JUNE 2018
<b>Abilio Ferreira</b>	3,100,000	-	-	<b>3,100,000</b>
<b>Matthew Thomson</b>	350,000	-	-	<b>350,000</b>
<b>Ross Lovell</b>	350,000	-	-	<b>350,000</b>
<b>Paul Goldfinch</b>	3,100,000	-	-	<b>3,100,000</b>
<b>Christopher Streat</b>	3,100,000	-	-	<b>3,100,000</b>

All Options fully vested in the prior year and there are no remaining service or performance conditions to exercise. Any shares resulting from the exercise of the options will be escrowed until 31 October 2020.

### End of Remuneration Report

## Directors Meetings

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

DIRECTOR	ELIGIBLE TO ATTEND	ATTENDED
<b>Billy Ferreira</b>	11	10
<b>Darren Cooper</b>	11	11
<b>Peter McMorrow</b>	4	3
<b>Doug Grewar</b>	7	7
<b>Dickie Dique</b>	3	3
<b>Paul Goldfinch</b>	-	-
<b>Kathleen Ferreira</b>	-	-

## 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
			<b>15,000,000</b>

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 year or up to the date of this report.

### Indemnities and Insurance Premiums Paid

Effective 1 July 2018, the Group paid 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 willful 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 Access Deeds with Messer's Ferreira, Cooper, McMorrow and Dique. 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, except where there is a lack of good faith.

For the reporting period ended 30 June 2018, the Group has not paid any premiums or agreed an indemnity with the Auditors covering this period.



**Proceedings on behalf of the Group**

No person is bringing proceedings on behalf of the Group.

**Non-audit services**

During the year, the Company had engaged the corporate advisory division of its auditor to assist with the preparation of the Investigating Accountants Report that was included in the Prospectus in relation to the Company's IPO, in addition to their statutory audit duties. Total fees charged for non-audit services were \$25,000. (2017: \$46,700). The directors are satisfied that the provision of these non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of the non-audit service provided means that auditor independence was not compromised.

**Auditors Independence**

The auditor's (William Buck (Vic) Pty Ltd) independence declaration for the year ended 30 June 2018 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.

A handwritten signature in black ink, appearing to read 'D. J. Cooper', is written over a light blue horizontal line.

**Darren Cooper**  
**Chairman**

30th August 2018

06





**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C  
OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF THE GO2  
PEOPLE LIMITED AND ITS CONTROLLED ENTITIES**

I declare that, to the best of my knowledge and belief during the year ended 30 June 2018 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

*N. S. Benbow*

**N. S. Benbow**  
Director

Dated this 30th day of August, 2018

**CHARTERED ACCOUNTANTS  
& ADVISORS**

Level 20, 181 William Street  
Melbourne VIC 3000  
Telephone: +61 3 9824 8555  
[williambuck.com](http://williambuck.com)

07





# CONSOLIDATED FINANCIAL STATEMENTS

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2018

	NOTE	2018 (\$)	2017 (\$)
Revenue	4	45,074,653	34,829,519
Cost of sales/services		(39,659,682)	(31,153,698)
<b>GROSS PROFIT</b>		<b>5,414,971</b>	<b>3,675,821</b>
Sales and marketing expenses		(251,222)	(359,754)
Employee benefits expense		(4,323,357)	(2,133,588)
Corporate and administration expenses		(1,816,746)	(1,790,885)
Share based payments expense		-	(1,580,701)
<b>LOSS BEFORE FINANCE COSTS, DEPRECIATION AND INCOME TAX</b>		<b>(976,354)</b>	<b>(2,189,107)</b>
Finance costs		(620,070)	(607,138)
Depreciation expenses		(280,657)	(181,446)
<b>PROFIT / (LOSS) BEFORE INCOME TAX</b>		<b>(1,877,081)</b>	<b>(2,977,691)</b>
Income tax benefit / (expense)		533,154	13,874
<b>NET PROFIT / (LOSS) FOR THE YEAR</b>		<b>(1,343,927)</b>	<b>(2,963,817)</b>
Other comprehensive loss, net of tax		-	-
<b>TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR</b>		<b>(1,343,927)</b>	<b>(2,963,817)</b>
<b>LOSS PER SHARE</b>			
From operations:			
Basic / diluted loss per share	11(c)	(0.014)	(0.143)

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 2018

	NOTE	2018 (\$)	2017 (\$)
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5	2,611,479	464,033
Trade and other receivables	6	12,488,450	8,390,924
Other assets	7	486,687	83,431
Other financial assets		196,634	93,159
<b>TOTAL CURRENT ASSETS</b>		<b>15,783,250</b>	<b>9,031,547</b>
<b>Non-Current Assets</b>			
Plant and equipment	8	1,127,154	637,777
Intangible assets		45,455	22,727
Deferred tax assets		492,229	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,664,838</b>	<b>660,504</b>
<b>TOTAL ASSETS</b>		<b>17,448,088</b>	<b>9,692,051</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	9	5,302,159	3,638,469
Australian tax office payable	9	-	3,973,473
Provisions		183,892	93,296
Current tax liabilities		-	95,922
Borrowings	10	6,638,392	4,336,564
<b>TOTAL CURRENT LIABILITIES</b>		<b>12,124,443</b>	<b>12,137,724</b>
<b>Non-Current Liabilities</b>			
Borrowings	10	408,718	328,970
Deferred tax liabilities		-	44,957
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>408,718</b>	<b>373,927</b>
<b>TOTAL LIABILITIES</b>		<b>12,533,161</b>	<b>12,511,651</b>
<b>NET ASSETS</b>		<b>4,914,927</b>	<b>(2,819,600)</b>
<b>EQUITY</b>			
Issued capital	11	15,858,288	5,417,264
Reserves	12	1,580,701	(5,634,138)
Retained earnings / (accumulated losses)		(12,524,062)	(2,602,726)
<b>TOTAL EQUITY</b>		<b>4,914,927</b>	<b>(2,819,600)</b>

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 2018

	ISSUED CAPITAL (\$)	RETAINED EARNINGS (\$)	SHARE BASED PAYMENTS RESERVE (\$)	COMMON CONTROL RESERVE (\$)	TOTAL EQUITY (\$)
<b>AT 1 JULY 2017</b>	<b>5,417,264</b>	<b>(2,602,726)</b>	<b>1,580,701</b>	<b>(7,214,839)</b>	<b>(2,819,600)</b>
Loss for the year	-	(1,343,927)	-	-	<b>(1,343,927)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	-	<b>(1,343,927)</b>	-	-	<b>(1,343,927)</b>
<b>TRANSACTION WITH OWNERS IN THEIR CAPACITY AS OWNERS</b>					
Issue of shares	11,126,250	-	-	-	<b>11,126,250</b>
Issue of options	-	-	-	-	-
Share issue costs	(685,226)	-	-	-	<b>(685,226)</b>
Common control transactions (Note 14)	-	-	-	(1,362,570)	<b>(1,362,570)</b>
Transfer to/(from) retained earnings	-	(8,577,409)	-	8,577,409	-
<b>AT 30 JUNE 2018</b>	<b>15,858,288</b>	<b>(12,524,062)</b>	<b>1,580,701</b>	-	<b>4,914,927</b>
	ISSUED CAPITAL (\$)	RETAINED EARNINGS (\$)	SHARE BASED PAYMENTS RESERVE (\$)	COMMON CONTROL RESERVE (\$)	TOTAL EQUITY (\$)
<b>AT 1 JULY 2016</b>	<b>102</b>	<b>361,091</b>	-	-	<b>361,193</b>
Loss for the year	-	(2,963,817)	-	-	<b>(2,963,817)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	-	<b>(2,963,817)</b>	-	-	<b>(2,963,817)</b>
<b>TRANSACTION WITH OWNERS IN THEIR CAPACITY AS OWNERS</b>					
Issue of shares	5,625,000	-	-	-	<b>5,625,000</b>
Issue of options	-	-	1,580,701	-	<b>1,580,701</b>
Share issue costs	(207,736)	-	-	-	<b>(207,736)</b>
Common control transactions (Note 14)	(102)	-	-	(7,214,839)	<b>(7,214,941)</b>
<b>AT 30 JUNE 2017</b>	<b>5,417,264</b>	<b>(2,602,726)</b>	<b>1,580,701</b>	<b>(7,214,839)</b>	<b>(2,819,600)</b>

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 2018

	NOTES	2018 (\$)	2017 (\$)
<b>OPERATING ACTIVITIES</b>			
Receipts from customers		45,097,048	36,523,058
Payments to suppliers, employees and GST		(48,435,807)	(38,816,235)
Finance costs paid		(620,070)	(607,139)
Taxes Paid		(99,952)	-
<b>Net cash used in operating activities</b>	<b>5</b>	<b>(4,058,781)</b>	<b>(2,900,316)</b>
<b>INVESTING ACTIVITIES</b>			
Purchase of plant and equipment		(169,334)	(57,958)
Investment in term deposit		(23,475)	(83,159)
Purchase of intangible assets		(22,728)	(22,727)
Payments for investments acquired		(150,000)	-
Proceeds from sale of plant and equipment		-	5,910
<b>Net cash used in investing activities</b>		<b>(365,537)</b>	<b>(157,934)</b>
<b>FINANCING ACTIVITIES</b>			
Utilisation of working capital facilities		2,076,670	3,047,111
Repayment of borrowings		(4,269,270)	(408,779)
Proceeds received from the issue of share capital		10,026,250	500,000
Payment of share issue costs		(1,261,886)	-
<b>Net cash generated by financing activities</b>		<b>6,571,764</b>	<b>3,138,332</b>
<b>Net increase in cash held</b>		<b>2,147,446</b>	<b>80,082</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>464,033</b>	<b>383,951</b>
<b>Cash and cash equivalents at the end of financial period</b>		<b>2,611,479</b>	<b>464,033</b>
<b>RECONCILIATION OF CASH</b>			
Cash at the end of the period consists of:			
Cash at bank and on hand		2,611,479	464,033
<b>Cash at bank and on hand</b>	<b>5</b>	<b>2,611,479</b>	<b>464,033</b>

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

08



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2018

## NOTE 1

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The GO2 People Ltd 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.

The GO2 People Ltd is a for-profit listed public Company incorporated and domiciled in Australia. The consolidated financial statements were authorised for issue on the date of signing the attached Directors' declaration.

#### (a) Basis of preparation

These consolidated financial statements are general purpose financial statements, which have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report has been prepared on a historical cost basis and are presented in Australian dollars.

#### Statement of Compliance

The consolidated financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

#### 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 2018. A list of controlled entities is included in Note 15.

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

**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 2018 are outlined below.

**AASB 9 FINANCIAL INSTRUMENTS AND RELATED STANDARDS****Mandatory date for annual reporting periods beginning on or after**

1 January 2018

**Reporting period standard adopted by the Group**

1 July 2018

**Key Requirements**

AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new standard for hedge accounting.

**Impact**

There will be no significant impact on the Group on the adoption of this standard.

**AASB 15 REVENUE FROM CONTRACTS WITH CUSTOMERS AND AASB 2014-5 AMENDMENTS TO AUSTRALIAN ACCOUNTING STANDARDS ARISING FROM AASB 15****Mandatory date for annual reporting periods beginning on or after**

1 January 2018

**Reporting period standard adopted by the Group**

1 July 2018

**Key Requirements**

The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers contracts for goods and services and AASB111 which covers construction contracts.

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer, so the notion of control replaces the existing notion of risks and rewards.

The standard permits a modified retrospective approach for the adoption. Under this approach entities will recognise any applicable transitional adjustments in retained earnings on the date of the initial application without restating the comparative period.

Entities will only need to apply the new rules to contracts that are not completed as of the date of initial application.

**Impact**

There will be no significant impact on the Group's current results with respect to revenue from the Labour Hire segment on the adoption of this standard, as the segment's revenue is predominately derived from the provision of services on a weekly basis and as such control passes almost instantaneously.

With respect to the Group's Building segment, the assessment noted an immaterial impact but as this business segment grows the Group will need to apply this standard, which will impact the revenue recognition on residential building projects where the control of the project is only passed on completion, and thus will need to be considered when drafting contracts.

**AASB 16 – LEASES****Mandatory date for annual reporting periods beginning on or after**

1 January 2019

**Reporting period standard adopted by the Group**

1 July 2019

**Key Requirements**

- Lessees are required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of a low value.
- AASB 16 contains disclosure requirements for leases.

**Impact**

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 discounted value of the operating lease payments as identified in Note 13 to the financial report will be required to be included in the Consolidated Statement of Financial 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.

**(b) Income Tax**

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

Current income tax expense charged to the profit or loss is the tax payable on taxable income measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

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.

**(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. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

### (d) 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 asset 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 a indefinite useful life.

### (e) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the Group, are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a diminishing value basis over their estimated useful lives where it is likely that the Group will obtain ownership of the asset, or over the term of the lease.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses in the periods in which they are incurred.

### (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

Revenue is measured at the fair value of the consideration received or receivable after taking into account discounts.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

Interest revenue is recognised using the effective interest method, which, for floating rate financial assets is the rate inherent in the instrument.

All revenue is stated net of the amount of goods and services tax.

### (i) Construction Contracts

When the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion. Variation in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable. However, most of the construction contracts in place between the Group and its customers are short term in nature.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is shown as amounts due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as the amounts due to customers for contract work. Amounts received before the related work is performed are included in the consolidated statement of financial position, as a liability, as advances received. Amounts billed for work performed but not yet paid by the customer are included in the consolidated statement of financial position under trade and other receivables.

### **(j) 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.

### **(k) 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.

Collectability of trade receivables is reviewed on an ongoing basis. Individual debts that are known to be uncollectable are written off when identified.

### **(l) 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.

### **(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) 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.

#### **Control over subsidiaries prior to the date of legal acquisition**

As part of the Group reorganisation, the Group determined that for the prior year, Terra Firma Constructions, GO2 Building, the GO2 Recruitment Unit Trust and GO2 People Australia Pty Ltd were subject to common control from the date of incorporation of GO2 People Ltd notwithstanding that the legal acquisition of Terra Firma Pty Ltd and GO2 Building Pty Ltd occurred on 31 October 2017. In determining this, the Group considered the key shareholdings of both Abilio Ferreira and Paul Goldfinch combined, allow the two Directors (at the time) to control the Combined Group both before and after the acquisitions and prior to the injection of new capital into the Combined Group.

As a consequence of common control, notwithstanding that as at 30 June 2017 that legal ownership was held outside the Group, there is deemed to be no non-controlling interest as the shareholders of GO2 People Ltd are the same as the beneficial owners of the respective equity interests of each subsidiary.

As a consequence of having control over the entities, the comparatives for the consolidated financial statements include the results from operations and financial position of each subsidiary. Information on subsidiaries is outlined in Note 15. Refer to Note 14 and Note 15 for additional information.

#### **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 2018 it has been determined that losses of \$1,376,690 (2017 \$nil) at 30% have been brought to account as it is now probable that they will recovered.

#### **Share Issue Cost Allocation**

The Company incurred a total cost of \$1,261,885 in preparation for and raising of capital through its Initial Public Offer during the year. An assessment of the allocation of these costs has been undertaken, allowing for the costs directly related to the capital raise and the increased share capital vs existing holding prior to the raise. As a result, an amount of \$383,250 has been expensed through the Statement of Profit and Loss and Other Comprehensive Income during the financial year.

## 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
Effect on profit	(292,815)	292,815

##### (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 where possible, 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.

#### Maturity analysis of financial assets and liabilities based on management's expectation

To monitor existing financial assets and liabilities as well as to facilitate the effective control of future risks, the Group has established comprehensive risk reporting that reflects management's expectations of the settlement of financial assets and liabilities.

**Year ended 30 June 2018**

	<6 MONTHS (\$)	6-12 MONTHS (\$)	1-5 YEARS (\$)	TOTAL (\$)
<b>FINANCIAL ASSETS</b>				
Cash and cash equivalents	2,611,479	-	-	2,611,479
Trade and other receivables	12,488,450	-	-	12,488,450
	<b>15,099,929</b>	-	-	<b>15,099,929</b>
<b>FINANCIAL LIABILITIES</b>				
Trade and other payables	(5,302,159)			(5,302,159)
Australian tax office payable	-			-
Borrowings	(6,518,870)	(119,522)	(408,718)	(7,047,110)
	<b>(11,821,029)</b>	<b>(119,522)</b>	<b>(408,718)</b>	<b>(12,349,269)</b>
<b>NET MATURITY</b>	<b>3,278,900</b>	<b>(119,522)</b>	<b>(408,718)</b>	<b>2,750,660</b>

**Year ended 30 June 2017**

	<6 MONTHS (\$)	6-12 MONTHS (\$)	1-5 YEARS (\$)	TOTAL (\$)
<b>FINANCIAL ASSETS</b>				
Cash and cash equivalents	464,033	-	-	464,033
Trade and other receivables	8,390,024	-	-	8,390,924
	<b>8,854,057</b>	-	-	<b>8,854,057</b>
<b>FINANCIAL LIABILITIES</b>				
Trade and other payables	(3,638,469)	-	-	(3,638,469)
Australian tax office payable	(1,339,974)	(2,633,499)	-	(3,973,473)
Borrowings	(4,256,038)	(80,526)	(328,970)	(4,665,534)
	<b>(9,234,481)</b>	<b>(2,714,025)</b>	<b>(328,970)</b>	<b>(12,277,476)</b>
<b>NET MATURITY</b>	<b>(380,424)</b>	<b>(2,714,025)</b>	<b>(328,970)</b>	<b>(3,423,419)</b>

The fair value of financial assets and liabilities are equivalent to their historical cost.



## NOTE 3

### 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. 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

	Labour Hire and Recruitment Services			Residential and Remote Building Services			Corporate Costs			Inter Segment Transactions			Total (\$)	
	30 JUNE 2018	30 JUNE 2017	30 JUNE 2018	30 JUNE 2017	30 JUNE 2018	30 JUNE 2017	30 JUNE 2018	30 JUNE 2017	30 JUNE 2018	30 JUNE 2017	30 JUNE 2018	30 JUNE 2017	30 JUNE 2018	30 JUNE 2017
<b>Revenue</b>	38,546,702	34,167,598	7,397,730	770,548	-	-	(869,779)	(108,627)	45,074,653	34,829,519				
<b>Results</b>														
Segment Results	600,267	(434,180)	849,530	(174,226)	(2,042,901)	-	-	-	(593,104)	(608,406)				
Depreciation	(212,594)	(136,540)	(68,063)	(44,906)	-	-	-	-	(280,657)	(181,446)				
Finance Costs	(571,204)	(604,746)	(44,442)	(2,392)	(4,424)	-	-	-	(620,070)	(607,138)				
Other Expenses	-	-	-	-	(383,250)	(1,580,701)	-	-	(383,250)	(1,580,701)				
<b>LOSS BEFORE INCOME TAX EXPENSE</b>									(1,877,081)	(2,977,691)				
Income Tax Benefit	-	-	-	-	-	-	-	-	533,154	13,874				
<b>LOSS FOR THE YEAR</b>									(1,343,927)	(2,963,817)				
<b>Assets</b>	12,271,551	8,544,754	4,135,043	998,992	15,172,011	302,738	(14,130,517)	(154,433)	17,448,088	9,692,051				
<b>Liabilities</b>	16,649,377	11,733,404	3,559,616	764,205	89,688	168,475	(7,765,520)	(154,433)	12,533,161	12,511,651				
<b>Acquisition of pp&amp;E</b>	488,568	308,640	281,466	-	-	-	-	-	770,034	308,640				

## NOTE 4

### REVENUE

	2018 (\$)	2017 (\$)
<b>REVENUE</b>		
Labour hire fees	37,371,506	34,054,410
Construction	7,294,595	770,548
Other income	408,552	4,561
<b>TOTAL REVENUE</b>	<b>45,074,653</b>	<b>34,829,519</b>

## NOTE 5

### CASH AND CASH EQUIVALENTS

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

	2018 (\$)	2017 (\$)		
Cash at bank and on hand	2,611,479	464,033		
	2,611,479	464,033		
RECONCILIATION OF NET PROFIT AFTER TAX TO NET CASH FLOWS FROM OPERATIONS				
Profit / (Loss) for the period	(1,343,927)	(2,963,817)		
Share option costs	-	1,580,701		
Share issue costs expensed	383,250	-		
Depreciation expense (net of profit on sale)	280,658	181,822		
Impairment of receivables	342,116	467,904		
Impairment / (Reversal of Impairment) of related party loans	(248,157)	338,031		
CHANGE IN OPERATING ASSETS AND LIABILITIES				
Increase in trade and other receivables	(4,557,789)	(1,567,343)		
Increase in other assets	(401,785)	(40,875)		
Increase in provisions	90,596	47,209		
Increase / (decrease) in trade and other payables	1,496,209	(930,101)		
(Decrease) / Increase in current tax liabilities	(99,952)	(13,847)		
NET CASH USED IN OPERATING ACTIVITIES	(4,058,781)	(2,900,316)		
RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES				
NOTE	BALANCE AT 1 JULY 2017	FINANCING CASHFLOWS	NON-CASH CHARGES NEW FINANCE LEASES	BALANCE AS AT 30 JUNE 2018
ATO Payment plan liabilities	9	3,973,473	(3,973,473)	-
Insurance Premium funding facility	10	-	55,218	-
Finance lease liabilities	10	542,939	(351,015)	600,703
Bank debt factoring	10	4,122,595	2,076,670	-
		8,639,007	(2,192,600)	600,703
				7,047,110

## NOTE 6

### TRADE AND OTHER RECEIVABLES

	2018 (\$)	2017 (\$)
Trade receivables	12,673,054	8,625,444
Work in Progress and accrued revenue	165,420	135,693
Less provision for doubtful debts	(893,918)	(433,655)
	<b>11,944,556</b>	<b>8,327,482</b>
Other receivables	543,894	63,442
<b>TOTAL RECEIVABLES</b>	<b>12,488,450</b>	<b>8,390,924</b>

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 2018 the ageing analysis of trade receivables is as follows:**

	TOTAL	0-30 DAYS	31-60 DAYS	61-90 DAYS PDNI*	+ 91 DAYS PDNI*	+ 91 DAYS CI*
30 June 2018	12,673,054	5,665,541	4,045,302	1,001,627	1,066,666	893,918
30 June 2017	8,625,444	3,148,550	3,462,674	971,641	608,924	433,655

\*PDNI – Past due not impaired

\*CI – Considered impaired

## NOTE 7

### OTHER ASSETS

	2018 (\$)	2017 (\$)
<b>CURRENT</b>		
Prepayments	194,384	76,086
Inventory	292,303	7,345
	<b>486,687</b>	<b>83,431</b>

## NOTE 8

### PLANT AND EQUIPMENT

#### Year ended 30 June 2018

	Plant & Equipment (\$)	Motor Vehicles (\$)	Office Equipment (\$)	Computers & Software (\$)	Minor Equipment (\$)	Total (\$)
<b>AT 30 JUNE 2018</b>						
Cost	285,976	1,287,140	205,995	115,795	18,916	1,913,822
Accumulated depreciation	(71,558)	(478,784)	(118,072)	(108,114)	(10,140)	(786,668)
<b>NET CARRYING AMOUNT</b>	<b>214,418</b>	<b>808,356</b>	<b>87,923</b>	<b>7,681</b>	<b>8,776</b>	<b>1,127,154</b>

#### Movements in carrying amount of Plant and Equipment

	Plant & Equipment (\$)	Motor Vehicles (\$)	Office Equipment (\$)	Computers & Software (\$)	Minor Equipment (\$)	Total (\$)
<b>AT 1 JULY 2017 NET OF ACCUMULATED DEPRECIATION</b>						
	<b>45,105</b>	<b>507,245</b>	<b>57,131</b>	<b>22,049</b>	<b>6,247</b>	<b>637,777</b>
Additions	206,323	475,143	82,794	1,273	4,501	770,034
Disposals	-	-	-	-	-	-
Depreciation	(37,010)	(174,032)	(52,002)	(15,641)	(1,972)	(280,657)
<b>AT 30 JUNE 2018 NET OF ACCUMULATED DEPRECIATION</b>	<b>214,418</b>	<b>808,356</b>	<b>87,923</b>	<b>7,681</b>	<b>8,776</b>	<b>1,127,154</b>



**NOTE 8 PLANT AND EQUIPMENT CONTINUED****Year ended 30 June 2017**

	<b>Plant &amp; Equipment (\$)</b>	<b>Motor Vehicles (\$)</b>	<b>Office Equipment (\$)</b>	<b>Computers &amp; Software (\$)</b>	<b>Minor Equipment (\$)</b>	<b>Total (\$)</b>
<b>AT 30 JUNE 2017</b>						
Cost	79,653	811,998	123,690	114,522	13,925	1,143,788
Accumulated depreciation	(34,548)	(304,753)	(66,559)	(92,473)	(7,678)	(506,011)
<b>NET CARRYING AMOUNT</b>	<b>45,105</b>	<b>507,245</b>	<b>57,131</b>	<b>22,049</b>	<b>6,247</b>	<b>637,777</b>

**Movements in carrying amount of Plant and Equipment**

	<b>Plant &amp; Equipment (\$)</b>	<b>Motor Vehicles (\$)</b>	<b>Office Equipment (\$)</b>	<b>Computers &amp; Software (\$)</b>	<b>Minor Equipment (\$)</b>	<b>Total (\$)</b>
<b>AT 1 JULY 2016 NET OF ACCUMULATED DEPRECIATION</b>	<b>59,362</b>	<b>358,076</b>	<b>41,483</b>	<b>48,241</b>	<b>8,955</b>	<b>516,117</b>
Additions	1,339	250,680	46,432	9,480	709	308,640
Disposals	-	(5,534)	-	-	-	(5,534)
Depreciation	(15,596)	(95,977)	(30,784)	(35,672)	(3,417)	(181,446)
<b>AT 30 JUNE 2017 NET OF ACCUMULATED DEPRECIATION</b>	<b>45,105</b>	<b>507,245</b>	<b>57,131</b>	<b>22,049</b>	<b>6,247</b>	<b>637,777</b>

## NOTE 9

### TRADE AND OTHER PAYABLES

	2018 (\$)	2017 (\$)
Trade payables and accruals	1,899,908	520,097
Payroll Liabilities	1,466,251	1,072,885
Other payables	1,936,000	2,045,487
	5,302,159	3,638,469
ATO Payment plan liabilities	-	3,973,473
	<b>5,302,159</b>	<b>7,611,942</b>

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.

#### Australian tax office payable

On 11 June 2017, the Group entered into a payment plan with the Australian Tax Office to settle its balance owing for goods and service tax payable as well as PAYG, including the balance existing as at 30 June 2017. The amount outstanding was paid in full during the year.

## NOTE 10

### BORROWINGS

SECURED - AT AMORTISED COST	2018 (\$)	2017 (\$)
Insurance Premium funding(i)	55,218	-
Finance lease liabilities (ii)	792,627	542,939
Bank debt factoring (iii)	6,199,265	4,122,595
	<b>7,047,110</b>	<b>4,665,534</b>
	<b>7,047,110</b>	<b>4,665,534</b>
Current	6,638,392	4,336,564
Non-current	408,718	328,970
	<b>7,047,110</b>	<b>4,665,534</b>

#### Summary of borrowing arrangements

(i) Secured over the groups insurance policies, interest of 3.72% is charged on the amounts funded, repayable over 10 months.

(ii) Secured by a charge on the Group's motor vehicles. Interest rates varying between 5.75% and 10.99% per annum is charged on the outstanding loan balance. Repayable over 5 years.

(iii) Collateral over the Group's trade receivables. Effective interest of 7.5% per annum. Repayable as receivables are collected. The facility limit amounted to \$10,000,000 and unused facility as at reporting date was \$3,800,735.

## NOTE 11

### ISSUED CAPITAL

	2018 (\$)	2017 (\$)
117,964,583 fully paid ordinary shares – The GO2 People Ltd	15,858,288	5,417,264
	<b>15,858,288</b>	<b>5,417,264</b>

#### a) Ordinary Shares in GO2 People Ltd

	NOTE	NUMBER OF SHARES	\$
<b>BALANCE AT 1 JULY 2016</b>		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 2018	14(B)	15,000,000	15,000
Acquisition of Go 2 People Australia Pty Ltd – June 2018	14(C)	34,000,000	5,100,000
Share Issue June 2018		3,333,333	500,000
Share issue costs		-	(207,736)
<b>BALANCE AT 30 JUNE 2017</b>		62,333,333	5,417,264
<b>BALANCE AT 1 JULY 2017</b>		62,333,333	5,417,264
Acquisition of GO2 Building Pty Ltd		2,500,000	500,000
Acquisition of Terra Firma Constructions Pty Ltd		3,000,000	600,000
Initial Public Offer Share issue		50,131,250	10,026,250
Share issue costs		-	(685,226)
<b>BALANCE AT 30 JUNE 2018</b>		<b>117,964,583</b>	<b>15,858,288</b>

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

During the prior period a total of 15,000,000 Options were issued to Contractors and Key Employees of the Group for performance of services.

**NOTE 11 ISSUED CAPITAL CONTINUED**

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 vesting or exercise. Any shares resulting from the exercise of the options will be escrowed until 31 October 2020. The share price at date of the issue of the Options was \$0.15 with reference to the capital raise completed at 30 June 2018.

**Movement in Options**

	OPENING BALANCE AT 1 JULY 2017	GRANTED DURING PERIOD	FORFEITED DURING PERIOD	EXERCISED DURING PERIOD	OUTSTANDING AT 30 JUNE 2018	EXERCISABLE AT 30 JUNE 2018	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
<b>TOTAL</b>	<b>15,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,000,000</b>	<b>15,000,000</b>	<b>\$0.34</b>

**c) Loss per share**

	2018 (\$)	2017 (\$)
Loss (excluding share based payments) used to calculate basic and diluted EPS	(1,343,927)	(1,383,116)
	No.	No.
Weighted average number of ordinary shares outstanding during the year used in calculating basic and diluted EPS	99,370,028	9,701,371
	<b>99,370,028</b>	<b>9,701,371</b>

The 15,000,000 (2017: 15,000,000) options issued could potentially dilute basic earnings per share in the future, but were not included in the calculation of diluted earnings per share because they are anti-dilutive for the periods presented.

## NOTE 12

### 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. 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 30 June 2018 are as follows:

	Note	(\$)
<b>Balance at 30 June 2017</b>		<b>7,214,839</b>
<b>TRANSACTIONS TO 30 JUNE 2018</b>		
Forgiveness of beneficiary loan accounts	14(B)	97,713
Forgiveness of loan accounts	14(D)	14,857
Acquisition of Terra Firma Constructions Pty Ltd	14(D)	650,000
Acquisition of GO2 Building	14(E)	600,000
<b>Total of transactions</b>		<b>8,577,409</b>
Transfer to retained earnings		(8,577,409)
<b>BALANCE AT 30 JUNE 2018</b>		<b>-</b>

## NOTE 13

### CAPITAL AND LEASING COMMITMENTS

FINANCE LEASE COMMITMENTS	2018 (\$)	2017 (\$)
Payable – minimum lease payments		
not later than 12 months	383,909	216,423
between 12 months and five years	459,606	375,201
later than five years	-	-
Minimum Lease Payments	843,515	591,624
Less future finance charges	(50,888)	(48,684)
<b>PRESENT VALUE OF MINIMUM LEASE PAYMENTS</b>	<b>792,627</b>	<b>542,940</b>
<b>OPERATING LEASE COMMITMENTS</b>		
NON-CANCELLABLE OPERATING LEASES CONTRACTED FOR BUT NOT RECOGNISED IN THE FINANCIAL STATEMENTS		
not later than 12 months	310,117	257,770
between 12 months and five years	305,247	474,030
later than five years	-	-
	<b>615,364</b>	<b>731,800</b>

Finance lease commitments relate to the hire purchase liabilities for a number of motor vehicles and an item of plant and equipment. The commitments are secured by the assets financed. The leases are for 1-5-year terms and are repayable monthly.

Operating lease commitments relate to the non-cancellable property leases with 1-3-year terms, with rent payable monthly in advance. Rental reviews are held at regular intervals in accordance with lease terms. Leases for the Group's offices in Belmont WA and Parramatta NSW have options to extend the lease period for a further 3 years from expiry of initial term.



## NOTE 14

### COMMON CONTROL TRANSACTIONS

#### (a) Background

On 30 November 2016 The GO2 People Ltd 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 Ltd 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.

#### (b) Acquisition of The GO2 Recruitment Unit Trust by The GO2 People Limited

On 28 April 2017, The GO2 People Ltd acquired all the units on issue in the GO2 Recruitment Unit Trust.

##### Consideration

In consideration for 100% of the units issue in the GO 2 Recruitment Unit Trust, The GO2 People Ltd has paid the following in consideration to the then unit holders:

- 15,000,000 Shares in The GO2 People Ltd; and
- loan balances owing to beneficiaries amounting to \$1,994,298 as at 31 October 2017 were forgiven.

As a consequence of this transaction an amount of \$2,009,198 was recognised in the common control reserve.

#### (c) Acquisition of The GO2 People Australia Pty Ltd by The GO2 People Ltd

On 16 June 2017, The GO2 People Ltd completed the acquisition of all the shares on issue in The GO 2 People Australia Pty Ltd.

##### Consideration

In consideration for 100% of the fully paid ordinary shares in The GO 2 People Australia Pty Ltd, The GO2 People Ltd has paid the following in consideration to the then Share Holders:

- 34,000,000 Shares in The GO2 People Ltd; and

As a consequence of this transaction an amount of \$5,093,200 was recognised in the common control reserve.

#### (d) Acquisition of Terra Firma Construction Pty Ltd by The GO2 People Ltd

On 16 June 2017, The GO2 People Ltd 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 Ltd provided the following consideration to Mr Streat:

- 2,500,000 Shares in The GO2 People Ltd; 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 was forgiven.

As a consequence of this transaction an amount of \$875,611 was recognised in the common control reserve.

**NOTE 14 COMMON CONTROL TRANSACTIONS CONTINUED****(e) Acquisition of GO2 Building Pty Ltd by The GO2 People Ltd**

On 16 June 2017, The GO2 People Ltd 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 Ltd 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 15

### 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. Details of transactions of related party transactions are disclosed below:

As part of various sale agreements as disclosed in Note 14 the following loan balances were forgiven:

	2018 (\$)	2017 (\$)
Loans due from entities related to Paul Goldfinch and Abilio Ferreira	97,713	1,896,585
Loans and receivables due from entities associated with Chris Streat	14,857	210,756
	<b>112,570</b>	<b>2,107,341</b>

Loans to Director related entities, GO2 Skills & Training Pty Ltd & GO2 Building Solutions Pty Ltd were impaired in full during the prior financial period. Paul Goldfinch and Abilio Ferreira are directors of both GO2 Skills & Training Pty Ltd & GO2 Building Solutions Pty Ltd. During the current financial year GO2 Skills & Training Pty Ltd has repaid \$248,157 (FY 2107 \$nil) and committed to a Loan Agreement including an agreed repayment profile of \$45,000 per quarter. This repayment has resulted in a partial reversal of the Loan impairment booked in previous periods.

Transactions with Director related entities

<b>GO2 SKILLS &amp; TRAINING</b>	2018 (\$)	2017 (\$)
Payment for skills and leadership training	(88,360)	(24,090)
Recovery of insurance premiums, office and facility costs	108,439	-
	<b>20,079</b>	<b>(24,090)</b>

The consolidated financial statements include:

	COUNTRY OF INCORPORATION*	OWNERSHIP INTEREST	
		2018	2017
GO2 People Ltd	Australia	100%	100%
GO2 Building Pty Ltd	Australia	100%	-
Terra Firma Constructions Pty Ltd	Australia	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 Recruitment Unit Trust was settled in Australia, it is not an incorporated entity

**NOTE 15 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 L Ferreira** - remunerated through employment contract and director fees

**Darren Cooper** - remunerated through director agreement only,

**Peter McMorrow** - remunerated through director agreement only,

**Andries Dique** - remunerated through director agreement only,

**Previous Directors**

**Paul P Goldfinch** - remunerated through employment contract only, no payments for role as a Director

**Kathleen Ferreira** - (no remuneration)

**Doug Grewar** - remunerated through director agreement only up until resignation on 8 March 2018.

**Key Management**

**Matthew Thomson CFO and Joint Company Secretary** - remunerated through employment contract

**Peter Torre Joint Company Secretary** - remunerated through employment contract

**Paul Goldfinch Head of Growth and Investor Relations** - remunerated through employment contract

**Ross Lovell EGM Recruitment** - remunerated through employment contract

**Christopher Streat Head of Building** - remunerated through employment contract

	2018 (\$)	2017 (\$)
Short term employee benefits	1,245,732	187,861
Superannuation benefits	114,566	17,843
Share based payments	-	1,004,620
	<b>1,360,298</b>	<b>1,210,324</b>

## NOTE 16

### AUDITOR'S REMUNERATION

	30 JUNE 2018 (\$)	30 JUNE 2017 (\$)
<b>AMOUNT RECEIVED OR DUE AND RECEIVABLE BY FOR:</b>		
An audit of the financial statements of the Group	30,100	18,000
Other services		
Investigating Accountants Report and other IPO audited related services	25,000	46,700
	<b>55,100</b>	<b>64,700</b>

## NOTE 17

### 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 2018 (\$)	30 JUNE 2017 (\$)
<b>ASSETS</b>		
Cash and cash equivalents	2,051,792	302,739
Other assets	258,186	-
Investments	5,986,989	5,115,000
Loans Receivable	6,497,033	150,000
<b>TOTAL ASSETS</b>	<b>14,794,000</b>	<b>5,567,739</b>
<b>LIABILITIES</b>		
Trade and other payables	48,427	168,475
<b>TOTAL LIABILITIES</b>	<b>48,427</b>	<b>168,475</b>
<b>NET ASSETS</b>	<b>14,745,573</b>	<b>5,399,264</b>
<b>EQUITY</b>		
Issued capital	15,858,288	5,417,264
Reserves	1,580,701	1,580,701
Retained earnings	(2,693,416)	(1,598,701)
<b>TOTAL EQUITY</b>	<b>14,745,573</b>	<b>5,399,264</b>
<b>LOSS OF THE PARENT ENTITY</b>	<b>1,094,715</b>	<b>1,598,701</b>
<b>TOTAL COMPREHENSIVE LOSS OF THE PARENT ENTITY</b>	<b>1,094,715</b>	<b>1,598,701</b>

Refer to Note 15 for disclosure of transactions between the parent entity and related parties.

## NOTE 18

### CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

#### **Contingent liabilities**

Term Deposits included in Other financial assets to the value of \$106,634 (2017: \$83,159) secure Bank Guarantees provided to support Lease agreements for the Group's operations in Western Australia and New South Wales.

The GO2 People Ltd does not have any other contingent liabilities at 30 June 2018.

#### **Contractual Capital Commitments**

With the exception of matters disclosed in Note 13, The GO2 People Ltd does not have any contracted capital commitments at 30 June 2018.

## NOTE 21

### SUBSEQUENT EVENTS

Other than as disclosed below, no other matter or circumstance has arisen that has significantly affected or may significantly affect the Group's operations, results or state of affairs in future years.



09



# 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 2018 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 2018 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 2018.



**Darren Cooper**  
**Chairman**

30th August 2018

10







## 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 2018, the consolidated statement of 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 2018 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for Opinion

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

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

#### CHARTERED ACCOUNTANTS & ADVISORS

Level 20, 181 William Street  
Melbourne VIC 3000

Telephone: +61 3 9824 8555

[williambuck.com](http://williambuck.com)



### 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. 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	How our audit addressed it
<p>The Group has service contracts with major customers in its residential and remote building services segment.</p> <p>These service contracts have invoicing and payment milestones included within their terms, which may or may not be directly aligned with the performance of services under the contract.</p> <p>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.</p> <p>There is potential for subjectivity in determining which period to which the revenue should be attributed. In designing the model management considers:</p> <ul style="list-style-type: none"> <li>— The time period over which the service revenue is generated;</li> <li>— 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</li> <li>— The potential for any post-contract servicing work to be performed at the conclusion of the contract.</li> </ul>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>— Examining and recalibrating management's revenue recognition model;</li> <li>— Testing of customer invoicing under the contract;</li> <li>— Tracing through to new service contracts to understand material terms and conditions, including any particular seller warranties or indemnities given and their potential impact upon the revenue recognition model.</li> </ul> <p>We also reviewed the appropriateness of disclosures made in the financial statements about the expected impacts on the trading position of the Group arising from the forthcoming adoption of AASB 15 Revenue.</p>



RECOVERY OF TRADE RECEIVABLES	
Area of focus	How our audit addressed it
<p>The Group has incurred a significant loss during the period relating to an outstanding trading position with a customer which went into Voluntary Administration in December 2017. Total costs brought to account in impairing this receivable were \$442,211.81</p> <p>At each reporting date, management reviews its book of receivables to ensure that all are recoverable, or if not, they are provided for either through a doubtful debt provision or written off completely.</p>	<p>To ensure receivables that were recorded as at financial reporting date were recoverable, our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>— Examining the control environment for managing credit positions with existing and new customers;</li> <li>— At year-end, confirming directly and vouching to contract significant trade receivable balances with customers;</li> <li>— Vouching receipts from those aforesaid customers post reporting date;</li> <li>— Examining the ageing profile of customers as at reporting date for receivable positions beyond contractually agreed terms; and</li> <li>— Corroborating the above audit evidence with management's calculation of the provision for doubtful debts for reasonableness.</li> </ul> <p>We also ensured that the overall credit profile of trade receivable positions was completely and accurately disclosed in the financial statements.</p>



### 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 2018, 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* 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](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 2018.

In our opinion, the Remuneration Report of The GO2 People Ltd, for the year ended 30 June 2018, 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.

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

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

A handwritten signature in blue ink that reads "N.S. Benbow".

**N.S. Benbow**  
Director

Melbourne, 30th August 2018

11



# 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 September 19th 2018.

## Top Holders

THE GO2 PEOPLE LIMITED		ORDINARY FULLY PAID (TOTAL)	
TOP HOLDERS (UNGROUPED) AS OF 19/09/18			
RANK	NAME	UNITS	% UNITS
1.	EVERGLADES INVESTMENT PTY LTD <EVERGLADES DISCRETIONARY A/C>	27,500,000	23.31
2.	GOLDFINCH DISCRETIONARY PTY LTD <GOLDFINCH DISCRETIONARY A/C>	27,500,000	23.31
3.	J P MORGAN NOMINEES AUSTRALIA LIMITED	8,650,000	7.33
4.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	5,100,000	4.32
5.	CHRISTOPHER STREAT	2,500,000	2.12
6.	PAGONDAS PTY LTD <PAGONDAS A/C>	2,000,000	1.70
7.	ALIITAEAO ASIATA	1,250,000	1.06
8.	LUIK HOLDINGS PTY LTD <JEFFREY O'DONNELL FAMILY A/C>	1,200,000	1.02
9.	MR PETER JOHN MCMORROW + MRS BERNADINE ANN MCMORROW <MCMORROW SUPER FUND A/C>	1,193,500	1.01
10.	DANIEL FORD + MARLENA FORD <D & M FORD INVESTMENT A/C>	1,000,000	0.85
11.	GUNNIBL RIDGE INVESTMENTS PTY LTD <BAXTER FAMILY A/C>	1,000,000	0.85
12.	PAGONDAS PTY LTD	1,000,000	0.85
13.	R & M O THOMAS PTY LTD <THOMAS RETIREMENT FUND A/C>	1,000,000	0.85
14.	MR GRAHAM JOHN BAILEY + MRS ANNETTE MAREE BAILEY <BAILEY S/F A/C>	900,000	0.76
15.	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	900,000	0.76
16.	MAJI MAZURI PTY LTD + MAWINGO PTY LTD	850,000	0.72
17.	CENCOLL PTY LTD <JM WHOLESALE FAMILY A/C>	800,000	0.68
18.	COLLETT SUPERANNUATION PTY LTD <COLLETT SUPER FUND A/C>	786,667	0.67
19.	ADDERSTONE HOLDINGS PTY LTD <NCSHOBERT FAMILY A/C>	500,000	0.42
20.	FRANK CARL ASHE	500,000	0.42
Top 20 holders of ORDINARY FULLY PAID (TOTAL)		86,130,167	73.01%
Total Remaining Holders Balance		31,834,416	26.99%

## Distribution of Equity Security Holders

RANGE	TOTAL HOLDERS	UNITS	% UNITS
1 - 1,000	5	284	0.00
1,001 - 5,000	16	59,692	0.05
5,001 - 10,000	67	659,323	0.56
10,001 - 100,000	152	8,966,634	7.60
100,001 Over	108	108,278,650	91.79
<b>Total</b>	<b>348</b>	<b>117,964,583</b>	<b>100.00</b>

## Marketable Parcels

Number of shareholders holding less than a marketable parcel of ordinary shares is 22.

## Unlisted Options

NUMBER OF OPTIONS	NUMBER OF HOLDERS	OPTION TERMS
2,500,000	1	Options exercisable at \$0.225 expiring 21/06/2021
5,000,000	6	Options exercisable at \$0.225 expiring 21/06/2021
7,500,000	5	Options exercisable at \$0.225 expiring 21/06/2021

## 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.

## Use of Funds

In accordance with ASX listing rule 4.10.9, the Company confirms that it has used its cash and assets in a form readily convertible to cash that it had at the time of admission in a way that is consistent with its business objectives.

## Corporate Governance Statement

In accordance with ASX Listing Rule 4.10.3, The Company's Corporate Governance Statement can be found on its website, [www.thego2people.com.au](http://www.thego2people.com.au)

## Restricted Securities

	ESCROW Expiring 31/10/2020	Options expiring 21/06/2021 @ \$0.225	Options expiring 21/06/2021 @ \$0.30	Options expiring 21/06/2021 @ \$0.40
<b>SHARES</b>				
EVERGLADES INVESTMENT PTY LTD	27,500,000	0	0	0
GOLDFINCH DISCRETIONARY PTY LTD	27,500,000	0	0	0
ALIITAEAO ASIATA	1,250,000	0	0	0
DANIEL FORD & MARLENA FORD	1,000,000	0	0	0
ADDERSTONE HOLDINGS PTY LTD	500,000	0	0	0
FRANK CARL ASHE	500,000	0	0	0
AUSNOM PTY LTD	500,000	0	0	0
GREGORY GOLDFINCH & SHERYL GOLDFINCH	500,000	0	0	0
JB ADVISORY PTY LTD	500,000	0	0	0
NALKARI INVESTMENTS PTY LTD	500,000	0	0	0
SHAZMAR SUPER PTY LTD	500,000	0	0	0
DAMIEN CHALK	400,000	0	0	0
ROSS LOVELL	200,000	0	50,000	300,000
FELILA ASIATA	150,000	0	0	0
SINEAD ELIZABETH MONAGHAN	150,000	0	0	0
JOEL MARTIN	100,000	0	0	0
THOMKID PTY LTD	100,000	0	0	0
MATTHEW THOMSON	100,000	0	50,000	300,000
SIMON ROBINSON	50,000	0	0	0
<b>OPTIONS</b>				
ABILIO FERREIRA	0	0	800,000	2,300,000
PAUL GOLDFINCH	0	0	800,000	2,300,000
CHRISTOPHER STREAT	2,500,000	0	800,000	2,300,000
189 ADVISORY PTY LTD	0	2,500,000	2,500,000	0

