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**THE GO2 PEOPLE GROUP
COMPRISING THE GO2 RECRUITMENT TRUST, &
TERRA FIRMA CONSTRUCTIONS PTY LTD**

**COMBINED FINANCIAL STATEMENTS FOR THE
YEAR ENDED
30 JUNE 2016**

THE GO2 PEOPLE GROUP

COMBINED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2016

	Note	30 June 2016 \$	30 June 2015 \$
Revenue	3	38,315,843	20,815,052
Cost of goods sold		(33,100,547)	(18,004,173)
Gross Profit		5,215,296	2,810,879
Employee benefits expenses		(1,611,937)	(1,161,034)
Other expenses		(1,396,285)	(834,408)
Profit before, depreciation, finance costs, impairment loss and tax		2,207,074	815,437
Finance costs		(793,809)	(348,071)
Depreciation expenses		(183,410)	(120,610)
Impairment loss		-	(754,517)
Profit / (loss) before income tax		1,229,855	(407,761)
Income tax expense		(76,392)	(78,362)
Profit / (loss) for the year		1,153,463	(486,123)
<i>Other Comprehensive Loss, Net of Tax</i>		-	-
Total Comprehensive Profit / (Loss) for the Year		1,153,463	(486,123)
<i>Attributable to:</i>			
Beneficiaries of the Trust		975,216	(668,967)
Owners of the Company		178,247	182,844
		1,153,463	(486,123)

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

THE GO2 PEOPLE GROUP

COMBINED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Note	30 June 2016 \$	30 June 2015 \$
ASSETS			
Current Assets			
Cash and cash equivalents	4	383,951	197,802
Trade and other receivables	5	6,823,581	4,874,418
Other assets	6	52,556	159,372
Other financial assets	7	1,435,502	1,531,134
Total Current Assets		8,695,590	6,762,726
Non-Current Assets			
Plant and equipment	8	516,117	456,625
Total Non-Current Assets		516,117	456,625
TOTAL ASSETS		9,211,707	7,219,351
LIABILITIES			
Current Liabilities			
Trade and other payables	9	2,681,628	1,529,091
Australian tax office payable	9	4,185,991	2,137,664
Borrowings	10	1,469,775	2,918,604
Provisions		46,087	-
Current tax liabilities		154,754	78,362
Total Current Liabilities		8,538,235	6,663,721
Non-Current Liabilities			
Borrowings	10	312,279	372,684
Total Non-Current Liabilities		312,279	372,684
TOTAL LIABILITIES		8,850,514	7,036,405
NET ASSETS		361,193	182,946
EQUITY			
Issued units	11	100	100
Issued capital	11	2	2
Retained earnings		361,091	182,844
TOTAL EQUITY		361,193	182,946

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

THE GO2 PEOPLE GROUP

**COMBINED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016**

	Issued Units \$	Issued Capital \$	Retained Earnings \$	Total Equity \$
At 1 July 2014	100	-	-	100
Loss for the year	-	-	(486,123)	(486,123)
Transaction with owners in their capacity as owners				
Issue of shares	-	2	-	2
Repayable from beneficiaries	-	-	668,967	668,967
At 30 June 2015	100	2	182,844	182,946
At 1 July 2015	100	2	182,844	182,946
Profit for the year	-	-	1,153,463	1,153,463
Transaction with owners in their capacity as owners				
Distribution to beneficiaries	-	-	(975,216)	(975,216)
At 30 June 2016	100	2	361,091	361,193

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

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COMBINED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016

	Note	30 June 2016 \$	30 June 2015 \$
Operating activities			
Receipts from customers		39,979,458	22,993,088
Payments to suppliers, employees and GST		(36,358,550)	(21,366,675)
Finance costs paid		(803,041)	(348,071)
Net cash generated by / (used in) operating activities	4	2,817,867	1,278,342
Investing activities			
Purchase of property, plant and equipment		(143,634)	(82,670)
Net cash used in investing activities		(143,634)	(82,670)
Financing activities			
(Repayment of) / proceeds from borrowings - net		(2,488,084)	(1,545,878)
Proceeds received from the issue of share capital		-	2
Net cash (used in) / generated by financing activities		(2,488,084)	(1,545,876)
Net (decrease) / increase in cash held		186,149	(350,204)
Cash and cash equivalents at the beginning of financial year		197,802	548,006
Cash and cash equivalents at the end of financial year		383,951	197,802
Reconciliation of cash			
Cash at the end of the period consists of:			
Cash at bank and on hand		383,951	197,802
Cash at bank and on hand	4	383,951	197,802

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

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THE GO2 PEOPLE GROUP

NOTES TO THE COMBINED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The combined financial statements cover the GO2 Recruitment Trust and Terra Firma Constructions Pty Ltd as a combined group of entities ("the Group", or the "the GO2 People Group"). GO2 Recruitment Trust and Terra Firma Constructions Pty Ltd are incorporated and domiciled in Australia.

Terra Firma Constructions Pty Ltd was incorporated on 16 April 2015 and became part of the GO2 People Group.

The combined financial statements were authorised for issue on the date of signing the attached Directors' declaration by the directors of GO2 Recruitment Pty Ltd as Trustee for the Go2 Recruitment Trust and Terra Firma Constructions Pty Ltd combined to represent the GO2 People Group.

BASIS OF COMBINED PRESENTATION

The combined financial statements comprise the financial statements of the separate legal entities GO2 Recruitment Pty Ltd as Trustee for the GO2 Recruitment Trust and Terra Firma Constructions Pty Ltd at 30 June 2016. These entities are subject to common control through common Directors and shareholders and operate as a combined Group known as the GO2 People Group. These combined financial statements aggregate the financial information of each separate legal entity, eliminating inter-company transactions. For the purpose of these combined financial statements no single entity is identified as a parent entity for accounting purposes and accordingly these combined financial statements are not prepared under the consolidation principles as defined in *AASB 10 – Consolidated Financial Statements*.

(a) Basis of preparation

These combined financial statements are general purpose financial statements, which have been prepared in accordance with the requirements of Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The combined financial statements have been prepared on a historical cost basis to meet the needs of the shareholders.

The combined financial statements are presented in Australian dollars.

The combined financial statements have been prepared on a going concern basis, which assumes the normal continuity of business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

Statement of Compliance

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

Going Concern

This combined financial statements have been prepared on a going concern basis, notwithstanding the fact that for the year ended 30 June 2016 the Group had overdue amounts owing to the Australian Taxation Office of \$4,185,991. These conditions indicate a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. The Directors believe that it is appropriate to prepare the accompanying combined financial statements on a going concern basis for the following reasons:

- A capital raising in the form of an initial public offering is expected to occur in the second half of calendar 2017 to raise between \$10 million and \$12 million;
- The GO2 People Ltd, (an entity controlled by the same Directors and shareholders as The GO2 People Combined Group) successfully raised seed capital of \$501,900 prior to the issuance of these combined financial statements.
- The cash flow forecast anticipates increased revenue from sales of services and control of costs, as and where appropriate.

For these reasons, the Directors believe that the assumption of a going concern basis in the preparation of this combined financial statements is appropriate. The combined financial statements does not include any adjustments in relation to the recoverability or classification of recorded assets, nor the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

(ii) Changes in accounting policy and disclosures

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

NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

(iii) 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 2015 are outlined in the table below. The Group has not yet assessed the impact of these standards.

Standard	Mandatory date for annual reporting periods beginning on or after)	Reporting period standard adopted by the company
AASB 9 Financial Instruments and related standards	1 January 2018	1 July 2018
AASB 2014-4 Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016	1 July 2016
AASB 15 Revenue from Contracts with Customers and AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15	1 January 2018	1 July 2018
AASB 2014-9 Equity method in separate financial statements	1 January 2016	1 July 2016
AASB 2015-1 Annual improvements 2012 – 2014 cycle	1 January 2016	1 July 2016
AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101	1 January 2016	1 July 2016
AASB 2015-9 Amendments to Australian Accounting Standards	1 January 2016	1 July 2016
AASB 16 - Leases	1 January 2019	1 July 2019

(b) Fair Value

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

NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

(c) Income Tax

The income tax expense (income) for the year 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 year 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.

Deferred tax assets relating to temporary differences and 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.

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.

NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

(d) 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
Office Equipment	20% - 66.66%
Motor Vehicle	25%

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.

(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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

(f) Employee Benefits

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, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on corporate bonds that have maturity dates that approximate the terms of the obligations. Upon the re measurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as a part of employee benefits expense.

The group's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

(g) Provisions

Provisions are recognised when the group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(h) 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.

(i) 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.

NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

(j) 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.

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 combined 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 combined statement of financial position under trade and other receivables.

(k) 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.

(l) 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.

(m) 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.

(n) 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.

NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

(o) 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.

(p) Critical accounting estimates and judgments

The preparation of the combined financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts in the combined 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 combined financial statements.

Recoverability of receivables

The Group continues to provide against the likelihood of ultimate collectability of trade receivables and trustee receivables where appropriate. The combined 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.

(q) Financial assets

Financial assets are measured at fair value. Transaction costs are directly attributable to the acquisition or issue of financial assets. Transaction costs directly attributable to the acquisition of financial assets are added to the fair value of the financial assets, as appropriate, on initial recognition.

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.

NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES – CONTINUED

Risk Exposures and Responses – continued

(ii) 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, is as follows:

Based on the borrowings balances at 30 June 2016 a 1% movement in interest rates would increase / decrease the profit / (loss) for the year before taxation by \$17,234 (2015: \$33,423).

(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 trades only with recognised, credit-worthy third parties and 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 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 2016

	<6 months \$	6-12 months \$	1-5 years \$	Total \$
Financial assets				
Cash and cash equivalents	383,951	-	-	383,951
Trade and other receivables	6,823,581	-	-	6,823,581
Other financial assets	1,435,502	-	-	1,435,502
	8,643,034	-	-	8,643,034
Financial liabilities				
Trade and other payables	(2,681,628)	-	-	(2,681,628)
Australian tax office payable	(2,600,000)	(1,585,991)	-	(4,185,991)
Borrowings	(1,417,729)	(52,046)	(312,279)	(1,782,054)
	(6,699,357)	(1,638,037)	(312,279)	(8,649,673)
Net maturity	1,943,677	(1,638,037)	(312,279)	(6,639)

NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES – CONTINUED

Year ended 30 June 2015

	<6 months \$	6-12 months \$	1-5 years \$	Total \$
Financial assets				
Cash and cash equivalents	197,802	-	-	197,802
Trade and other receivables	4,874,418	-	-	4,874,418
Other financial assets	-	1,531,134	-	1,531,134
	5,072,220	1,531,134	-	6,603,354
Financial liabilities				
Trade and other payables	(1,529,091)	-	-	(1,529,091)
Australian tax office payable	(453,239)	(1,684,425)	-	(2,137,664)
Borrowings	(2,878,378)	(40,226)	(372,684)	(3,291,288)
	(4,860,708)	(1,724,651)	(372,684)	(6,958,043)
Net maturity	211,512	(193,517)	(372,684)	(354,689)

NOTE 3 REVENUE

	30 June 2016 \$	30 June 2015 \$
Revenue		
Labour hire fees	36,320,663	20,038,704
Construction	1,873,628	518,675
Other income	121,552	257,673
Total Revenue	38,315,843	20,815,052

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NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 4 CASH AND CASH EQUIVALENTS

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

	30 June 2016	30 June 2015
	\$	\$
Cash at bank and on hand	383,951	197,802
	<u>383,951</u>	<u>197,802</u>
Reconciliation of net profit after tax to net cash flows from operations		
Profit / (Loss) for the year	1,153,463	(486,123)
Depreciation expense	183,409	121,476
Allowance for doubtful debts	218,806	-
Impairment of related party loans	-	754,517
Change in operating assets and liabilities		
(Increase)/Decrease trade and other receivables	(2,167,969)	96,531
Decrease / (Increase) in other assets	106,816	(3,170)
Increase in provisions	46,087	-
Increase trade and other payables	3,200,863	716,749
Increase provision for income tax	76,392	78,362
Net cash generated by / (used in) operating activities	<u>2,817,867</u>	<u>1,278,342</u>

NOTE 5 TRADE AND OTHER RECEIVABLES

	30 June 2016	30 June 2015
	\$	\$
Trade receivables	7,008,371	4,857,849
Less provision for doubtful debts	(218,086)	-
	<u>6,790,285</u>	<u>4,857,849</u>
Other receivables	33,296	16,569
Total receivables	<u>6,823,581</u>	<u>4,874,418</u>

Trade receivables are non-interest bearing and are normally on 30 day terms.

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

	Total	0-30 days	31-60 days	61-90 days	+ 91 days	+ 91 days
					PDNI*	CI*
30 June 2016	7,008,371	2,366,198	1,759,910	770,236	1,893,941	218,086
30 June 2015	4,857,849	3,637,883	1,060,959	155,212	3,795	-

*PDNI – Past due not impaired

*CI – Considered impaired

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

NOTE 6 OTHER ASSETS

	30 June 2016	30 June 2015
	\$	\$
Current		
Prepayments	30,855	140,472
Other assets	21,701	18,900
	<u>52,556</u>	<u>159,372</u>

NOTE 7 OTHER FINANCIAL ASSETS

	30 June 2016	30 June 2015
	\$	\$
Loans to related parties	-	112,902
Loans to other entities	-	4,900
Loans to Directors	109,129	-
Loans to trustees	1,326,373	1,413,332
	<u>1,435,502</u>	<u>1,531,134</u>

The Group has no loans outstanding with related parties as at 30 June 2016 (2015: 112,902). These loans were unsecured, non-interest bearing and had no fixed repayment date.

Loans to Directors represent amounts owed to Terra Firma Contraction Pty Ltd. These amounts are non-interest bearing, unsecured and have no fixed repayment date.

Loan to trustees represent amounts owed to the Company. These amounts are non-interest bearing, unsecured and have no fixed repayment date. It is likely that these amounts will be repaid through future profit distributions of the Company.

NOTE 8 PLANT AND EQUIPMENT

Year ended 30 June 2016

	Plant & Equipment	Motor Vehicles	Software	Total
	\$	\$	\$	\$
At 1 July 2015 net of accumulated depreciation and impairment	34,934	371,938	49,753	456,625
Additions	119,868	99,267	23,766	242,901
Disposals	-	-	-	-
Depreciation for the year	(41,605)	(113,129)	(28,675)	(183,409)
At 30 June 2016 net of accumulated depreciation	113,197	358,076	44,844	516,117
At 30 June 2015				
Cost	65,420	488,060	77,332	630,812
Accumulated depreciation	(30,486)	(116,122)	(27,579)	(174,187)
Net carrying amount	34,934	371,938	49,753	456,625
At 30 June 2016				
Cost	185,288	587,327	101,098	873,713
Accumulated depreciation	(72,091)	(229,251)	(56,254)	(357,596)
Net carrying amount	113,197	358,076	44,844	516,117

NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 8 PLANT AND EQUIPMENT - CONTINUED

Year ended 30 June 2015

	Plant & Equipment	Motor Vehicles	Software	Total
	\$	\$	\$	\$
At 1 July 2014 net of accumulated depreciation and impairment	21,116	12,143	-	33,259
Additions	25,166	462,172	57,504	544,842
Disposals	-	-	-	-
Depreciation for the year	(11,348)	(102,377)	(7,751)	(121,476)
At 30 June 2015 net of accumulated depreciation	34,934	371,938	49,753	456,625
At 30 June 2014				
Cost	40,254	25,888	19,828	85,970
Accumulated depreciation	(19,138)	(13,745)	(19,828)	(52,711)
Net carrying amount	21,116	12,143	-	33,259
At 30 June 2015				
Cost	65,420	488,060	77,332	630,812
Accumulated depreciation	(30,486)	(116,122)	(27,579)	(174,187)
Net carrying amount	34,934	371,938	49,753	456,625

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NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 9 TRADE AND OTHER PAYABLES

	30 June 2016	30 June 2015
	\$	\$
Trade payables and accruals	529,089	261,043
Amount due to customers under construction contracts	-	226,747
Other payables	2,152,539	1,041,301
	2,681,628	1,529,091

Trade payables are non-interest bearing and are normally settled on 30 day terms.

Customer prepayments represents monies received from customers in order to satisfy payroll requirements for employees not controlled by the Group. Cash received in advance will be paid to third party employees after the year end cutoff date and will not be recognised as revenue.

Other payables predominantly relate to obligations with the Australian Tax Office, which are not considered overdue.

Australian tax office payable

On 11 June 2016, the Group has entered into a payment plan with the Australian Tax Office to settle its goods and service tax payable as at that date, including the balance existing as at 30 June 2015. The plan includes an initial payment of \$1,200,000 and \$100,000 each week starting on 1 July 2016 until 14 April 2017, with a final payout of \$62,133 on 21 April 2017.

NOTE 10 BORROWINGS

	30 June 2016	30 June 2015
	\$	\$
<i>Unsecured – at amortised cost</i>		
Loans from funding institution (i)	58,676	38,273
	58,676	38,273
<i>Secured – at amortised cost</i>		
Finance lease liabilities (ii)	416,260	443,666
Bank debt factoring (iii)	1,277,746	2,809,349
Other loans	29,372	-
	1,723,378	3,253,015
	1,782,054	3,291,288
Current	1,469,775	2,918,604
Non-current	312,279	372,684
	1,782,054	3,291,288

Summary of borrowing arrangements:

- (i) Unsecured, fixed interest rate of 5.5% per annum is charged on outstanding loan balance. Repayable over 12 months.
- (ii) Secured by a charge on the group's motor vehicles. Interest of 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 3% per annum. Repayable over a minimum term of 24 months. The facility limit amounted to \$10,000,000 and unused facility as at reporting date was \$8,722,254.

NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 11 ISSUED CAPITAL AND UNITS

	30 June 2016	30 June 2015
	\$	\$
Fully paid ordinary shares (\$1 shares)	2	2
Issued units (\$1 units)	100	100
	102	102

	Number of shares	Number of units
Balance at 30 June 2014	-	100
Issues	2	-
Balance at 30 June 2015	2	100
Issue of shares	-	-
Balance at 30 June 2016	2	100

Issued capital and units reflect the issued capital and units of each of the separate legal entities (GO2 Recruitment Pty Ltd as Trustee for GO2 Recruitment Trust and Terra Firma Constructions Pty Ltd).

Each respective ordinary share entitle 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.

Ordinary shares have no par value and the separate legal entities do not have a limited amount of authorised capital.

NOTE 12 CAPITAL AND LEASING COMMITMENTS

Hire purchase agreements

The group has entered into hire purchase agreement for the purchase of motor vehicles with a purchase option at the end of the lease. There are no restrictions placed upon the group by entering into these agreements.

	30 June 2016	30 June 2015
	\$	\$
Lease Commitments		
Less than 12 months	163,370	266,804
Between 12 months and five years	312,279	478,422
	475,649	745,226

NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 13 EVENTS AFTER THE REPORTING PERIOD

Acquisition of the GO2 Recruitment Trust by The GO2 People Ltd

On 28 April 2017 The GO2 People Ltd acquired The Go 2 Recruitment Trust for a consideration of 15,000,000 shares in The GO2 People Ltd. The acquisition means that the GO2 People Ltd controls 100% of The GO2 Recruitment Trust.

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 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 has agreed to provide 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).

Conditions Precedent

Settlement under the Terra Firma Agreement is subject to satisfaction of the following outstanding conditions precedent:

- The GO2 People Ltd obtaining all necessary shareholder, regulatory and third party approvals to allow The GO2 People Ltd to lawfully comply with its obligations; and
- The GO2 People Ltd obtaining conditional approval from ASX for its securities to be admitted to official quotation on the ASX, on conditions deemed acceptable to The GO2 People Ltd, on or before 31 October 2017, or such other date as is agreed between the Company and Terra Firma Construction Pty Ltd.

Completion of seed capital raise by The GO2 People Ltd

On 30 June 2017 The GO2 People Ltd successfully raised seed capital of \$501,900 in connection with the proposed initial public offering of the GO2 People Ltd on the Australian Securities Exchange. The GO2 People Ltd acquired The GO2 Recruitment Trust on 28 April 2017 and Terra Firma Construction Pty Ltd on 16 June 2017 subject to the conditions noted above.

No other matters or material events have occurred between the reporting date and the date when these combined financial statements were authorised for issue other than those noted above.

NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 14 RELATED PARTY DISCLOSURES

All transactions which occurred between companies within the GO2 People Group have been eliminated through aggregation in these combined financial statements. Details of transactions between the Group and other related parties are disclosed below:

	30 June 2016	30 June 2015
	\$	\$
Loans to director-related entities	-	112,902
Loans to trustees	1,326,373	1,413,332
Loans to Directors	109,129	-

Loans to Director related entities in 2015 were to GO2 Skills & Training Pty Ltd (Paul Goldfinch and Abilio Ferreira are directors), GO2 Building Solution Pty Ltd (Paul Goldfinch and Abilio Ferreira are directors) and Pod Solutions Pty Ltd

Loans to Trustees were to the trustees of the Go 2 Recruitment Trust Paul Goldfinch and Abilio Ferreira. These amounts are non-interest bearing, unsecured and have no fixed repayment date.

Loans to Directors represent amounts owed to Terra Firma Contraction Pty Ltd by the Chris Streat Family Trust. These amounts are non-interest bearing, unsecured and have no fixed repayment date.

The combined financial statements include the combined financial statements of the following separate legal entities:

	Country of Incorporation
GO2 Recruitment Pty Ltd as Trustee for GO2 Recruitment Trust	Australia
Terra Firma Constructions Pty Ltd	Australia

Key Management Personnel

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

- Paul P Goldfinch
- Abilio L Ferreira
- Christopher D Streat

Compensation of the Group's key management personnel

Key Management Personnel were not paid a remuneration during the year.

Other transactions and balances with key management personnel and their related parties

There has been no other transactions with KMP, except as reported above.

NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

NOTE 15 AUDITOR'S REMUNERATION

	30 June 2016	30 June 2015
	\$	\$
Amount received or due and receivable by for:		
An audit of the financial statements of the combined entity	16,000	16,000

NOTE 16 SEGMENT INFORMATION

Information on segments

AASB 8 – Operating Segments requires a management approach under which segment information is presented on the same basis as that used for internal reporting provided to the Chief Operating Decision Makers (CODM) of the Group. The CODM have been identified as consisting of the Directors' of the company. For the year ended 30 June 2016, management determined that based on the structure of reports provided to the CODM and used by them for decision making and resource allocation that the Group continues to operate only in the Australian labour hire segment.

The Groups revenues are earned and the Group assets are held in Australia.

NOTE 17 COMPANY DETAILS

The principal place of business of the separate legal entities comprising the Group is:

The GO2 Recruitment Pty Ltd
5/153 Belmont Avenue
Belmont WA 6104

Terra Firma Constructions Pty Ltd
Oakford WA 6121

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of GO2 Recruitment Pty Ltd and Terra Firma Constructions Pty Ltd combined to represent the GO2 People Group, I state that:

1. In the opinion of the directors:
 - (a) The combined financial statements and notes of the GO2 People Group (comprising Go2 Recruitment Pty Ltd and Terra Firma Constructions Pty Ltd) for the financial year ended 30 June 2016:
 - (i) are in accordance with the basis of preparation as disclosed in Note 1 to the combined financial statements;
 - (ii) present fairly, the financial position of the GO2 People Group as at 30 June 2016 and its performance for the year then ended;
 - (iii) comply with International Financial Reporting Standards as disclosed in Note 1; and
 - (b) There are reasonable grounds to believe that the GO2 People Group (comprising GO2 Recruitment Pty Ltd and Terra Firm Constructions Pty Ltd) will be able to pay its debts as and when they fall due.



Billy Ferreira
Director

7th July 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GO2 PEOPLE GROUP

Report on the Financial Report

We have audited the accompanying combined financial report (the financial report) of The GO2 People Group (the Combined Entity) comprising the separate legal entities The GO2 Recruitment Trust and Terra Firm Construction Pty Ltd. The combined financial report comprises the combined statement of financial position as at 30 June 2016, the combined statement of profit of loss and other comprehensive income, the combined statement of changes in equity and the combined statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The Directors are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the basis of preparation as disclosed in Note 1 to the financial report and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the Directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial report complies with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

CHARTERED ACCOUNTANTS & ADVISORS

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Telephone: +61 3 9824 8555

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GO2 PEOPLE GROUP (CONT)*Auditor's Opinion*

In our opinion:

- a) the financial report presents fairly, in all material respects, the financial position of The GO2 People Group (comprising the separate legal entities The GO2 Recruitment Trust and Terra Firma Construction Pty Ltd) as at 30 June 2016, and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards; and
- b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Combined Entity had overdue amounts owing to the Australian Taxation Office of \$4,185,991 as at 30 June 2016. As stated in Note 1, this event along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Combined Entity's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Basis of preparation

We draw attention to Note 1 to the financial report which outlines the basis of preparation. The accompanying financial report include the aggregated financial position as at 30 June 2016 and results of operations for the year the ended of the two separate legal entities (The GO2 Recruitment Trust and Terra Firma Construction Pty Ltd) known as The GO2 People Group. Had separate financial reports been prepared for each of the legal entities, these combined financial report would not necessarily be indicative of the results that would have occurred due to the effects of intercompany transactions.

William Buck

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



N. S. Benbow
Director

Dated the 7th day of July 2017

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