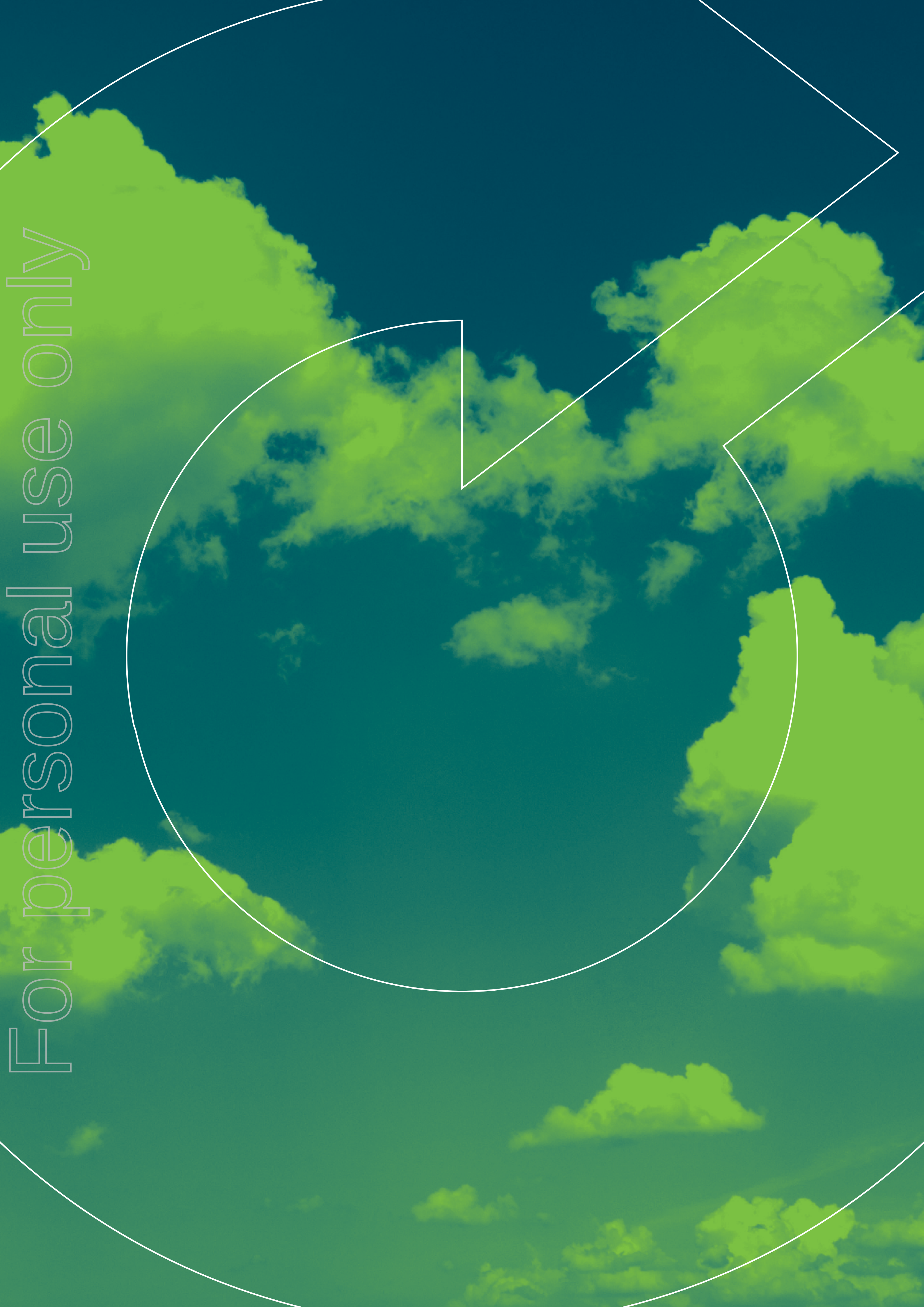
THE GO2 PEOPLE

2017 ANNUAL REPORT

The GO2 People Ltd
ACN 616 199 896

CONSOLIDATED FINANCIAL STATEMENTS FOR THE SEVEN MONTH PERIOD ENDED
30 JUNE 2017



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DIRECTORS REPORT

The Directors are please to present their report on the consolidated entity (referred to herein as "the Group") consisting of The GO2 People Limited ("the Company") and its controlled entities for the year ended ended 30 June 2017.

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

As such, these financial statements for the year ended 30 June 2017 represent the consolidated financial statements of The GO2 People Limited and its controlled entities for a full 12 month period, as the overall control of the Group has not changed.   The comparative amounts shown at 30 June 2016 relate to the combined financial statements of The GO2 Recruitment Unit Trust and Terra Firma Constructions Pty Ltd.

Director and Company Secretary Details

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

Abilio "Billy" Ferreira	appointed 30 November 2016	
Paul Goldfinch	appointed 20 January 2017	resigned 10 July 2017
Kathleen Ferreira	appointed 20 January 2017	resigned 10 July 2017
Darren Cooper	appointed 28 July 2017	
Doug Grewar	appointed 28 July 2017	

The following persons held the position of company secretary of The GO2 People Limited at the end of the reporting period:

Matthew Thomson	appointed 8 June 2017
Peter Torre	appointed 30 June 2017

Information on Directors' in office as at the date of this report

Darren Cooper

Independent Non-Executive Chairman

Darren Cooper spent in excess of 20 years with various companies in management and senior executive roles. Darren is a Past President and Life Member of the Urban Development Institute of Australia (UDIA) in Western Australia, and a past Vice President of UDIA National.

Darren currently advises Boards in the property development and telecommunications industries, and chairs the Board of a private property development enterprise. Darren is also a director of Nature Play WA Inc., a Perth-based not-for-profit organisation. Darren has a Bachelor of Business from Curtin University, a Masters of Applied Finance from Macquarie University, and is a graduate of the company directors course at the Australian Institute of Company Directors.

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

Abilio "Billy" Ferreira

Managing Director

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

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

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

Billy is a graduate of the company directors course at the Australian Institute of Company Directors.

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

Doug Grewar

Non-Executive Director

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 built a career in the resources and civil construction sectors over 30 years 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. To complete company workouts, Doug often assumes a board role and guides companies through the restorative process. At times, voluntary administration provides the only solution to return residual values. Doug's experience in coaching and guiding boards and senior management through this process has been invaluable for his clients. In the course of this work, he has been a Director of Hughes Drilling, where he was engaged from July 2016 to September 2016, when the company entered voluntary administration. He was also engaged as a director of Viento Group Limited from March 2015 to October 2015, when the company entered voluntary administration.

Doug was the Managing Director of ASX listed DGO Gold Limited from June 2008 to July 2010, and the Managing Director of MACA Limited from October 2012 to May 2014. Doug is currently the sole director of VCS Holdings, the parent company of VCS Civil and Mining Pty Ltd, which has been and continues to be a client of GO2 Recruitment.

Mr Grewar is not considered to be independent due to his interest in VCS Holdings, which, as mentioned above, is the parent company of a material client of GO2 Recruitment.

Directors Meetings

During the financial year, three meetings of directors were held. Attendances by each director during the year were as follows:

	BOARD MEETINGS ATTENDED	
	ELIGIBLE	ATTENDED
Abilio "Billy" Ferreira	3	3
Paul Goldfinch	2	2
Kathleen Ferreira	2	2

Principal Activities

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

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

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

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

Review of Operations

Since inception the Group has re-organised its corporate affairs in preparation for its forthcoming initial public offer (IPO) expected to occur during September 2017. The Group continues to pursue its principal activities. The revenue from operations for the year was as follows:

	2017 $	2016 $
REVENUE		
from labour hire services	34,058,971	36,442,215
from building services	770,548	1,873,628
	34,829,519	**38,315,843**

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) The Parent Entity was formed on 30 November 2016;

(ii) Legal acquisition of all units on issue in the GO2 Recruitment Trust was completed on 28 April 2017;

(iii) Acquisition of the GO 2 People Australia Pty Ltd on 16 June 2017;

(iv) Agreements signed to acquire both GO2 Building Pty Ltd and Terra Firma Constructions Pty Ltd on 16 June 2017, which are contingent of the proposed IPO of The GO2 People Limited being successful;

(v) Completion of seed investment of 3,333,333 shares raising $500,000 at $0.15 per share; and

(vi) Lodgment of Prospectus with the Australian Securities and Investments Commission on 1 August 2017 for approval for possible IPO.

Matters Arising since the end of the reporting period

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

Dividends

No dividends were paid or declared during the year

Options

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

GRANT DATE	DATE OF EXPIRY	EXERCISE PRICE	NUMBER OF OPTIONS
21 June 2017	21 June 2021	$0.225	2,500,000
21 June 2017	21 June 2021	$0.30	5,000,000
21 June 2017	21 June 2021	$0.40	7,500,000
			15,000,000

Option holders do not have any rights to participate in any issues of shares or other interests in the Group or the Company or any other entity. There have been no options granted since the end of the reporting period. There has also been no exercise of options during the financial year or up to the date of this report.

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.

Indemnities and Insurance Premiums Paid

For the reporting period ended 30 June 2017, the Group has not paid any premiums or agreed any indemnity with the directors covering this period.

However effective 1 July 2017, the Group has 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.

On 24 July 2017 the Group executed Indemnity, Insurance Access Deeds with Messer's Ferreira, Cooper and Grewar. These agreements indemnify the Directors of the Group for costs incurred, in their capacity as a director, for which they may be held personally liable, expect where there is a lack of good faith.

Proceedings on behalf of the company

No person is bringing proceedings on behalf of the company.

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 to be included in the Prospectus in relation to the Company's' upcoming IPO, in addition to their statutory audit duties. Total fees charged for non-audit services were $46,700. (FY16: $nil). 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 2017 has been received and is attached to this Directors' Report.

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

Abilio Ferreira
Director
8th September 2017

William Buck

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

I declare that, to the best of my knowledge and belief during the year ended 30 June 2017 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
Director
Dated this 8th day of September, 2017

CHARTERED ACCOUNTANTS & ADVISORS
Level 20, 181 William Street
Melbourne VIC 3000
Telephone: +61 3 9824 8555
williambuck.com

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CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

	NOTE	2017 $	2016 $
Revenue	3	34,829,519	38,315,843
Cost of goods sold		(31,153,698)	(33,100,547)
GROSS PROFIT		**3,675,821**	**5,215,296**
Sales and marketing expenses		(359,754)	(246,496)
Corporate and administration expenses		(3,924,473)	(2,761,726)
Share based payments expense		(1,580,701)	-
PROFIT / (LOSS) BEFORE FINANCE COSTS, DEPRECIATION AND INCOME TAX		**(2,189,107)**	**2,207,074**
Finance costs		(607,138)	(793,809)
Depreciation expenses		(181,446)	(183,410)
PROFIT / (LOSS) BEFORE INCOME TAX		**(2,977,691)**	**1,229,855**
Income tax benefit / (expense)		13,874	(76,392)
NET PROFIT / (LOSS) FOR THE YEAR		**(2,963,817)**	**1,153,463**
Other comprehensive loss, net of tax		-	-
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR		**(2,963,817)**	**1,153,463**
LOSS PER SHARE			
From operations:			
Basic / diluted loss per share	13(C)	(0.305)	11,308

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 2017

	NOTE	2017 $	2016 $
ASSETS			
Current Assets			
Cash and cash equivalents	4	464,033	383,951
Trade and other receivables	5	8,390,924	6,823,581
Other assets	6	83,431	52,556
Other financial assets	7	93,159	1,435,502
TOTAL CURRENT ASSETS		**9,031,547**	**8,695,590**
Non-Current Assets			
Plant and equipment	8	637,777	516,117
Intangible assets	9	22,727	-
TOTAL NON-CURRENT ASSETS		**660,504**	**516,117**
TOTAL ASSETS		**9,692,051**	**9,211,707**
LIABILITIES			
Current Liabilities			
Trade and other payables	10	3,638,469	2,681,628
Australian tax office payable	10	3,973,473	4,185,991
Provisions	11	93,296	46,087
Current tax liabilities		95,922	154,754
Borrowings	12	4,336,564	1,469,775
TOTAL CURRENT LIABILITIES		**12,137,724**	**8,538,235**
Non-Current Liabilities			
Borrowings	12	328,970	312,279
Deferred tax liabilities		44,957	-
TOTAL NON-CURRENT LIABILITIES		**373,927**	**312,279**
TOTAL LIABILITIES		**12,511,651**	**8,850,514**
NET ASSETS		**(2,819,600)**	**361,193**
EQUITY			
Issued capital	13	5,417,264	102
Reserves	14	(5,634,138)	-
Retained earnings / (accumulated losses)		(2,602,726)	361,091
TOTAL EQUITY		**(2,819,600)**	**361,193**

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 2017

	ISSUED CAPITAL $	RETAINED EARNINGS $	SHARE BASED PAYMENTS RESERVE $	COMMON CONTROL RESERVE $	TOTAL EQUITY $
AT 1 JULY 2016	**102**	**361,091**	-	-	**361,193**
Loss for the year	-	(2,963,817)	-	-	**(2,963,817)**
TOTAL COMPREHENSIVE INCOME	-	(2,963,817)	-	-	**(2,963,817)**
TRANSACTION WITH OWNERS IN THEIR CAPACITY AS OWNERS					
Issue of shares	5,625,000	-		-	**5,625,000**
Issue of options	-	-	1,580,701	-	**1,580,701**
Share issue costs	(207,736)	-	-	-	**(207,736)**
Common control transactions (Note 16)	(102)	-	-	(7,214,839)	**(7,214,941)**
AT 30 JUNE 2017	**5,417,264**	**(2,602,726)**	**1,580,701**	**(7,214,839)**	**(2,819,600)**

	ISSUED CAPITAL $	RETAINED EARNINGS $	SHARE BASED PAYMENTS RESERVE $	COMMON CONTROL RESERVE $	TOTAL EQUITY $
AT 1 JULY 2015	**102**	**182,844**	-	-	**182,946**
Profit for the year	-	1,153,463	-	-	**1,153,463**
TOTAL COMPREHENSIVE INCOME	-	1,153,463	-	-	**1,153,463**
TRANSACTION WITH OWNERS IN THEIR CAPACITY AS OWNERS					
Allocation of profits to beneficiaries of the Trust	-	(975,216)	-	-	**(975,216)**
AT 30 JUNE 2016	**102**	**361,091**	**-**	**-**	**361,193**

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 2017

	NOTES	2017 $	2016 $
OPERATING ACTIVITIES			
Receipts from customers		36,523,058	39,979,458
Payments to suppliers, employees and GST		(38,816,235)	(36,351,550)
Finance costs paid		(607,139)	(803,041)
Net cash generated by / (used in) operating activities	**4**	**(2,900,316)**	**2,817,867**
INVESTING ACTIVITIES			
Purchase of plant and equipment		(57,958)	(143,634)
Investment in term deposit		(83,159)	-
Purchase of intangible assets		(22,727)	-
Proceeds from sale of plant and equipment		5,910	-
Net cash used in investing activities		**(157,934)**	**(143,634)**
FINANCING ACTIVITIES			
(Repayment of) / proceeds from borrowings - net		2,638,332	(2,488,084)
Proceeds received from the issue of share capital		500,000	-
Net cash (used in) / generated by financing activities		**3,138,332**	**(2,488,084)**
Net increase in cash held		**80,082**	**186,149**
Cash and cash equivalents at the beginning of the period		**383,951**	**197,802**
Cash and cash equivalents at the end of financial period		**464,033**	**383,951**
RECONCILIATION OF CASH			
Cash at the end of the period consists of:			
Cash at bank and on hand		464,033	383,951
Cash at bank and on hand	**4**	**464,033**	**383,951**

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2017

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements cover GO2 People Limited (Company) and the entities in controlled (the Group) at the end of or at any time during the period ended 30 June 2017.

GO2 People Limited was incorporated on 30 November 2016 and on that date under a Group reorganisation obtained control of Terra Firma Constructions Pty Ltd, GO2 Building Pty Ltd, the GO2 Recruitment Unit Trust and GO2 People Australia Pty Ltd. These consolidated financial statements present the results of operations as if the acquistions had occurred as at 1 July 2015. For further details please refer to Note 1q, Note 16 and Note 17.

GO 2 People Limited is a for-profit unlisted 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 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.

(i) Statement of Compliance

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

(ii) Going Concern

The consolidated financial statements have been prepared on a going concern basis, notwithstanding the fact that for the year ended 30 June 2017 the Group had amounts owing to the Australian Taxation Office of $3,973,473 at 30 June 2017. (whilst overdue the Group has entered into a payment plan, allowing for the repayment of this amount over a 6 month period), which in the Directors view is a manageable cash outflow. 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 consolidated 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 Group has successfully raised seed capital of $500,000 prior to the end of the 30 June 2017 financial year;
- The cash flow forecast anticipates increased revenue from sales of services and control of costs, as and where appropriate; and

- In the unlikely event that the IPO is not successful then the Directors have agreed that loans previously forgiven as part of the IPO transaction would be reinstated and repaid to the Group.

For these reasons, the Directors believe that the assumption of a going concern basis in the preparation of this consolidated financial statements is appropriate. The consolidated 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.

(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 2017 are outlined in the table below.

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 15 Revenue from Contracts with Customers and AASB 2014-5 Amendments to Australian. Accounting Standards arising from AASB 15	1 JANUARY 2018	1 JULY 2018
AASB 16 - LEASES	1 JANUARY 2019	1 JULY 2019

Management are currently assessing the impact of these new standards on the Group and have commenced an analysis on the impact of *AASB 15 – Revenue from Contracts with Customers*. At the date of writing management do not expect that the current contracts held by the Group will have a material impact at the inception date of this standard as they are short term in nature. As management enter into new contracts an assessment of the treatment under AASB 15 will be considered.

Management has also considered the impact of AASB 16 - Leases and note based on the analysis performed there would be a material impact on the Group. The Group is currently in the process of performing an analysis of identifying leases signed between the Group and various third parties. However, it is expected that the operating and lease commitments identified in Note 15 to the financial report will be required to be included in the Consolidated Statement of Finance Position when the standard becomes effective. Following the implementation of the standard the rent al 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) Fair Value

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

(c) 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.

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.

(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
Plant and Equipment	20% - 50%
Motor Vehicle	25%
Office Equipment	20% - 66.66%
Computer Equipment	33.33%
Low value pool assets	50% - 75%

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) 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 amortization 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.

(f) 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.

(g) 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 and salaries 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.

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.

Share based payments

During the year the complete established an employee share plan and option plan. Share based payments are measured at the fair value of the instruments issued. Share based payments to non-employees are measured at fair value of goods and services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and recorded at the date the goods or services were received. The corresponding amounts are recorded in the Share Based Payments Reserve. The fair value of the options is determined using the Black Scholls method. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period, such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that will, eventually vest.

(h) 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.

(i) 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.

(j) 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.

(k) 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.

(l) 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.

(m) 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.

(n) 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.

(o) 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.

(p) 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.

(q) 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, 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 Limited notwithstanding that the legal acquisition of Terra Firma Pty Ltd and GO2 Building Pty Ltd has not yet been completed due to outstanding conditions precedent. In determining this, the Group considered the key shareholdings of both Abilio Ferriera 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 is held outside the Group, there is deemed to be no non-controlling interest as the shareholders of GO2 People Limited 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 consolidated financial statements include the results from operations and financial position of each subsidiary. Information on subsidiaries is outlined in Note 17.

Refer to Note 16 and Note 17 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 not recognised

The Group has made a trading loss in the year. The Group will therefore be eligible to offset these tax losses against future profits of the Group in subsequent years. However, as the quantum of these tax losses has not been estimated no asset has been recorded in the financial statements.

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.

(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 but trading only with recognised, credit-worthy third parties. 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 are 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, the Australian Tax Office Payable liability 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 2017

	<6 MONTHS $	6-12 MONTHS $	1-5 YEARS $	TOTAL $
FINANCIAL ASSETS				
Cash and cash equivalents	464,033	-	-	464,033
Trade and other receivables	8,390,024	-	-	8,390,924
	8,854,057	-	-	**8,854,057**
FINANCIAL LIABILITIES				
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)
	(9,234,481)	**(2,714,025)**	**(328,970)**	**(12,277,476)**
NET MATURITY	**(380,424)**	**(2,714,025)**	**(328,970)**	**(3,423,419)**

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
	7,207,532	-	-	**7,207,532**
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	**508,175**	**(1,638,037)**	**(312,279)**	**(1,442,140)**

NOTE 3
REVENUE AND EXPENSES

	2017 $	2016 $
REVENUE		
Labour hire fees	34,054,410	36,320,663
Construction	770,548	1,873,628
Other income	4,561	121,552
TOTAL REVENUE	**34,829,519**	**38,315,843**

	2017 $	2016 $
EXPENSES		
Impairment of related party loans*	338,031	-
Impairment and write off of trade receivables	467,904	293,730
Salaries and wages included in corporate and administration expenses	1,798,154	1,434,781
Superannuation expense included in corporate and administration expenses	135,739	91,746
Minimum lease payments	34,013	43,252

*The impairment of related party loans relates to amounts forgiven in respect of the Directors of the Company as part of the Common Control Transactions. Refer to Note 16 for further information.

NOTE 4
CASH AND CASH EQUIVALENTS

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

	2017 $	2016 $
Cash at bank and on hand	464,033	383,951
	464,033	**383,951**
RECONCILIATION OF NET PROFIT AFTER TAX TO NET CASH FLOWS FROM OPERATIONS		
Profit / (Loss) for the period	(2,963,817)	1,153,463
Share Option Costs	1,580,701	-
Depreciation expense (net of profit on sale)	181,822	183,409
Impairment of doubtful debts	467,904	218,806
Impairment of related party loans	338,031	-
CHANGE IN OPERATING ASSETS AND LIABILITIES		
Increase in trade and other receivables	(1,567,343)	(2,167,969)
Decrease / (Increase) in other assets	(40,875)	106,816
Increase in provisions	47,209	46,087
Increase / (decrease) in trade and other payables	(930,101)	3,200,863
(Decrease) / Increase in current tax liabilities	(13,847)	76,392
NET CASH GENERATED BY / (USED IN) OPERATING ACTIVITIES	**(2,900,316)**	**2,817,867**

NOTE 5
TRADE AND OTHER RECEIVABLES

	2017 $	2016 $
Trade receivables	8,625,444	7,008,371
Work in Progress and accrued revenue	135,693	-
Less provision for doubtful debts	(433,655)	(218,086)
	8,327,482	**6,790,285**
Other receivables	63,442	33,296
TOTAL RECEIVABLES	**8,390,924**	**6,823,581**

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 2017 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 2017	8,625,444	3,148,550	3,462,674	971,641	608,924	433,655
30 June 2016	7,008,371	2,366,198	1,759,910	770,236	1,893,941	218,086

*PDNI – Past due not impaired

*CI – Considered impaired

NOTE 6
OTHER ASSETS

	2017 $	2016 $
CURRENT		
Prepayments	76,086	30,855
Other assets	-	21,701
Inventory	7,345	-
	83,431	**52,556**

NOTE 7
OTHER FINANCIAL ASSETS

	30 JUNE 2017 $	2016 $
Loans to other entities	10,000	-
Investment in term deposit	83,159	-
Loans to Directors	-	109,129
Loans to trustees	-	1,326,373
	93,159	**1,435,502**

NOTE 8
PLANT AND EQUIPMENT

Year ended 30 June 2017

	Plant & Equipment $	Motor Vehicles $	Office Equipment $	Computers & Software $	Low Value Pool Assets $	Total $
AT 30 JUNE 2017						
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)
NET CARRYING AMOUNT	**45,105**	**507,245**	**57,131**	**22,049**	**6,247**	**637,777**

Movements in carrying amount of Plant and Equipment

	Plant & Equipment $	Motor Vehicles $	Office Equipment $	Computers & Software $	Low Value Pool Assets $	Total $
AT 1 JULY 2016 NET OF ACCUMULATED DEPRECIATION	**53,752**	**321,087**	**50,543**	**34,084**	**7,879**	**467,345**
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)
AT 30 JUNE 2017 NET OF ACCUMULATED DEPRECIATION	**45,105**	**507,245**	**57,131**	**22,049**	**6,247**	**637,777**

NOTE 8
PLANT AND EQUIPMENT (CONTINUED)

Year ended 30 June 2016

	Plant & Equipment $	Motor Vehicles $	Office Equipment $	Computers & Software $	Low Value Pool Assets $	Total $
AT 30 JUNE 2016						
Cost	78,314	587,327	77,259	105,041	13,216	873,713
Accumulated depreciation	(18,952)	(229,251)	(35,776)	(56,800)	(4,261)	(357,596)
NET CARRYING AMOUNT	**59,362**	**358,076**	**41,483**	**48,241**	**8,955**	**516,117**

Movements in carrying amount of Plant and Equipment

	Plant & Equipment $	Motor Vehicles $	Office Equipment $	Computers & Software $	Low Value Pool Assets $	Total $
AT 1 JULY 2015 NET OF ACCUMULATED DEPRECIATION	**-**	**371,938**	**24,828**	**49,753**	**10,106**	**456,625**
Additions	78,314	99,266	34,502	27,709	3,110	242,901
Disposals	-	-	-	-	-	-
Depreciation	18,952	113,128	17,847	29,221	4,261	183,410
AT 30 JUNE 2016 NET OF ACCUMULATED DEPRECIATION	**59,362**	**358,076**	**41,483**	**48,241**	**8,955**	**516,117**

NOTE 9
INTANGIBLES

	2017 $	2016 $
CURRENT		
Intellectual Property Wall Panel System	22,727	-
	22,727	**-**

During the period GO2 Building Pty Ltd entered into an agreement to acquire all rights and property for the Energy Lite Wall Panel System. Payment for the Intellectual Property is linked to the sales of homes utilising this Wall Panel System, the first payment of $25,000 inclusive of GST was made during the year. The remaining amount payable is $165,000. Payment is at the discretion of the Group and there are no specified payment terms.

NOTE 10
TRADE AND OTHER PAYABLES

	2017 $	2016 $
Trade payables and accruals	520,097	529,089
Payroll Liabilities	1,072,885	638,402
Other payables	2,045,487	1,514,137
	3,638,469	2,681,628
ATO Payment plan liabilities	3,973,473	4,185,991
	7,611,942	**6,867,619**

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, which are not considered overdue.

Australian tax office payable

Year ended 30 June 2017
On 1 July 2017, the Group has entered into a payment plan with the Australian Tax Office to settle its PAYG and goods and service tax payable as at 8 June 2017. The plan includes an initial payment of $200,000 and $50,000 each week starting on 8 July 2017 until 16 December 2017, with a final payout of $2,632,499.84 on 23 December 2017.

Year ended 30 June 2016
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 11
PROVISIONS

	2017 $	2016 $
Employee Benefits Provision	93,296	46,087
	93,296	**46,087**

Provision for employee benefits represents amounts accrued for annual leave. The amount is disclosed as a current provision, as whilst based on past experience the Group does not expect the full amount of annual leave provide for to be settled within the next 12 months, the Group does not have an unconditional right to defer settlement of these amounts in the event the employees wish to use their leave entitlement.

NOTE 12
BORROWINGS

	2017 $	2016 $
UNSECURED		
Other loans (i)	-	58,676
	-	**58,676**
SECURED – AT AMORTISED COST		
Finance lease liabilities (ii)	542,939	416,260
Bank debt factoring (iii)	4,122,595	1,277,746
Other	-	29,372
	4,665,534	**1,723,378**
	4,665,534	**1,782,054**
Current	4,336,564	1,469,775
Non-current	328,970	312,279
	4,665,534	**1,782,054**

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 7.5% 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 $5,877,405.

NOTE 13
ISSUED CAPITAL

	2017 $	2016 $
2 Fully Paid Ordinary Shares – Terra Firma Constructions	-	2
100 Trust Units – GO2 Recruitment Unit Trust	-	100
62,333,333 fully paid ordinary shares – The GO2 People Limited	5,417,264	-
	5,417,264	**102**

a) Ordinary Shares in GO2 People Limited

	NUMBER OF SHARES	$
BALANCE AT 1 JULY 2015	102	102
Movements in the year	-	-
BALANCE AT 30 JUNE 2016	102	102
BALANCE AT 1 JULY 2016	102	102
Cancellation of share capital and units	(102)	(102)
Initial share issue	10,000,000	10,000
Acquisition of Go 2 Recruitment Unit Trust – April 2017	15,000,000	15,000
Acquisition of Go 2 People Australia Pty Ltd – June 2017	34,000,000	5,100,000
Share Issue June 2017	3,333,333	500,000
Share issue costs	-	(207,736)
BALANCE AT 30 JUNE 2017	**62,333,333**	**5,417,264**

Issued capital reflects the issued capital of GO2 People Limited.

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.

b) Options

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

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.

NOTE 13 ISSUED CAPITAL CONTINUED

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

These Options have been valued at a cost to the Group of $1,580,701 using the Black and Scholes method. In determining this valuation the Group has used the offer price for the forthcoming IPO (being 20 cents), applied a risk free rate of 3% (with reference to the Government Bond rates) and assumed a volatility percentage of 85%, (reflecting the Group will be a new traded entity which history shows have higher volatility than entities listed for longer periods of time).

Movement in Options

	OPENING BALANCE AT 1 JULY 2016	GRANTED DURING PERIOD	FORFEITED DURING PERIOD	EXERCISED DURING PERIOD	OUTSTANDING AT 30 JUNE 2017	EXERCISABLE AT 30 JUNE 2017	WEIGHTED EXERCISE PRICE
Class A	-	2,500,000	-	-	2,500,000	2,500,000	$0.225
Class B	-	5,000,000	-	-	5,000,000	5,000,000	$0.30
Class C	-	7,500,000	-	-	7,500,000	7,500,000	$0.40
TOTAL	**-**	**15,000,000**	**-**	**-**	**15,000,000**	**15,000,000**	**$0.34**

The inputs used in determining the weighted average exercise price were as follows;

YEAR ENDED 30 JUNE 2017	CLASS A	CLASS B	CLASS C
Share price at valuation date $	0.2	0.2	0.2
Expected volatility	85%	85%	85%
Fair value of option	0.121	0.109	0.097
Risk-free interest rate	3%	3%	3%
Exercise price	0.225	0.3	0.4
Expected life of performance right	4 years	4 years	4 years
Dividend yield	0%	0%	0%

c) Loss per share

	2017 $	2016 $
Loss (excluding share based payments) used to calculate basic and diluted EPS	(2,963,817)	1,153,463
	No.	**No.**
Weighted average number of ordinary shares outstanding during the year used in calculating basic and diluted EPS	9,701,371	102
	9,701,371	**102**

NOTE 14
RESERVES

a) Share Based Payments Reserve

This reserve records items recognised as expenses on the issue and valuation of the Options Issued. The only movement for the period was the Options issued on 21 June 2017.

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.

NOTE 15
CAPITAL AND LEASING COMMITMENTS

	2017 $	2016 $
FINANCE LEASE COMMITMENTS		
PAYABLE – MINIMUM LEASE PAYMENTS		
- not later than 12 months	216,423	159,140
- between 12 months and five years	375,201	291,831
- later than five years		
Minimum Lease Payments	591,624	450,971
Less future finance charges	(48,684)	(34,710)
PRESENT VALUE OF MINIMUM LEASE PAYMENTS	**542,940**	**416,261**
OPERATING LEASE COMMITMENTS		
NON-CANCELLABLE OPERATING LEASES CONTRACTED FOR BUT NOT RECOGNIZED IN THE FINANCIAL STATEMENTS		
- not later than 12 months	257,770	170,197
- between 12 months and five years	474,030	-
- later than five years	-	-
	731,800	170,197

NOTE 15 CAPITAL AND LEASING COMMITMENTS CONTINUED

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.

NOTE 16
COMMON CONTROL TRANSACTIONS

Background

On 30 November 2016 GO2 People Limited was incorporated and for accounting purposes is deemed to have obtained control over Terra Firma Construction Pty Ltd, GO2 Building Pty Ltd and GO2 Recruitment Trust from that date (see note 1 (q)) as part of a Group reorganisation. GO2 People Limited was established to facilitate a capital raising and subsequent initial public offering and as a result the following transactions also occurred to restructure the Group. As there was no change in control, any difference between the consideration transferred and the carrying amounts of acquired assets and liabilities was recognised in a common control reserve.

Acquisition of The GO2 Recruitment Unit Trust by the GO2 People Ltd

On 28 April 2017, The GO2 People Ltd acquired all the units on issue in the GO 2 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 $2,487,006 as at 30 June 2017 will be forgiven.

As a consequence of this transaction an amount of $2,501,906 was recognised in the common control reserve.

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 $5,093,000 was recognised in the common control reserve.

NOTE 16 COMMON CONTROL TRANSACTIONS CONTINUED

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).
- loans, trade debtor and creditor balances owing to related entities of Mr Streat amount to $210,759 as at 30 June 2016 will be forgiven.

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.

As a consequence of this transaction an amount of $210,759 was recognised in the common control reserve.

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 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 agreed to provide the following consideration:

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

Conditions Precedent

Settlement under the GO2 Building 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 GO2 Building Pty Ltd.

As a consequence of this transaction an amount of $600 was recognised in the common control reserve.

NOTE 17
RELATED PARTY DISCLOSURES

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

Loans to Director related entities, GO2 Skills & Training Pty Ltd & GO2 Building Solution Pty Ltd were impaired in full during the period, resulting in charge to the Profit and Loss of $176,220. Paul Goldfinch and Abilio Ferreira are directors of both GO2 Skills & Training Pty Ltd & GO2 Building Solution Pty Ltd.

As part of various sale agreements as disclosed in Note 17 the following loan balances were forgiven:

Loans due from entities related to Paul Goldfinch and Abilio Ferreira	$2,433,467
Loans and receivables due from entities associated with Chris Streat	$210,759

The consolidated financial statements include:

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

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

NOTE 17 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:

- **Paul P Goldfinch** – remunerated through employment contract only
- **Abilio L Ferreira** – remunerated through employment contract and director fees
- **Kathleen Ferreira** (no remuneration)
- **Darren Cooper** – remunerated through director agreement only, commenced after end of reporting period
- **Doug Grewar** - remunerated through director agreement only, commenced after end of reporting period
- **Christopher D Streat** – remunerated through employment contract only

	2017 $	2016 $
Short term employee benefits	108,463	128,507
Long-term employment benefits	11,386	13,489
Share based payments	935,191	-
	1,055,040	**141,996**

Short term employee benefits take into account the actual cash bonuses paid during the financial year for achievement of individual KPIs together with the amount accrued for short term incentives at year end based on Group and Divisional performance and expected to be paid during the subsequent financial year.

NOTE 18
AUDITOR'S REMUNERATION

	30 JUNE 2017 $	30 JUNE 201 $
AMOUNT RECEIVED OR DUE AND RECEIVABLE BY FOR:		
An audit of the financial statements of the Group	18,000	16,000
Other services – Investigation Accountants Report and other IPO audited related services	46,700	-
	64,700	**16,000**

NOTE 19
SEGMENT INFORMATION

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 Group. For the period ended 30 June 2017, 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, which provides labour hire services to customers predominantly within Western Australia and Queensland.

The Groups' assets are held in Australia.

NOTE 20
PARENT ENTITY FINANCIAL INFORMATION

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

	30 JUNE 2017 $
ASSETS	
Cash and cash equivalents	302,739
Investments	5,115,000
Loans Receivable	150,000
TOTAL ASSETS	**5,567,739**
LIABILITIES	
Trade and other payables	168,475
TOTAL LIABILITIES	**168,475**
NET ASSETS	**5,399,264**
EQUITY	
Issued capital	5,417,264
Reserves	1,580,701
Retained earnings	(1,598,701)
TOTAL EQUITY	**5,399,264**
LOSS OF THE PARENT ENTITY	**1,598,701**
TOTAL COMPREHENSIVE LOSS OF THE PARENT ENTITY	**1,598,701**

Contingent liabilities

The GO2 People Limited does not have any contingent liabilities at 30 June 2017.

Contractual Capital Commitments

With the exception of matters disclosed in Note 15, The GO2 People Limited does not have any contracted capital commitments at 30 June 2017.

Related Party Transactions

Refer to Note 17 for disclosure of transactions between the parent entity and related parties.

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.

Lodgment of Prospectus

On 1 August 2017 The GO2 People Limited lodged a Prospectus for an offer of up to 60,000,000 Shares at an issue price of $0.20 per Share to raise a minimum of $10,000,000 and a maximum of $12,000,000. The offer is expected to be completed in September 2017 with an expected admittance to the Australian Securities Exchange in October 2017.

NOTE 21
COMPANY DETAILS

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

GO2 People Limited
10 Belmont Avenue
Belmont WA 6104

GO2 Building Pty Ltd
10 Belmont Avenue
Belmont WA 6104

Terra Firma Constructions Pty Ltd
24 Cunningham Drive
Oakford WA 6121

04

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 Limited for the financial period ended 30 June 2017 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 2017 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 2017.

Abilio Ferreira
Director
8th September 2017

05

William Buck

The GO2 People Limited

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 Limited. (the Company and its subsidiaries (the Group)), which comprises the consolidated statement of financial position as at 30 June 2017, 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 2017 and of its financial performance for the year ended on that date; 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

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report, which indicates that the Group incurred a net loss of $2,963,817 and incurred a net cash out-flow from operations of $2,900,316 for the year ended 30 June 2017 and had overdue amounts owing to the Australian Taxation Office of $3,973,473 as at 30 June 2017. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Groups' ability to continue as a going concern. Our opinion is not modified in respect of this matter.

William Buck

Other Information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2017, 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 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.

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

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

William Buck

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

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

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

William Buck

William Buck Audit [Vic] Pty Ltd
ABN 59 116 151 136

N. S. Benbow
Director

Melbourne, 8 September 2017