RECRUITMENT
BUILDING
TRAINING

ASX ANNOUNCEMENT

August 30th, 2019

Appendix 4E Preliminary Final Report

Highlights

- **Group FY19 revenue $47m***
- **The Recruitment Division – which is the core, continuously operating business after the Group restructure - increased FY19 revenue by 15% on FY18 to $43.6m***
- **Segment EBITDA contribution of $0.8m* from Recruitment Division increased from $0.6m in FY18**
- **Operational review resulted in overhead reduction of $1.5m (annualised) in Q4 FY19, enabling the Group to produce a neutral EBITDA result for June 2019**
- **Invested in and integrated 2 indigenous owned businesses**
- **Acquisition of Industry Pathways nears completion**

August 30th 2019: Leading provider of vertically integrated recruitment, training and building services, The GO2 People Limited (ASX:GO2) ("The GO2 People" or "the Company") releases its attached Preliminary Financial Report for the year ended 30 June 2019.

FY19 has established our platform for future growth

Key highlights of FY19 include:

- Move away from aggressive revenue growth and focus on generating positive EBITDA and free cashflows.
- De-risking the business through a reduction in its exposure to residential building projects.
- Continued organic growth in the core Recruitment Division.
- Preparing for the acquisition of Industry Pathways Pty Ltd ("IPW").

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* results are based on the Preliminary Financial Report that is in the process of being audited

During April 2019, GO2 restructured its business operations to ensure the Company was in a position to produce positive earnings for FY20. Restructuring activities focused primarily on cost saving without compromising the Company's ability to grow organically or affect its high levels of client service.

The Recruitment Division continued to grow in FY19, increasing revenues +15% from $38m in FY18 to $43.6m FY19. This growth was spread consistently across WA, QLD, and NSW. VIC contributed a small amount of revenue growth as the Company continues to build its presence in the region. The final Quarter of FY19 showed encouraging signs for FY20, with the Company placing its first staff onto marquee mining projects in both QLD and WA whilst securing new service provider agreements with Tier One businesses in its specialist sectors of construction, mining/resources and industrial.

The Company made a strategic decision to reduce its exposure in the building sector in order to de-risk our overall business due to the cost and risk of delivery in this segment. Consequently, we reduced fulltime employees in the division and eliminated other associated costs. Notwithstanding this restructure, the segment fulfilled its intended purpose of developing strategic client relationships which we are well placed to enhance through FY20. For example, in FY19 the Company secured WA Building Management & Works Accreditation to perform building works for local and State Government, and became an approved vendor for Rio Tinto.

Go2 intends to keep a small building team. However, it will now deliver only small low risk projects for select clients on a cost-plus margin and revenue model. Lowering the focus in the building division is expected to have positive impact elsewhere in the business as key personnel can now focus solely on growing the core Recruitment and Training Divisions to deliver positive EBITDA.

The addition of GO2 Skills and Training ("GO2 S&T") to the Group in December 2018, has added further depth to the Company's service offering. This diversity along with the clear synergy between workplace training and employment has aided the Recruitment Division in securing opportunities to deliver workforce solutions to a number of GO2 S&T's clients. Conversely, the Recruitment Division has introduced several opportunities to GO2 S&T which has assisted in delivering total revenue of $0.6m in the six months since acquisition. The continued integration of GO2 S&T is expected to see further growth in the Training division as operational synergies and client cross sell are executed.

In line with its strategic plan, the Group also invested in two Indigenous-owned businesses based in Western Australia during FY19. Both businesses complement our current operations and are highly synergistic. Indigi Personnel Services Pty Ltd is a recruitment business that focuses on the provision of Indigenous workforce personnel to the mining and construction sectors, whilst Giraffe Australia Pty Ltd (trading as Core FM) focus on Facilities Management and Maintenance services across Western Australia. Although neither business contributed materially to the results of FY19, the integration has now been completed and the Group expects both businesses to contribute positively to the Group's profitability in FY20.

FY19 Financial Summary

Key financial metrics across the total Group from FY18 to FY19 are:

- Revenue increased4.4% from $45m in FY18 to $47m in FY19.
- Gross Margin decreased to 11.3% driven mostly by a reduction in revenue contribution from the Building Division. The Recruitment division increased its margin from 9.6% to 10.2%, highlighting the gross margin and revenue growth momentum coming into FY20.
- Employee costs increased during the year based on an increased head count to April 2019 and the one-off costs of the restructure. The annualised cost saving of this restructure is approximately $1.5m. With employee costs now stabilised, the Company has the infrastructure and resources in place to deliver continued growth over the foreseeable future.

Strong FY20 revenue and earnings growth outlook

Going forward, we are focused on continued organic growth in our core Recruitment and Training Divisions. We believe these Divisions are well placed for ongoing EBITDA growth for several reasons:

- Recruitment and training are highly fragmented sectors with many smaller operators who cannot compete with our national, corporatized business model.
- Servicing more Tier 1 higher margin clients is expected to drive organic growth in the recruitment division. Our growth momentum, national footprint and the recent acquisition of IPW positions us to service more of these clients.
- Cross selling opportunities and operational synergies are expected to drive growth in the training division.
- The pending acquisition of Industry Pathways will allow for further cost rationalisation.

Managing Director, Billy Ferreira: "We're pleased with our progress during the financial year. On the back of responsible capital management, incremental improvements have been made month to month as we have implemented our strategic plan across the country. With a stable overhead structure in place and an established presence in buoyant sectors and geographies, we carry momentum into FY20 and expect to see continued improvements in our financial performance."

The Company will release its Full 2019 Annual Report in late September 2019.

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About The GO2 People

The GO2 People Ltd (ASX:GO2) is a leading provider of vertically integrated recruitment, building and training services to industry throughout Australia.

The company's Recruitment Division provides tailored staffing solutions to a range of industries with a client base that includes a number of national and multinational blue chip organisations across the construction, resources and industrial sectors. The Building Division is a construction company offering a range of construction and project management services in remote and regional areas of Australia. GO2 Skills & Training is a nationally Registered Training Organisation (RTO 40927), delivering both accredited and non-accredited workplace training and education courses.

The day to day operations of the company are underpinned by strong core values and an ethical approach to business principles which drive innovation, collaboration and an ongoing commitment to continuous improvement.

To learn more please visit: www.thego2people.com.au

About Industry Pathways (IPW)

Industry Pathways (IPW) is a Registered Training Organisation (RTO) offering fee for service training and education up to Diploma level in the mining and health sectors. Established in 2011, based in Gold Coast (Qld), IPW is one of Australia's leading Registered Training Organisations, delivering high quality fee for service training with the highest compliance standards, and zero reliance on government funding. It specialises in training and education in the mining and health sectors, delivering up to Diploma level qualifications.

To learn more please visit: www.industrypathways.com.au

RESULTS FOR ANNOUNCEMENT TO THE MARKET

This Preliminary Final Report is provided to the Australian Securities Exchange (ASX) under ASX Listing Rule 4.2A.3

Current Reporting Period:	Full year ended 30 June 2019
Previous Corresponding Period:	Full year ended 30 June 2018

For and on behalf of the Directors

Matthew Thomson

Joint Company Secretary

Dated: 31 August 2019

REVENUE AND NET PROFIT

			AUD'000's
Revenue from ordinary activities	Increased 4%	to	46,621
Loss from ordinary activities after tax attributable to members	Increased 58%	to	(2,122)
Net loss for the period attributable to members	Increased 58%	to	(2,122)

Dividends

There were no dividends paid or declared during the period.

REVIEW OF OPERATIONS

The Group Continued to pursue its principal Recruitment activities during the year, operations were further expanded with the provision of Labour Candidates to clients in both Victoria and South Australia, which follows the expansion into NSW in the 2018 Financial year.

Income from the Recruitment activities increased by 15% to $43.6m for the full year end 30 June 2019 (as compared to the full year end 30 June 2018) on the back of this expansion, a full year of operations in NSW and the results of securing multiple new service provider agreements in WA & QLD in the group's core focus sectors of construction and mining/resources.

During the first half the Group completed the strategic acquisition of GO2 Skills and Training. GO2 Skills and Training provides relevant workplace training and education with a core focus on the mining and construction sectors. Upskilling labour in a period where there is an impending skills shortage provides the Group with a competitive advantage by increasing the capability of its labour pool. GO2 Skills and training contributed $0.6m in Group Revenue in the six months from acquisition to 30 June 2019.

In line with its strategic plan the Group also invested in two Indigenous-owned businesses based in Western Australia during FY19, both businesses complement the current operations and are highly synergistic. Indigi Personnel Services Pty Ltd is a recruitment business that focuses on the provision of Indigenous workforce personnel to the mining and construction sectors, whilst Giraffe Australia Pty Ltd (trading as Core FM) focus on Facilities Management and Maintenance services across Western Australia. Neither business contributed materially to the results of 2019, however the initial integration has now been completed and the Group expects both businesses to contribute positively to the Group's pathway to profitability in FY20

Whilst the Group continues to provide Building Services, with a client base in the mining and construction sectors, during the year however, the Group made the decision to de risk the Building Division business by reducing the exposure to the residential building sector and large-scale construction projects. The Building Division will now deliver smaller low risk projects for select clients on a cost-plus margin/revenue model with a focus on responding to client demand via the Labour Hire and Facilities Management activities. The Building Division contributed $2.4m of Group Revenue in FY19.

During the June Quarter the Group undertook a review of its operations and strategic plan resulting in a restructure of operations and a focus on sustainable earnings as compared to revenue growth. The costs of this restructure have impacted this year's results increasing operational overheads but provides the base line for the Group to achieve profitability in FY20.

NET TANGIBLE ASSET BACKING

	30 June 2019 000's	**30 June 2018 000's**
Net Assets	2,802	4,914
Less intangible assets	(552)	(45)
Net tangible assets of the Company	2,250	4,869
Fully paid ordinary shares on issue at Balance Date	117,964	117,964
Net tangible asset backing per issued ordinary share as at Balance Date	.02	.04

AUDIT DETAILS

The accompanying financial report is in the process of being audited.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Note	2019 $	2018 $
Revenue	4	46,621,533	45,074,653
Cost of sales/services		(41,349,925)	(39,659,682)
Gross profit		**5,271,608**	**5,414,971**
Sales and marketing expenses		(155,279)	(251,222)
Employee benefits expense		(5,941,914)	(4,323,357)
Corporate and administration expenses		(980,677)	(1,816,746)
Share of equity accounting results		(19,597)	-
Loss before finance costs, depreciation and income tax		**(1,825,859)**	**(976,354)**
Finance costs		(600,081)	(620,070)
Depreciation expenses		(444,938)	(280,657)
Loss before income tax		**(2,870,878)**	**(1,877,081)**
Income tax benefit		748,763	533,154
Loss for the year		**(2,122,115)**	**(1,343,927)**
Other comprehensive loss, net of tax		-	-
Total comprehensive loss for the year		**(2,122,115)**	**(1,343,927)**
Loss per share			
From operations:			
Basic / diluted loss per share	13(c)	(0.018)	(0.014)

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 2019

	Note	2019 $	2018 $
ASSETS			
Current Assets			
Cash and cash equivalents	5	938,804	2,611,479
Trade and other receivables	6	9,027,101	12,488,450
Other assets	7	632,467	486,687
Other financial assets		156,878	196,634
Total Current Assets		**10,755,250**	**15,783,250**
Non-Current Assets			
Plant and equipment	8	990,356	1,127,154
Investments		189,981	-
Intangible assets	9	552,019	45,455
Deferred tax assets	10	1,242,409	492,229
Total Non-Current Assets		**2,974,765**	**1,664,838**
TOTAL ASSETS		**13,730,015**	**17,448,088**
LIABILITIES			
Current Liabilities			
Trade and other payables	11	4,972,072	5,302,159
Provisions		226,500	183,892
Borrowings	12	5,440,111	6,638,392
Total Current Liabilities		**10,638,683**	**12,124,443**
Non-Current Liabilities			
Borrowings	12	288,427	408,718
Total Non-Current Liabilities		**288,427**	**408,718**
TOTAL LIABILITIES		**10,927,110**	**12,533,161**
NET ASSETS		**2,802,905**	**4,914,927**
EQUITY			
Issued capital	13	15,840,782	15,858,288
Reserves	14	1,608,300	1,580,701
Accumulated losses		(14,646,177)	(12,524,062)
TOTAL EQUITY		**2,802,905**	**4,914,927**

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

THE GO2 PEOPLE LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

	Issued capital	Accumulated losses	Share based payments reserve	Common control reserve	Total equity
	$	$	$	$	$
At 1 July 2019	**15,858,288**	**(12,524,062)**	**1,580,701**	**-**	**4,914,927**
					-
Loss for the year		(2,122,115)			(2,122,115)
Total comprehensive income					
Transaction with owners in their capacity as owners					
Issue of options	-	-	27,599	-	27,599
Share issue costs	(17,506)	-	-	-	(17,506)
At 30 June 2019	**15,840,782**	**(14,646,177)**	**1,608,300**	**-**	**2,802,905**

	Issued capital	Accumulated losses	Share based payments reserve	Common control reserve	Total equity
	$	$	$	$	$
At 1 July 2018	**5,417,264**	**(2,602,726)**	**1,580,701**	**(7,214,839)**	**(2,819,600)**
Loss for the year	-	(1,343,927)	-	-	(1,343,927)
Total comprehensive income		(1,343,927)			(1,343,927)
Transaction with owners in their capacity as owners					
Issue of shares	11,126,250	-	-	-	11,126,250
Issue of options	-	-	-	-	-
Share issue costs	(685,226)	-	-	-	(685,226)
Common control transactions	-	-	-	(1,362,570)	(1,362,570)
Transfer to/(from) retained earnings/ (accumulated losses)	-	(8,577,409)	-	8,577,409	-
At 30 June 2018	**15,858,288**	**(12,524,062)**	**1,580,701**	**-**	**4,914,927**

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 2019

	Note	2019 $	2018 $
Operating activities			
Receipts from customers		55,400,358	45,097,048
Payments to suppliers, employees and GST		(54,171,367)	(48,435,807)
Finance costs paid		(600,081)	(620,070)
Taxes paid		-	(99,952)
Net cash generated by / (used in) operating activities	5	**628,910**	**(4,058,781)**
Investing activities			
Purchase of plant and equipment		(126,445)	(169,334)
Investment in term deposit		(50,244)	(23,475)
Purchase of intangible assets		(25,045)	(22,728)
Payments for investments acquired		(161,431)	(150,000)
Loans provided		(6,046)	-
Proceeds from sale of plant and equipment		172,000	-
Net cash used in investing activities		**(197,211)**	**(365,537)**
Financing activities			
Repayment of borrowings		(2,086,868)	(2,192,600)
Proceeds received from the issue of share capital		-	10,026,250
Payment of share issue costs		(17,506)	(1,261,886)
Net cash generated by / (used in) financing activities		**(2,104,374)**	**6,571,764**
Net increase in cash held		**(1,672,675)**	**2,147,446**
Cash and cash equivalents at the beginning of the period		**2,611,479**	**464,033**
Cash and cash equivalents at the end of financial period		**938,804**	**2,611,479**
Reconciliation of cash			
Cash at the end of the period consists of:			
Cash at bank and on hand		938,804	2,611,479
Cash at bank and on hand	5	**938,804**	**2,611,479**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

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

Principles of Consolidation

The consolidated financial statements cover GO2 People Limited (Company) and the entities it controlled (Group) at the end of or at any time during the period ended 30 June 2019. A list of controlled entities is included in Note 16.

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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 2019 are outlined in the table below.

Standard	Mandatory date for annual reporting periods beginning on or after	Reporting period standard adopted by the Group	Key Requirements	Impact
AASB 16 – Leases	1 January 2019	1 July 2019	Key features of AASB 16 are as follows: Lessees are required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of a low value. AASB 16 contains disclosure requirements for leases.	Management has considered the impact of ASB16 – Leases and has prepared a detailed calculation to quantify the impact as the at the adoption date of 1 July 2019. AASB introduces a single lessee accounting model, on the statement of financial position. As a result the Group, as a lessee, from the application date will recognises, right of use assets to represent its right to use the underlying assets and lease liabilities to represent its obligation to make lease payments. Lessor accounting remains similar to previous accounting policies. The Group plans to apply AASB 16 using the modified retrospective approach, under which the cumulative effect of the initial application is recognised in retained earnings as at 1 July 2019. The expected cumulative impact of the implementation of this standard as at 1 July 2019 is set out below. Total expected value of right of use asset 381,810 Total expected value of lease liability 395,671 Total expected impact to retained earnings 13,861
Interpretation 23 Uncertainty over Income Tax Treatments	1 January 2019	1 July 2019		

(b) Income Tax

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

(b) Income Tax continued

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

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

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

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

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

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

(c) Plant and Equipment

Plant and equipment

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

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

Depreciation

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

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

Class of Plant and Equipment	Depreciation Rate
Plant and Equipment	20% - 50%
Motor Vehicle	25%
Office Equipment	20% - 66.66%
Computer Equipment	33.33%
Minor Equipment	33% - 50%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

(c) Plant and Equipment continued

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss when the item is derecognised. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(d) Intangible Assets

Intangibles other than goodwill

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

Patents and Intellectual Property

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

Goodwill

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

(e) Leases

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

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

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

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

(f) Short-Term Employee Benefits

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

(g) Cash and Cash Equivalents

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

(h) Revenue and Other Income

Revenue recognition

The Group recognises revenue as follows:

Revenue from contracts with customers

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

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

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Rendering of services

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

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Rent

Rent revenue from investment properties is recognised on a straight-line basis over the lease term. Lease incentives granted are recognised as part of the rental revenue. Contingent rentals are recognised as income in the period when earned.

Other revenue

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

(i) Finance Costs

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

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

(j) Trade and Other Receivables

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

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

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

(k) Trade and Other Payables

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

(l) Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

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

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

(m) Goods and Services Tax (GST)

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

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(n) Issued Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(o) Critical accounting estimates and judgments

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

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

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

Recoverability of receivables

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

Tax losses recognised

Deferred tax assets relating to unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised. As at 30 June 2019 it has been determined that loses of $2,122,115 (2018 $1,343,927) at 30% have been brought to account as it is now probable that they will recovered.

NOTE 2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

Risk Exposures and Responses

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

(i) Interest rate risk

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

Sensitivity of interest rate risk

	50 bps decrease $	50 bps increase $
Effect on profit	(343,465)	343,465

(ii) Credit risk

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

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

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

(iii) Liquidity risk

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

The Group is exposed to liquidity risk via trade, other receivables and financing lease liabilities.

NOTE 2 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES CONTINUED

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 2019

	<6 months	6-12 months	1-5 years	Total
	$	$	$	$
Financial assets				
Cash and cash equivalents	938,804	-	156,878	1,095,682
Trade and other receivables	9,027,101	-	-	9,027,101
	9,965,905	**-**	**156,878**	**10,122,783**
Financial liabilities				
Trade and other payables	(4,972,072)	-	-	(4,972,072)
Borrowings	(5,269,095)	(136,596)	(322,847)	(5,728,538)
	(10,241,167)	**(136,596)**	**(322,847)**	**(10,700,610)**
Net maturity	**(275,262)**	**(136,596)**	**(165,969)**	**(577,827)**

Year ended 30 June 2018

	<6 months	6-12 months	1-5 years	Total
	$	$	$	$
Financial assets				
Cash and cash equivalents	2,611,479	-	-	2,611,479
Trade and other receivables	12,488,450	-	-	12,488,450
	15,099,929	**-**	**-**	**15,099,929**
Financial liabilities				
Trade and other payables	(5,302,159)	-	-	(5,302,159)
Australian tax office payable	-	-	-	-
Borrowings	(6,518,870)	(119,522)	(408,718)	(7,047,110)
	(11,821,029)	**(119,522)**	**(408,718)**	**(12,349,269)**
Net maturity	**3,278,900**	**(119,522)**	**(408,718)**	**2,750,660**

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

NOTE 3 SEGMENT INFORMATION

(a) Identification of reportable segments

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

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

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

(b) Segment results

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

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

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

(c) Segment location

The Group only operates in one Geographic segment being Australia

(d) Major customers

During the year ended 30 June 2019, approximately $5,243,200 (2018: $4,170,915) of the Groups's external revenue was derived from sales to a major Australian waste management company through the Labour Hire and Recruitment Services operating segment.

NOTE 3 SEGMENT INFORMATION CONTINUED

	Labour Hire and Recruitment Services		Residential and Remote Building Services		Skills and Training	Corporate Costs		Inter Segment Transactions		Total	
	30 JUNE 2019 $	30 JUNE 2018 $	30 JUNE 2019 $	30 JUNE 2018 $	30 JUNE 2019 $	30 JUNE 2019 $	30 JUNE 2018 $	30 JUNE 2019 $	30 JUNE 2018 $	30 JUNE 2019 $	30 JUNE 2018 $
Revenue	43,859,211	38,546,702	2,385,283	7,397,730	614,806		-	(237,768)	(869,779)	**46,621,533**	**45,074,653**
Results											
Segment Results	808,484	600,267	(699,362)	849,530	(15,107)	(1,872,678)	(2,042,901)		-	**(1,778,663)**	**(593,104)**
Depreciation	(292,179)	(212,593)	(147,367)	(68,063)	(5,392)		-		-	**(444,938)**	**(280,657)**
Finance Costs	(581,810)	(571,204)	(16,484)	(44,442)	(1,787)		(4,424)		-	**(600,081)**	**(620,070)**
Other Expenses	-	-	-	-	-	(47,196)	(383,250)		-	**(47,196)**	**(383,250)**
Profit before income tax expense										**(2,870,878)**	**(1,877,081)**
Income Tax Benefit										**748,763**	**533,154**
Profit for the year										**(2,122,115)**	**(1,343,927)**
	30 JUNE 2019 $	30 JUNE 2018 $	30 JUNE 2019 $	30 JUNE 2018 $	30 JUNE 2019 $	30 JUNE 2019 $	30 JUNE 2018 $	30 JUNE 2019 $	30 JUNE 2018 $	30 JUNE 2019 $	
Assets	4,040,902	12,271,553	587,976	4,135,043	227,768	14,850,301	15,172,011	(5,976,932)	(14,130,517)	**13,730,015**	**17,448,088**
Liabilities	9,387,868	16,649,377	615,145	3,559,616	412,361	120,588	89,688	(391,148)	(7,765,520)	**10,927,110**	**12,533,161**
Acquisition of PP&E	57,220	488,568	236,678	281,466			-		-	**293,899**	**770,034**

NOTE 4 REVENUE

Revenue	2019 $	2018 $
Labour hire fees	43,113,590	37,371,506
Construction	2,385,284	7,294,595
Training fees	614,806	-
Other income	507,853	408,552
Total Revenue	**46,621,533**	**45,074,653**

NOTE 5 CASH AND CASH EQUIVALENTS

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

	2019 $	2018 $
Cash at bank and on hand	938,804	2,611,479
	938,804	**2,611,479**

Reconciliation of net profit after tax to net cash flows from operations

	2019	2018
Profit / (Loss) for the period	(2,122,115)	(1,343,927)
Share option costs	27,599	-
Share issue costs expensed	-	383,250
Depreciation expense	444,938	280,658
Impairment of receivables	-	342,116
Recovery/(Impairment) of related party loans	491,295	(248,157)
Share of equity accounted investment results	19,597	-
Change in operating assets and liabilities		
Decrease/(Increase) in trade and other receivables	3,461,349	(4,557,789)
Increase in other assets	(99,977)	(401,785)
Increase in provisions	42,608	90,596
Increase / (decrease) in trade and other payables	(887,621)	1,496,209
(Decrease) / Increase in current tax liabilities	(748,763)	(99,952)
Net cash generated by / (used in) operating activities	**628,910**	**(4,058,781)**

Reconciliation of liabilities arising from financing activities

	Note	Balance at 1 July 2018 $	Financing Cashflows $	Non-cash charges New finance leases $	Balance as at 30 June 2019 $
Insurance Premium funding facility	12	55,218	70,504	-	125,722
Finance lease liabilities	12	792,627	(371,090)	140,083	561,620
		897,845	**(300,586)**	**140,083**	**687,342**

NOTE 6 TRADE AND OTHER RECEIVABLES

	2019	2018
	$	$
Trade receivables	8,765,994	12,673,054
Work in progress and accrued revenue	330,050	165,420
Less provision for doubtful debts	(394,164)	(893,918)
	8,701,880	**11,944,556**
Other receivables	325,221	543,894
Total receivables	**9,027,101**	**12,488,450**

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 2019 the ageing analysis of trade receivables is as follows:

	Total	0-30 days	31-60 days	61-90 days	+ 91 days	+ 91 days
				PDNI*	PDNI*	CI*
	$	$	$	$	$	$
30 June 2019	8,765,994	4,450,793	1,974,761	569,373	1,469,903	328,164
30 June 2018	12,673,054	5,665,541	4,045,302	1,001,627	1,066,666	893,918

*PDNI – Past due not impaired

*CI – Considered impaired

NOTE 7 OTHER ASSETS

	2019	2018
	$	$
Prepayments	396,037	194,384
Inventory	230,384	292,303
Loans receivable from other parties	6,046	-
	632,467	**486,687**

NOTE 8 PLANT AND EQUIPMENT

Year ended 30 June 2019

	Plant & Equipment $	Motor Vehicles $	Office Equipment $	Computers & Software $	Minor Equipment $	Total $
At 30 June 2019						
Cost	323,454	1,132,183	325,809	118,699	21,102	1,921,247
Accumulated depreciation	(124,284)	(466,338)	(216,534)	(111,143)	(12,591)	(930,890)
Net carrying amount	**199,170**	**665,845**	**109,275**	**7,556**	**8,511**	**990,357**

Movements in carrying amount of Plant and Equipment

	Plant & Equipment $	Motor Vehicles $	Office Equipment $	Computers & Software $	Minor Equipment $	Total $
At 1 July 2018 net of accumulated depreciation	**214,418**	**808,356**	**87,923**	**7,680**	**8,776**	**1,127,154**
Additions	37,478	190,749	56,719	2,905	6,049	293,900
Assets acquired on acquisition	-	-	24,728	-	-	24,728
Disposals	(284)	(98,373)	(600)	-	(1,789)	(101,046)
Depreciation	(52,442)	(234,887)	(59,495)	(3,029)	(4,525)	(354,378)
At 30 June 2019 net of accumulated depreciation	**199,170**	**665,845**	**109,275**	**7,556**	**8,510**	**990,356**

Year ended 30 June 2018

	Plant & Equipment $	Motor Vehicles $	Office Equipment $	Computers & Software $	Minor Equipment $	Total $
At 30 June 2018						
Cost	285,976	1,287,140	205,995	115,795	18,916	1,913,822
Accumulated depreciation	(71,558)	(478,784)	(118,072)	(108,114)	(10,140)	(786,668)
Net carrying amount	**214,418**	**808,356**	**87,923**	**7,681**	**8,776**	**1,127,154**

Movements in carrying amount of Plant and Equipment

	Plant & Equipment $	Motor Vehicles $	Office Equipment $	Computers & Software $	Minor Equipment $	Total $
At 1 July 2017 net of accumulated depreciation	**45,105**	**507,245**	**57,131**	**22,049**	**6,247**	**637,777**
Additions	206,323	475,143	82,794	1,273	4,456	770,034
Disposals	-	-	-	-	-	-
Depreciation	(37,010)	(174,032)	(52,002)	(15,641)	(1,972)	(280,657)
At 30 June 2018 net of accumulated depreciation	**214,418**	**808,356**	**87,923**	**7,680**	**8,776**	**1,127,154**

NOTE 9 INTANGIBLE ASSETS

	2019 $	2018 $
Intellectual property	70,500	45,455
Less: Impairment / ammortisation	-	-
	70,500	**45,455**
Goodwill	481,519	-
Less: Accumulated impairment	-	-
	481,519	**-**

The goodwill is attributable to the acquisition of GO2 Skills and Training business.

(a) Impairment tests for goodwill

Goodwill is allocated to the consolidated entity's cash generating units (CGUs) identified according to business and geographical segments. A segment level summary of the goodwill allocation is presented below.

	2019 $	2018 $
Skills and Training Division	481,519	-

A test for impairment of goodwill has not been performed as the asset was acquired less than 12 months ago.

NOTE 10 DEFERRED TAX ASSETS

	2019 $	2018 $
Opening Balance	492,229	(44,957)
Credited/(charged) to profit or loss	750,180	537,186
Closing balance	**1,242,409**	**492,229**

NOTE 11 TRADE AND OTHER PAYABLES

	2019 $	2018 $
Trade payables and accruals	516,894	1,899,908
Payroll liabilities	1,873,382	1,476,251
Other payables	2,581,796	1,936,000
	4,972,072	**5,302,159**

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

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

NOTE 12 BORROWINGS

	2019 $	2018 $
Secured – at amortised cost		
Insurance premium funding(i)	125,722	55,218
Finance lease liabilities (ii)	551,620	792,627
Bank debt factoring (iii)	5,016,777	6,199,265
Other	34,419	-
	5,728,538	**7,047,110**
	5,728,538	**7,047,110**
Current	5,440,111	6,638,392
Non-current	288,427	408,718
	5,728,538	**7,047,110**

Summary of borrowing arrangements:

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

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

(iii) Collateral over the Group's trade receivables. Effective interest of 7.5% per annum. Repayable as receivables are collected. The facility limit amounted to $10,000,000 and unused facility as at reporting date was $4,983,233.

NOTE 13 ISSUED CAPITAL

	2019 $	2018 $
117,964,583 fully paid ordinary shares – The GO2 People Limited	15,840,782	15,858,288
	15,840,782	**15,858,288**

a) Ordinary Shares in GO2 People Limited

Issued capital reflects the issued capital of GO2 People Limited.

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

b) Options

During the prior period a total of 1,750,000 Options were issued to Directors for performance of services.

This issue comprised 1,750,000 Options exercisable at $0.30 each, on or before 17 December 2021 (**Class B Options**). There are no conditions to vesting or exercise. The share price at date of the issue of the Options was $0.12.

NOTE 13 ISSUED CAPITAL CONTINUED

Movement in Options

	Opening Balance at 1 July 2018	Granted During Period	Forfeited During Period	Exercised During Period	Outstanding at 30 June 2018	Exercisable at 30 June 2018	Weighted Exercise Price
Class A	2,500,000	-	-	-	2,500,000	2,500,000	$0.225
Class B	5,000,000	1,750,000	-	-	6,750,000	6,700,000	$0.30
Class C	7,500,000	-	-	-	7,500,000	7,500,000	$0.40
Total	**15,000,000**	**1,750,000**	**-**	**-**	**16,750,000**	**16,750,000**	**$0.33**

c) Loss per share

	2019 $	2018 $
Loss (excluding share based payments) used to calculate basic and diluted EPS	(2,122,115)	(1,342,456)
	No.	No.
Weighted average number of ordinary shares used in calculating basic and diluted EPS	117,964,583	99,370,028
	117,964,583	**99,370,028**

The 16,750,000 (2018: 15,000,000) options issued could potentially dilute basic earnings per share in the future but were not included in the calculation of diluted earnings per share because they are anti-dilutive for the periods presented as the entity is in a loss making position.

NOTE 14 RESERVES

a) Share Based Payments Reserve

This reserve records items recognised as expenses on the issue and valuation of Shares, Options or other Rights as issued. The costs associated with the issue of options during the period was $27,599 (2018: nil)

NOTE 15 CAPITAL AND LEASING COMMITMENTS

	2019	2018
Finance Lease Commitments	**$**	**$**
Payable – minimum lease payments		
- not later than 12 months	273,192	383,909
- between 12 months and five years	288,429	459,606
- later than five years	-	-
Minimum Lease Payments	561,621	843,515
Less future finance charges	(31,073)	(50,888)
Present Value of minimum lease payments	**530,548**	**792,627**
Operating Lease Commitments		
Non-cancellable operating leases contracted for but not recognized in the financial statements		
- not later than 12 months	362,208	310,117
- between 12 months and five years	137,429	305,247
- later than five years	-	-
	499,637	**615,364**

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

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

NOTE 16 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.

Transactions with Director related entities

	2019 (pre-acquisition)	2018
GO2 Skills & Training		
Payment for skills and leadership training	(19,635)	(88,360)
Recovery of insurance premiums, office and facility costs	56,051	108,439
	36,416	**20,079**

The consolidated financial statements include:

	Country of Incorporation*	Ownership Interest	
		2019	**2018**
GO2 People Limited	Australia	100%	100%
GO 2 Building Pty Ltd	Australia	100%	100%
Terra Firma Constructions Pty Ltd	Australia	100%	100%
The GO2 Recruitment Unit Trust*	Australia	100%	100%
GO2 Recruitment Pty Ltd	Australia	100%	100%
The GO2 People Australia Pty Ltd	Australia	100%	100%
GO2 Skills & Training Pty Ltd	Australia	100%	-
Giraffe Australia Pty Ltd	Australia	49%	-
Indigi Personnel Services Pty Ltd	Australia	49%	-

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

NOTE 16 RELATED PARTY DISCLOSURES (CONTINUED)

Key Management Personnel

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

Current Directors

- Abilio L Ferreira – remunerated through employment contract and director fees
- Darren Cooper – remunerated through director agreement only
- Andries Dique – remunerated through director agreement only

Previous Directors

- Peter McMorrow - remunerated through director agreement only up until resignation on 6 June 2019.

Key Management

- Matthew Thomson CFO and Joint Company Secretary – remunerated through employment contract
- Peter Torre Joint Company Secretary – remunerated through consulting contract
- Paul Goldfinch Head of Growth and Investor Relations – remunerated through employment contract
- Ross Lovell EGM Recruitment – remunerated through employment contract
- Christopher Streat Head of Building – remunerated through employment contract

	2019	2018
Short term employee benefits	1,457,348	1,280,698
Superannuation benefits	113,050	114,562
Share based payments	27,599	-
	1,597,997	**1,395,260**

NOTE 17 BUSINESS COMBINATIONS

On 01 March 2019, the Company acquired 49% of a Facilities Management business Giraffe Australia Pty Ltd (Giraffe) , the Company does not control Giraffe and as result recognises its share of income and expenses as a net result through the P&L and its share of Giraffes Assets and Liabilities as an Investment on the Company's balance sheet.

Details of the Purchase acquisition and net assets acquired

Share of cash consideration paid to the Vendors	70,637
Share of payment to settle liabilities of Giraffe	60,192
Share of total consideration paid	130,829

-

The Company's share of assets and liabilities recognised as result of the acquisition

Cash at Bank	3,426
Trade and Other Receivables	71,452
Property Plant & Equipment	10,196
Total Assets	85,074
Trade and Other Payables	142,772
Total Liabilities	142,772
Net Assets	(57,698)
Excess Consideration over net assets acquired	188,526

On 26 February 2019, the Company acquired 49% of an Labour Hire company Indigi Personnel Services Pty Ltd (Indigi) , the Company does not control Indigi and as result recognises its share of income and expenses as a net result through the P&L and its share of Indigi's Assets and Liabilities as an Investment on the Company's balance sheet.

Details of the Purchase acquisition and net assets acquired

Share of cash consideration paid to the Vendors	1
Share of payment to settle liabilities of Indigi	-
Share of total consideration paid	1

-

The Company's share of assets and liabilities recognised as result of the acquisition

Cash at Bank	1
Trade and Other Receivables	-
Property Plant & Equipment	-
Total Assets	-
Trade and Other Payables	-
Total Liabilities	-
Net Assets	-
Excess Consideration over net assets acquired	-

NOTE 18 AUDITOR'S REMUNERATION

	30 June 2019 $	30 June 2018 $
Amount received or due and receivable by for:		

An audit and review of the financial statements of the Group	50,150	30,100
Other services		
- Investigating Accountants Report and other IPO audited related services	-	25,000
- Due Diligence Report related to a business acquisition	20,717	-
	70,867	55,100

NOTE 19 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 2019 $	30 June 2018 $
ASSETS		
Cash and cash equivalents	917,750	2,051,792
Other assets	106,232	258,186
Investments	7,039,578	5,986,989
Loans Receivable	6,469,431	6,497,033
Deferred tax asset	317,310	
Total Assets	**14,850,301**	**14,794,000**
LIABILITIES		
Trade and other payables	120,588	48,427
Total Liabilities	**120,588**	**48,427**
NET ASSETS	**14,729,713**	**14,745,573**
EQUITY		
Issued capital	15,840,782	15,858,288
Reserves	1,598,225	1,580,701
Retained earnings / (accumulated losses)	(2,709,294)	(2,693,416)
TOTAL EQUITY	**14,729,713**	**14,745,573**
Loss of the parent entity	**403,964**	**1,094,715**
Total comprehensive loss of the parent entity	**403,964**	**1,094,715**

Related Party Transactions

Refer to Note 16 for disclosure of transactions between the parent entity and related parties.

NOTE 20 CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

Contingent liabilities

Term Deposits included in Other financial assets to the value of $156,878 (2018: $106,634) secure Bank Guarantees provided to support Lease agreements for the Groups operations in Western Australia, Queensland and New South Wales.

The GO2 People Limited does not have any other contingent liabilities at 30 June 2019.

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 2019.