Geo

ANNUAL REPORT 2018

Geo Limited
(formerly GeoOp Limited)
year ended 30 June 2018

About Geo

Geo is the new face of GeoOp. Over the years we have evolved and grown. Now the time is right for this evolution to be reflected in a new name, new brand and new positioning for the business.

Geo provides cloud-based business productivity software and applications for small to large businesses with mobile and distributed workforces.

We make it easier out there by simplifying the challenges of managing a mobile workforce.

We operate in markets that have years of growth ahead, we have great products that are relied on by loyal customers, and a scalable platform – all supported by a talented and committed team. The best years are ahead of us.

For additional information please visit www.geoworkforcesolutions.com

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IBC Corporate Directory

This report is dated 28 September 2018 and is signed on behalf of the Board of Geo Limited by:

Roger Sharp
Chairman

Tim Ebbeck
Director

Highlights

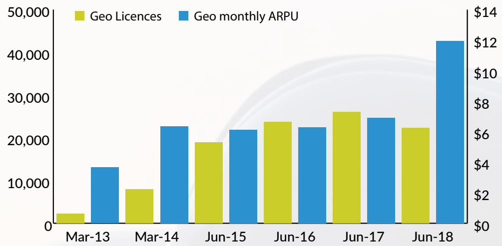
Revenue & Income

$5.2m

FY18 Total Income

$4.0m

FY18 Recurring Revenues



24% increase

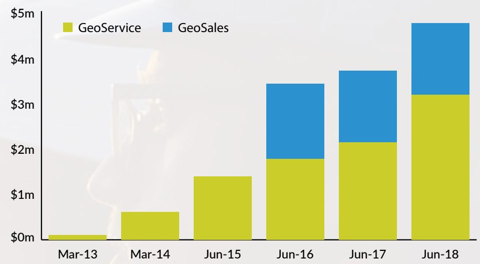
in ARR[1] in second half of FY18

driven by Geo ARPU[2] initiative

$4.8m ARR

at June 2018

continues growth trend



Earnings

39.7% improvement

in Underlying EBITDA to $(1.9)m

$8.5m

Total Comprehensive Loss

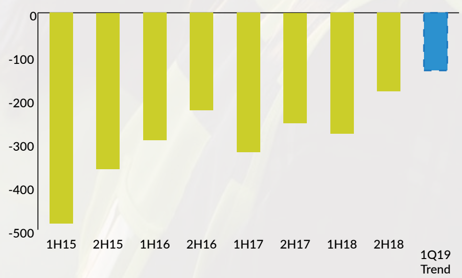
includes non-cash write-downs and one-off costs

Cash

$130k per month

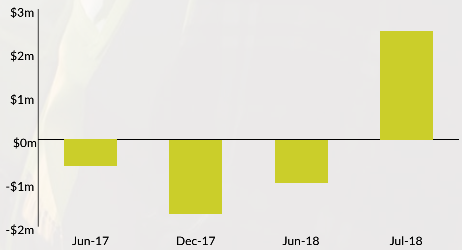
current cash burn

continues trend to breakeven



$2.5m net cash

after successful capital raise in July 2018



1. Annual recurring revenue 2. Average revenue per user

Re-establishing momentum

Chair's Report

"Geo is now a much stronger company. Our team is committed, our new products are world-class, our balance sheet is greatly improved, we expect a minimum of 30% revenue growth this financial year, and we are trending towards profitability."

I'm proud to report that Geo has emerged from the 2018 financial year as a much stronger company. We have taken a series of steps during FY18 to refocus on our customers, our products, our people and our finances. These initiatives have set up Geo for growth and profitability.

Geo is doubling down on its customer focus. Our customers, from small to large, want complexity removed from their lives. They want to spend their time doing what their own customers expect them to deliver, rather than administration – and our SaaS tools offer them just that opportunity. We are determined to 'make it easier out there' by simplifying the challenges of managing a mobile workforce.

FY18 RESULT

Geo recorded a headline loss of $8.5m in FY18. This number includes a $5.0m non-cash impairment and $0.7m of one-off costs from the Australian Securities Exchange (ASX) IPO process, and associated restructuring costs, from which the company withdrew in November 2017.

Total revenues were $5.2m, comprising subscription revenues of $4.0m (up 6.4% on Prior Corresponding Period (PCP)), and other income of $1.0m (down 33% on PCP, due to benefit in FY17 of one-off non-cash write back of $1.0m contingent liability). The Company received R&D grants totalling $0.9m.

Behind these numbers lies a sustained improvement in trading performance and cash burn, particularly in the second half of the year. Geo's underlying EBITDA loss improved to $1.9m (up 39.7% on PCP), due to reduced costs and increases in annualised recurring revenues (ARR).

Strong revenue growth was re-established from March 2018, with June 2018 ARR 23.9% higher than in December 2017.

Cash burn, at $0.13m per month, continues to improve and is forecast to drop sharply in the second half of FY19. Further, the Company's recent capital initiatives leave it debt-free.

A YEAR OF CONTRASTS

FY18 was certainly a year of two distinct halves.

In the first half, the company was absorbed by the process of planning to list on the ASX. We are grateful to New Zealand Stock Exchange (NZX) for their nimble and constructive approach during a difficult period, and for facilitating our transition from the NZAX to the Main Board instead of ASX.

As you can imagine, the business did not grow to plan during the first half. Moreover, liquidity was tight after we withdrew our Australian offer, requiring Geo to seek a $1.5m bridging loan to resume normal operations. A convertible bridging loan was approved by shareholders and subsequently repaid through a mix of cash and shares as part of the Company's successful recapitalisation.

How things can change in six months!

When Kylie O'Reilly was appointed CEO in February 2018, your management and board immediately reviewed the Company's strategy. The result has been a comprehensive series of growth initiatives, some of which are now beginning to bear fruit.

Revenue growth was subdued in the first eight months of FY18, but accelerated in the last four months, with month-on-month growth averaging 4.5%. At the end of June 2018, ARR was 23.9% ahead of December 2017.

IMPAIRMENT OF INTANGIBLES

The turnaround seen in the last four months of FY18 has continued into FY19 and is predominantly the result of growth in subscription revenues from the Geo product, as we shift our customers onto new subscription pricing plans.

Group revenue growth in FY18 was dented by a 12.5% decline in revenues from the Geo for Sales (formally GeoSales) application. Geo for Sales performed well below its potential due to the Company focusing its resources on its Geo applications during FY18.

We have taken a $5.0m non-cash impairment in the value of Geo for Sales intangibles. Notwithstanding this write down, the board and management team believe Geo for Sales has significant untapped potential. In FY19 we are reinvigorating the application and increasing our focus on our customer base.

GOVERNANCE AND LEADERSHIP

The appointment of Mark Rushworth as an independent Non-Executive Director and Kylie as CEO have strengthened your company's leadership.

Kylie has a proven management track record in guiding technology and media companies through rapid and continuous growth cycles. We are already seeing the early results from Kylie's customer-centric approach.

Mark is Chairman of fintech start-up Genoapay, a Non-Executive Director of NZX-listed company Freightways, and was previously CEO of Paymark, Pacific Fibre and iHug. His contribution during the year has added significant value.

STRONGER BALANCE SHEET

We have strengthened the balance sheet with a $2.0m equity placement, and with a $1.6m rights issue completed after balance date. In conjunction with the rights issue we also redeemed $0.6m of the bridge loan for cash and converted the remaining $2.4m in loans to equity on the same terms as the capital raise.

Your company is now debt-free and its key financial metrics are showing continuous improvement.

BRAND

From now on you will see us refer to the Company as Geo, and its two core products as Geo (the core job allocation and management platform) and Geo for Sales (the field sales application acquired in 2016).

Much work has been done to streamline and improve not only our products, but also our branding and our digital collateral. Kylie O'Reilly, our CEO, will discuss this in more detail in her report.

OUTLOOK

Despite the obvious travails of the first half, I am proud of the progress we have made in calendar 2018. We are a much stronger company.

The distraction of the ASX process and subsequent management changes are now behind us. We are growing again, cash burn is at its lowest point in Geo's history, we are ungeared and quietly confident in the future.

Your Directors expect Geo to grow upwards of 30% in FY19 and reach an EBITDA break-even run rate in mid-calendar 2019 within its existing cash reserves. We cannot predict the exact month in which a breakeven run rate will be achieved, however the trend is established.

We are increasing license fees for customers who are not paying market rates. These customers will be migrated to our new Geo application once its feature set reaches parity. During the year we therefore expect license numbers to decline as some customers churn. We plan to make a profit by serving loyal customers who pay market price for our software, rather than lose money servicing an unprofitable, larger customer base.

We need our partner channels to deliver more new customers than they have been. Ingram Micro Cloud will be activated in October. We will be reactivating Telstra and AppDirect. We have budgeted relatively little revenue from these channels in FY19.

Digital marketing has been relaunched, starting with the rollout of our new branding and the consolidation of our former websites into a single site.

GeoPay holds promise but our vendor partner let us down during trials in late FY18 and we have gone back to the drawing board. We don't expect much revenue from GeoPay in FY19 but still see it as a potential medium-term area of growth.

Geo for Sales will undergo a fundamental reboot during FY19. We have identified some low hanging fruit and are working to rebuild this business in the same way as we have systematically relaunched the Geo applications.

A VOTE OF THANKS

The team at Geo, including its product leaders, software engineers, customer success team, finance team, management, board and everyone in between has remained extremely focused and committed during a period of considerable change. I'd like to thank the team for their hard work and shareholders for staying the course. We believe this company is on the cusp of success.

Roger Sharp

Roger Sharp
Chairman

Regaining the initiative

CEO's Report

Geo enjoys an enormous opportunity. Our products offer small businesses mobile workforce management solutions that in the past were only available to the very largest companies. And for medium-sized and larger companies, we offer a scalable and customisable cloud-based solution that is free of development and maintenance expenditure.

Meanwhile, the market for our products is huge and growing. Gartner estimates the global market for SaaS services in 2017 was US$60.2b. It also forecast the market would grow at a compound average rate of 18.1% a year to reach US$117.1b by 2021[1].

However, on joining the company earlier this year it quickly became apparent that we needed to redirect our focus to growth after Geo achieved platform stability and product development in 2017.

The strategy we developed at the start of the calendar year focused on identifying the immediate opportunities for growth through product innovation, growing our customer base and our share of the customer wallet.

INCREASING CUSTOMER REVENUES

The short-term financial performance of the business has been driven by the last of these and we are very pleased with the progress made. We are transitioning all our customers to subscription pricing that reflects the market rate of the services we provide and the value we generate for our customers.

Thanks to these changes driving strong growth in the last four months of FY18, subscription revenues for our Geo applications increased 20.8% in FY18.

The weaker performance of the Geo for Sales business (down 12.5% on PCP to $1.4m) reflected the Company's decision to focus on its Geo applications in FY18.

However, in FY19 we are also focusing on Geo for Sales, which stands to benefit from the steps we are taking to grow our customer base across all our solutions.

ATTRACTING NEW CUSTOMERS

The move of legacy customers to new subscription pricing has led to a reduction in license numbers, while customer acquisition was modest in FY18 as we reset our branding and digital presence.

This trend has continued into the new financial year. However, we expect enhancements to our brand, digital marketing efforts and the roll out of new sales channels, to begin to drive growth in customer numbers and licenses in the second half.

"We expect enhancements to our brand, digital marketing efforts and the roll out of new sales channels, to begin to drive growth in customer numbers and licenses."

Over the years our company has evolved and grown but along the way our brand became confused, resulting in inconsistency across our products and experiences. As we enter the next phase of growth we believe it is important to take stock of where we are and plan for the future.

BUILDING IDENTITY

In September 2018 we launched our new brand positioning, identity and name. We are moving away from a set of disparate products and experiences, to a consistent and strong Geo master brand positioning. We have consolidated our diverse product websites into a single website.

This is more than just a refreshed logo. The programme defines who we are and what we stand for. The new name and brand will help us to attract new customers and retain existing ones. It helps to highlight our points of difference.

The move to the new brand and websites will complement other growth initiatives including paid search and search engine optimisation initiatives.

Meanwhile, we will go live on the Ingram Micro Cloud channel in October 2018. Geo is the first mobile workforce productivity app to appear on the channel globally. Ingram Micro Cloud is a fully automated e-commerce platform and web store and it is used by nearly 200,000 solution providers.

PRODUCT DEVELOPMENT

Earlier this year we relaunched the new Geo solution to replace our suite of legacy workforce management solutions. It is now in live customer trials and is being well received.

Geo has been designed based on feedback from dozens of customers and offers a vastly improved user experience. As feature upgrades are released over the next few months, more customers will be migrated to the new application.

The trial of our upgraded payments module GeoPay, which will allow customers to receive payment for services managed through the Geo platform, has not yet delivered conclusive results. We continue to believe that payments represent an attractive growth opportunity, but until we have more proof points we are not relying on significant revenue from payments in the coming year.

VALUES

In addition to developing our mission and purpose, the entire Geo team has worked to develop a shared set of values to guide us. They are: a focus on customer outcomes not outputs; being one team that shares success and failure; ruthlessly prioritising what is important; creating space to experiment; and ensuring we create an environment where we feel safe to have honest conversations.

LOOKING TO THE FUTURE

While the strategy refresh at the start of this year has delivered Geo with some quick gains in financial performance, I firmly believe these values, once embedded in the business, will create a culture that will over the longer term differentiate us from our competitors and drive a significant lift in shareholder value.

Geo has entered the 2019 financial year with confidence. We have a highly talented and energetic team that is committed to seeing the company make the most of the potential we see.

We are rebuilding momentum in the business. The strategic performance initiatives we have implemented will sustain strong growth in recurring revenues in the coming year and we believe will transition the Company to a positive EBITDA run-rate.

The challenge for the company is extending this strong improvement in financial performance into the long term, but I am confident that we have now put in place the foundations of a programme to achieve that goal.

Kylie O'Reilly
Chief Executive Officer

1. https://www.gartner.com/newsroom/id/3871416

Vision and purpose

why

We make it easier out there

how

We simplify the challenges of managing a mobile workforce

what

Software to help organise your workforce and grow your business

Our values

Everything begins with people, so our focus is on our team. We are a nimble team. We work together, roll up our sleeves and get on with delivering solutions that make life easier out there for our customers.

Our values are the backbone to everything we do at Geo. They are:

- Focus on customer outcomes not outputs
- Be one team that share success and failure
- Ruthless prioritisation
- Create a space to experiment
- Feel safe to have honest conversations

We build an encouraging and supportive environment where our people are enabled to create great solutions. At the end of the day, it's our people using technology to build software to help other people – our customers, and we love it that way.

Geo's products and markets

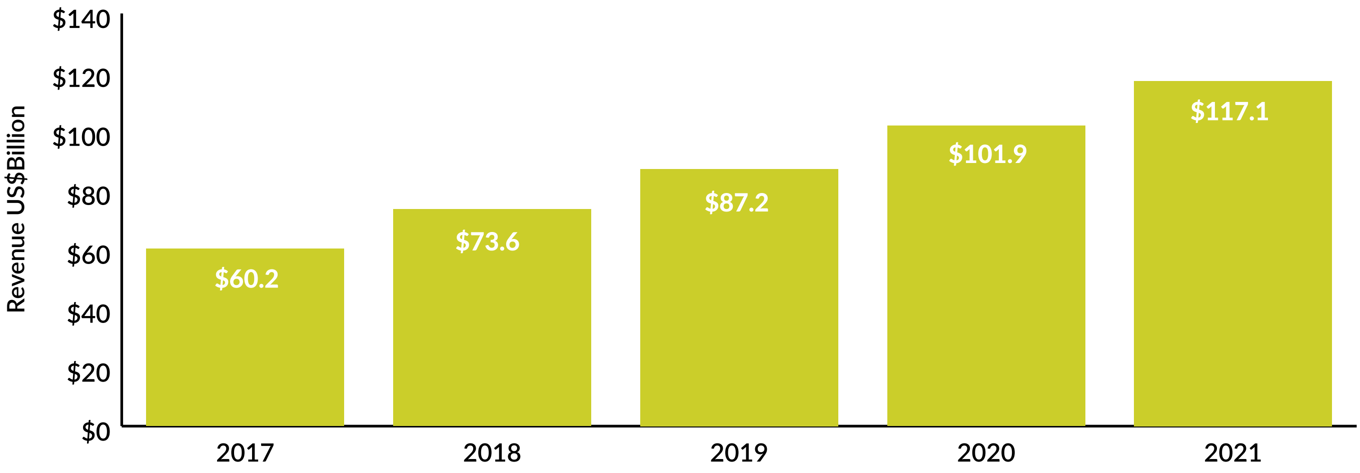
SOFTWARE-AS-A-SERVICE (SAAS) ENJOYING RAPID GROWTH

In the past, workforce management software solutions were largely hosted on a company's on-premise IT infrastructure. While these solutions were often tailored to the needs of the organisation, they came at the cost of high development and maintenance expenditure, difficulties interfacing with other IT systems and limited system flexibility and scalability. Moreover, these drawbacks put such systems out of reach for most small and medium sized businesses.

In the face of these limitations, cloud-based SaaS applications are an attractive alternative. They allow businesses to quickly upgrade their software or choose another vendor to adapt to developing workforce management trends. They can select specific applications and services, ignoring unwanted options. The monthly usage costs are affordable for most businesses and finally, cloud-based software is inherently mobile-friendly, which is critical in today's smartphone culture.

Thanks to these benefits, demand for SaaS products is growing rapidly. Indeed, Gartner estimated the global market for SaaS services in 2017 was US$60.2b and forecast that it will increase by a compound average growth rate of 18.1% per year from 2017 to reach US$117.1b by 2021. Gartner expects SaaS to reach 45 percent of total application software spending by 2021[1].

Forecast worldwide SaaS market 2017-2021 (US$B)[1]



1. https://www.gartner.com/newsroom/id/3871416

Geo's products and markets

Geo

Productivity software for a mobile workforce

Target Market

- Companies with workers providing field-based services
- Key customer groups include trades, security, health, councils and home services

Key Functionality

- Create, schedule and assign jobs
- Monitor workforce location in the field via GPS tracking
- Create real-time job files in the field with service descriptions, photos, voice recordings, signatures, documents, images, and barcodes
- Invoice and collect payment on the spot
- Integrated with Xero, Quickbooks, MYOB and other platforms
- Geo is the replacement for the legacy GeoOp and GeoService solutions and was launched in late September 2018. All GeoOp and GeoService users will be migrated to the new solution once Geo's functionality matches the legacy products

Licenses

22,362

The Company is progressively moving all existing customers to current market rate pricing plans, after which it will migrate them to the updated product. As part of this process, customers with inactive licenses are being moved to licence bands that maximise their utilisation.

These initiatives, in conjunction with modest customer churn, caused license numbers to fall from 26,482 to 22,362 in the six months to 30 June 2018 while ARPUs and related revenues rose significantly. Further reduction in license numbers is expected through to the end of FY19, by which stage the Geo product will have a profitable customer base that is operating at high utilisation.

Growth in license numbers is expected to resume in FY20.

Subscription revenues*

Year to 30 June	2018	2017
Subscription revenue ($m)	2.6	2.1

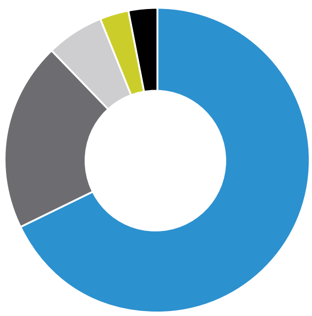
* Subscriptions are monthly or annual and are billed based on license numbers.

Customers

Location

Geo license location at 30 June 2018

- Australia (68%)
- New Zealand (20%)
- UK (6%)
- US (3%)
- Other (3%)



Geo for Sales

Productivity software for mobile sales teams

Target Market

- Services best sold face-to-face e.g. telcos, energy and media
- Key customer groups include energy, solar, media and broadband

Key Functionality

- Allocate sales territory
- Real-time visibility of sales team in the field
- Track sales performance for live campaigns from the office
- Enhanced prospecting through consolidating territories, targets, geographic and demographic data
- Intelligent targeting tools match offers to sale prospects for higher sales probabilities
- Real-time closure and integration into client ERP systems
- Real time compliance and process controls

Licenses

1,325

Subscription revenues*

Year to 30 June	2018	2017
Subscription revenue ($m)	1.4	1.7

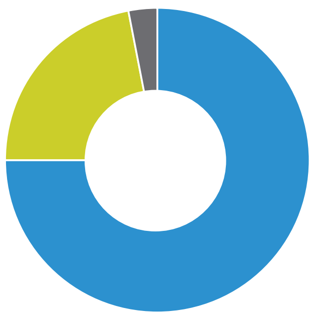
* Subscriptions are monthly or annual and are billed based on license numbers.

Customers

Location

Geo for Sales license location at 30 June 2018

- Australia (75%)
- US (22%)
- New Zealand (3%)



Board and Management Team

BOARD

Roger Sharp

NON–EXECUTIVE CHAIRMAN, BA LLB

For more than 30 years Roger has invested in, financed and run growth companies across several continents. Roger's technology investment firm North Ridge Partners has been involved in numerous technology turnarounds, including Software of Excellence, Tru-Test Corporation, travel.com.au, Asia Pacific Digital and Geo. Roger is also the Chairman of Webjet Limited. Previously he was Global Head of Technology for ABN AMRO Bank in London and CEO of ABN AMRO Asia in Hong Kong. Roger lives in Queenstown. Due to his substantial direct and indirect ownership of Geo shares, Roger is not an independent director.

Tim Ebbeck

INDEPENDENT NON-EXECUTIVE DIRECTOR, B.ECONOMICS

Tim is an experienced Director and Chief Executive. He is currently Chairman of ASX-listed IXUP, a Director of cloud and technology distributor Nextgen Distribution, and a Trustee of the Museum of Applied Arts and Sciences. Based in Sydney, Tim is a former Chief Executive for both Oracle and SAP for Australia and New Zealand, where he led the businesses through periods of transformation, growth, and shifts to the cloud.

Mark Rushworth

INDEPENDENT NON-EXECUTIVE DIRECTOR, BE(HONS), MEM

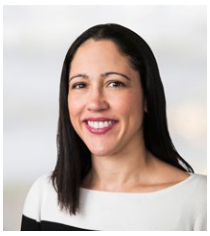
Mark is currently chairman of fintech start-up Genoapay, and a Director of Enable Networks and NZX-listed Freightways. An electrical engineer by training, he has previously served as Chief Marketing Officer of Vodafone New Zealand and Chief Executive of Paymark, Pacific Fibre and internet provider ihug. Based in Auckland, he brings a strong mix of governance, marketing and technology experience.

MANAGEMENT

Kylie O'Reilly

CHIEF EXECUTIVE OFFICER

Kylie has a proven management track record with more than 20 years' experience in growing software companies through product development, marketing, sales and strategy including leading and accelerating revenue growth and profitability. Previously the Managing Director of AAP's Agency Enterprise businesses for 11 years, she has served as Chairperson of All Together Now, is on the Advisory Working Committee for Squash Australia and a Telstra Women in Business Awards judge. She holds an MBA from UTS Business School and is a graduate of AICD.



Rochelle Lewis

CHIEF FINANCIAL OFFICER

Rochelle has 18 years of experience in finance and accounting roles and joined Geo from another technology company. Prior to this she worked at Ellerston Capital, Credit Suisse and PricewaterhouseCoopers. Rochelle is a Chartered Accountant and holds a Bachelor of Commerce degree.

Jason Faulkner

CHIEF TECHNOLOGY OFFICER

Jason has over 20 years' experience leading the architecture and delivery of complex cloud and mobile solutions that supported millions of users. He has experience in emerging markets and a proven track record of managing technology companies in multiple markets across both enterprise and international venture funded start-ups.

FINANCIAL REPORT

Directors' Responsibility Statement

The Directors of Geo Limited (formerly known as "GeoOp Limited") (the "Company") are pleased to present to shareholders the financial statements for Geo Limited and its subsidiaries ("Geo" or "the Group") for the year ended 30 June 2018.

The Directors are responsible for presenting financial statements in accordance with New Zealand law and generally accepted accounting practice, which presented fairly in all material respects the financial position of the Group as at 30 June 2018 and the results of its operations and cash flows for the year ended on that date.

The financial statements of the Group have been prepared using accounting policies which have been consistently applied and supported by reasonable judgements and estimates and that all relevant financial reporting standards have been followed.

The Directors believe that proper accounting records have been kept which enable with reasonable accuracy, the determination of the financial position of the Group and facilitate compliance of the financial statements with the Companies Act 1993, NZX Listing Rules, Financial Reporting Act 2013 and Financial Markets Conduct Act 2013.

The Directors ensure that they have taken adequate steps to safeguard the assets of the Group, and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide a reasonable assurance as to the integrity and reliability of the financial statements.

The Financial Statements are signed on behalf of the Board on 28 September 2018 by:

Roger Sharp
Chair

Tim Ebbeck
Chair of Audit and Risk Management Committee

Consolidated statement of profit or loss and other comprehensive income

for the year ended 30 June 2018

(Stated in New Zealand Dollars)	Note	2018 $'000	2017 $'000
Revenue	3(a)	4,210	4,105
Other income	3(b)	951	1,416
		5,161	5,521
Expenses			
Research and development		(2,214)	(2,682)
Sales and marketing		(1,832)	(1,795)
General operating and administration		(3,125)	(3,210)
ASX Listing costs		(572)	(184)
Write down of intangible assets		(4,971)	-
Depreciation and amortisation		(1,134)	(1,213)
Total Expenses	3(c)	(13,848)	(9,084)
(Loss) from operations before tax		(8,687)	(3,563)
Income Tax benefit	4 (a)	-	-
Net (loss) from operations for the year	13	(8,687)	(3,563)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Gain on translation of foreign operations		193	288
Total comprehensive loss for the year, net of tax attributable to shareholders		(8,494)	(3,275)
Earnings per share			
Basic and diluted (loss) per share (cents)	14	(21.58)	(11.02)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

for the year ended 30 June 2018

(Stated in New Zealand Dollars)	Note	Share Capital $'000	Share Based Payments Reserve $'000	Foreign Currency Translation Reserve $'000	Accumulated Losses $'000	Total Equity $'000
Balance at 1 July 2016		20,861	88	(135)	(13,223)	7,591
Loss for the year		-	-	-	(3,563)	(3,563)
Currency translation movements		-	-	288	-	288
Total Comprehensive Income		-	-	288	(3,563)	(3,275)
Transactions with Owners						
Issue of shares	12	5,117	(118)	-	-	4,999
Share based payment expense	21	-	111	-	-	111
Balance at 30 June 2017		25,978	81	153	(16,786)	9,426
Loss for the year		-	-	-	(8,687)	(8,687)
Currency translation movements		-	-	193	-	193
Total Comprehensive Income		-	-	193	(8,687)	(8,494)
Transactions with Owners						
Issue of shares	12	2,741	(553)	-	-	2,188
Share-based payment expense	21	-	556	-	-	556
Balance at 30 June 2018		28,719	84	346	(25,473)	3,676

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated statement of financial position

for the year ended 30 June 2018

(Stated in New Zealand Dollars)	Note	2018 $'000	2017 $'000
Current assets			
Cash and cash equivalents	5	1,995	864
Trade and other receivables	6	1,297	786
Related party loans	15(b)	194	-
Total current assets		3,486	1,650
Non-current assets			
Property, plant & equipment	7	86	86
Intangible assets	8	4,720	9,798
Related party loans	15(b)	-	372
Other assets	6	31	100
Total non-current assets		4,837	10,356
Total assets		8,323	12,006
Current liabilities			
Trade and other payables	10	1,642	1,090
Convertible notes	11	1,466	1,466
Related party loans	15(c)	1,528	-
Total current liabilities		4,636	2,556
Non-current liability			
Provision for long service leave		11	24
Total non-current liabilities		11	24
Total liabilities		4,647	2,580
Net assets		3,676	9,426
Equity			
Share capital	12	28,719	25,978
Share based payments reserve	21	84	81
Accumulated losses	13	(25,473)	(16,786)
Foreign currency translation reserve		346	153
Total equity		3,676	9,426

Signed on behalf of the Board on 28 September 2018 by:

Roger Sharp

Chair

Tim Ebbeck

Chair of Audit and Risk Management Committee

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

for the year ended 30 June 2018

(Stated in New Zealand Dollars)	Note	2018 $'000	2017 $'000
Cash flows from operating activities			
Cash was provided from (applied to):			
Receipts from customers		4,398	4,492
Grants received		794	236
Interest received		7	13
Payments to suppliers & employees		(7,383)	(7,801)
Net cash (outflow) from operating activities	19	(2,184)	(3,060)
Cash flows from investing activities			
Cash was provided from (applied to):			
Bonds matured		69	-
Purchase of property, plant and equipment	7	(38)	(25)
Capitalised development costs	8	(566)	(317)
Capitalised website & trademark costs	8	(36)	(47)
Net cash (outflow) from investing activities		(571)	(389)
Cash flows from financing activities			
Cash was provided from (applied to):			
Repayment of related party lending	15	200	-
Related party loans received	15	1,500	-
Capital raising costs	12	(214)	(166)
Issue of ordinary shares	12	2,400	3,411
Net cash inflow from financing activities		3,886	3,245
Net increase/ (decrease) in cash held		1,131	(204)
Add cash and cash equivalents at start of the period		864	1,068
Balance at end of the year		1,995	864
Comprised of:			
Cash and cash equivalents	5	1,995	864

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

for the year ended 30 June 2018

1. CORPORATE ENTITY

Reporting Entity and Statutory Base

Geo Limited (formerly known as "GeoOp Limited") (the "Company") and its subsidiaries ("Geo" or "the Group") is a for-profit entity incorporated and domiciled in New Zealand, registered under the Companies Act 1993. The Company's shares publicly trade on the NZX Main Board. On 8 December 2017, the Company migrated from NZX Alternative Market to the NZX Main Board (NZX: GEO).

The registered office of the Company is located on level 21, ANZ Centre, 171 Featherston Street, Wellington, New Zealand.

The financial statements represented are those for Geo Limited and its subsidiaries (the Group). The Company is a FMC reporting entity for the purpose of the Financial Markets Conduct Act 2013 and the Financial Reporting Act 2013.

The financial statements of the Group for the year ended 30 June 2018 were authorised for issue in accordance with a resolution of the Directors on 28 September 2018.

The principal activity of the Group is the development and commercial deployment of cloud-based mobile workforce productivity technologies.

2. BASIS OF ACCOUNTING

Basis of Preparation

The consolidated financial statements of the Group are prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP") and comply with the New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS") as appropriate for profit-orientated entities. The financial statements comply with International Financial Reporting Standards ("IFRS").

Other than where described below, or in the notes, the financial statements have been prepared using the historical cost convention. Cost is based on the fair values of the consideration given in exchange for assets.

Functional Currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand ($000), except as otherwise indicated.

Going Concern

The financial statements have been prepared using the going concern assumption.

For the year to 30 June 2018, subscription revenue was $4,037,000 (2017: $3,796,000), 6.3% higher than the year to 30 June 2017, with growth from pricing changes primarily driving the increase. During the year management focussed on increasing organic revenue growth in an economically sustainable manner through a mixture of winning new customers and increasing average revenues per user ("ARPU"). Geo is also seeking to grow its business through further investment in the development of its software (see note 8).

The Company remains in the growth phase of its operations, recording a net loss before tax of $8,687,000 for the year ended 30 June 2018 (2017: $3,563,000). The increase in the loss reflected a $4,971,000 non-cash write down in the value of the Geo for Sales business and $0.7m of costs associated with the ASX IPO Process and associated restructuring costs.

The net cash outflow from operations for the year was $2,184,000 (2017: $3,060,000) and capitalised development costs were $566,000 (2017: $317,000). Additional research and development activities have been undertaken in the financial year ending 30 June 2018 and are expected to continue in future financial years. The improvement in the cash outflows from operations reflects reduced costs, material increases in monthly annualised recurring revenue since March 2018 and the receipt of an Australian Government R&D incentive of $600,000, which is expected to be ongoing.

Notes to the Financial Statements

for the year ended 30 June 2018

As at 30 June 2018 the Group was in a net asset position of $3,676,000 (30 June 2017: $9,426,000). The decrease in the net asset position reflected a $4,971,000 non-cash write down in the value of the Geo for Sales business.

Net current liabilities at the end of the period was $1,150,000 (30 June 2017: $906,000). This reflects an increase in cash at bank to $1,995,000 (30 June 2017: $864,000) offset by related party loan of $1,528,000 (2017: $nil). The related party loan was repaid in full subsequent to year end, settled partly in cash and partly in shares.

Geo has strengthened the balance sheet, first with a $2,000,000 equity placement (refer note 12) and then, after balance date, with the completion of a $1,634,000 rights issue. Geo has since settled the related party convertible loan payable (note 15(c)) redeeming $556,000 to cash and converting the remaining balance to equity. Geo has also settled the convertible notes in full (note 11) after balance date, converting the full balance to equity.

The Directors consider that the group has enough cash on hand combined with cash flows from operations to enable the Group to continue operating for the foreseeable future, which is not less than 12 months from the date these financial statements are approved for issue.

Standards issued and not yet effective and not early adopted

The International Accounting Standards Board has issued a number of standards, amendments and interpretations which are not yet effective and which may have an impact on the Group's financial statements. These are detailed below. The group has not yet applied these in preparing these financial statements and is currently assessing the impact of these standards.

(a) NZ IFRS 9: Financial Instruments – Classification and Measurement

NZ IFRS 9 Financial Instruments replaces NZ IAS 39 Financial Instruments: Recognition and Measurement. This standard addresses the classification, measurement and de-recognition of financial assets, financial liabilities, impairment of financial assets and hedge accounting, and will be effective for the year ended 30 June 2019. The new standard introduces an "expected credit loss model", which means it will no longer be necessary for a triggering event to occur before an impairment loss is recognised. Geo will be required to assess for impairment loss on trade receivables at the time revenue is recognised. Currently an impairment loss is recognised when there is evidence that the Group is unlikely to recover all amounts due. NZ IFRS 9 includes a revised model for classification and measurement and will result in changes to financial statement disclosures. Management does not expect a significant change to the way in which the Group measures its financial statements as a result, but has not yet performed a full assessment.

(b) NZ IFRS 15: Revenue from Contracts with Customers.

The new standard establishes principles for reporting about the nature, amount, timing and uncertainty of revenue arising from an entity's contracts with customers. It prescribes when an entity will recognise revenue, how much revenue to recognise, and what disclosures to make about revenue. The core principle of the Standard is to recognise revenue for the amount of consideration due to an entity in exchange for the goods and services provided to the customer. This is done by following a five-step process:

Step 1: Identify the contract with the customer.
Step 2: Identify the performance obligations in the contract.
Step 3: Determine the transaction price.
Step 4: Allocate the transaction price to the performance obligations in the contract.
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation by transferring control of an asset to a customer. This may be at a point in time (typically for goods), or over time (typically for services).

The standard requires revenue to be recognised as distinct performance obligations are satisfied, which could alter the timing and classification of revenue recognition. Further, the standard requires the incremental costs of obtaining a contract to be capitalised and expensed on a systematic basis. Costs of obtaining such a contract are currently expensed as incurred.

The majority of Geo's customers are on monthly terms. Management are at the initial stages of performing a detailed assessment. This standard is effective for the year ended 30 June 2019.

(c) NZ IFRS 16: Leases

The new standard removes the distinction between operating and finance leases for lessees and requires a lessee to recognise all leases on balance sheet through:

- an asset representing its right to use the leased item for the lease term; and
- a liability for its obligation to pay rentals.

NZ IFRS 16 contains guidance on identification, recognition, measurement, presentation, and disclosure of leases by lessees and lessors. The new standard will result in recognition of right-of-use assets and lease liabilities for those leases disclosed in note 16 (b) and other leases not included in this disclosure due to not meeting the 'non-cancellable operating lease commitments' threshold. The lease payments are currently recognised in operating expenses. In future the expense will be recorded as depreciation on the right to use asset and interest cost on the lease liability. Management has not fully quantified the impact of NZ IFRS 16 on the amounts presented in these financial statements but note that at 30 June 2018, the Group has non-cancellable operating lease commitments totalling $158,000. The standard is effective for the year ended 30 June 2020.

Critical Judgements in Applying Accounting Policies

In the application of NZ IFRS, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the estimates. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Key Sources of Estimation Uncertainty and Key Judgements

Judgements made by management in the application of NZ IFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

The significant judgements, estimates and assumptions made by management in the preparation of these financial statements are outlined below:

- The application of the going concern assumption (Refer to page 17)
- Capitalised development costs - determining whether the intangible assets to which the development expenditure relate meet the criteria for capitalisation. Judgement is required to ensure that costs capitalised as intangible assets meet each of the six criteria set out in note 8 "Intangible Assets". This includes assessment of whether the software will generate future economic benefits given the Group is currently loss-making. Further, judgement is required each period to determine whether there are any indications that the development assets may be impaired.
- Assessing goodwill for impairment on an annual basis - determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. The carrying amount of goodwill at 30 June 2018 was $Nil (30 June 2017: $4,668,000). Refer to Note 8.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be relevant under the circumstances.

Significant Accounting Policies

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied unless otherwise stated.

Notes to the Financial Statements

for the year ended 30 June 2018

Basis of Consolidation

The consolidated financial statements prepared are issued in the name of the legal entity and parent, Geo Limited (the "Parent"). The consolidated financial statements incorporate the financial statements of the Parent and entities controlled by the Parent. Control is achieved when the Parent:

- has power over the investee;
- is exposed, or has the rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

Subsidiaries are fully consolidated from the date on which the Parent obtains control over subsidiaries and are de-consolidated from the date that control ceases. Inter-company transactions, balances and unrealised gains and losses on transactions between Group companies are eliminated. Accounting policies of subsidiaries are consistent with the policies adopted by the Group.

Financial Instruments

Financial assets and financial liabilities are recognised on the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Financial assets are classified as loans and receivables (as per Note 20).

Foreign exchange translation reserve

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. New Zealand dollars) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve (in respect of translating the net assets of foreign operations) are reclassified to profit or loss on the disposal of the foreign operation.

Foreign operations

The results and financial position of all foreign operations that have a functional currency different from New Zealand Dollars are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses of the statement of profit or loss and other comprehensive income are translated at average exchange rates for the period; and
- all resulting exchange differences are recognised as other comprehensive income and accumulated in the foreign currency translation reserve.

Consolidated Statement of Cash Flows

For the purpose of the consolidated cash flow statement, cash and cash equivalents includes cash on hand and in banks and investments in money market instruments net of outstanding bank overdrafts.

The consolidated cash flow statement is prepared exclusive of GST, which is consistent with the method used in the consolidated statement of profit or loss and other comprehensive income.

Definition of terms used in the consolidated cash flow statement:

- operating activities include all transactions and other events that are not investing or financing activities;
- investing activities are those activities relating to the acquisition and disposal of current and non-current investments and any other non-current assets; and
- financing activities are those activities relating to changes in the equity and debt capital structure of the Group and those activities relating to the cost of servicing the Group's equity.

3. REVENUE

Revenues are recognised to the extent that it is probable that the future economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. The following specific recognition criteria must also be met before revenue is recognised:

- *Subscription Services* – Subscription revenue is billed on a monthly or annual basis and paid in advance by customers. Revenue is recognised over the period in which the obligation to provide services is discharged.
- *Government Grants* – Grants from the Government are recognised in the period the expense is incurred at their fair value when it is highly probable that the grant will be received and that the Group will comply with all attached conditions.
- *Interest Revenue* – Interest revenue is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.
- *Other revenue* – includes training, implementation and other revenue that is not recurring in nature. Revenue is recognised in the period in which the service is performed.

Consideration received prior to the service being rendered is deferred and recognised in the Consolidated Statement of Financial Position as revenue received in advance and included within trade and other payables. Revenue for which services have been rendered but invoices have not been issued is recognised within the Consolidated Statement of Financial Position as accrued income and included within trade and other receivables.

	2018 $'000	2017 $'000
(a) Operating Revenue		
Subscription revenue	4,037	3,796
Other operating revenue	173	309
	4,210	4,105

	2018 $'000	2017 $'000
(b) Other income		
Government grants	922	382
Interest received	7	13
Amortisation of director's loan	22	21
Write back of contingent liability	-	1,000
	951	1,416

Government grants are from Callaghan Innovation, Australian research and development tax incentive and the EMDG Grant. These grants relate to Group's research and development investment.

The contingent liability related to the purchase of Interface IT in June 2016.

Notes to the Financial Statements

for the year ended 30 June 2018

(c) Expenses

		2018 $'000	2017 $'000
Amortisation of intangible assets	8	1,096	1,173
Auditors' fees for audit of the financial statements		95	60
Auditors' fees for review of the half year financial statements		-	36
Auditors' other fees:			
Other assurance services		29	18
Taxation compliance services		33	33
Depreciation of property, plant & equipment	7	38	39
Employee benefits		3,195	3,855
Superannuation		191	167
Share based payments	21	556	232
Lease expenditure (i)		188	172
Net foreign exchange differences		-	245
ASX listing costs		572	184
Write down of intangible assets	8	4,971	-
Other operating expenses		2,884	2,870
Total Expenses		13,848	9,084

(i) Operating lease rentals relate to the Company's offices in Auckland, New Zealand and in Sydney and Melbourne, Australia.

4. TAXATION

Goods and Services Tax (GST)

All items in the consolidated statement of financial position are stated exclusive of GST, with the exception of receivables and payables, which include GST. All items in the consolidated statement of profit or loss and other comprehensive income are stated exclusive of GST.

Cash flows are included in the consolidated statement of cash flows on a net basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Current Tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the period. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior periods is recognised as a liability (or asset) to the extent it is recoverable (or refundable).

Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax is based on the expected manner of realisation of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

	2018 $'000	2017 $'000
(a) Reconciliation of income tax expense to prima facie tax payable		
Loss before tax	(8,687)	(3,563)
Benefit at 28%	2,432	998
Non-deductible expenses	(1,654)	(74)
Future benefit of tax losses not recognised	(744)	(932)
Effect of different tax rates of subsidiaries operating in other jurisdictions	(34)	8
Income tax benefit	-	-

(b) Deferred Tax Balances

The Group has an unrecognised deferred tax asset arising from tax losses of $3,537,000 measured at 28% (2017: $2,785,000). The carry forward of losses are subject to confirmation by the relevant tax authority.

5. CASH AND CASH EQUIVALENTS

Cash and short-term deposits comprise cash on hand, demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

	2018 $'000	2017 $'000
Cash at bank	1,995	864

$90,000 (2017: $132,000) was held in Australian dollars, $3,000 (2017: $56,000) was held in USD with the balance of $1,902,000 (2017: $676,000) held in NZD.

Two bank guarantees over the lease premise are held by NAB totalling $48,132 (2017: $43,041).

6. TRADE AND OTHER RECEIVABLES

Trade and other receivable are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

	2018 $'000	2017 $'000
Current assets		
Trade receivables	571	460
Allowance for doubtful debts	(19)	(31)
Grants receivable	533	257
Prepayments	207	35
Sundry debtors	5	12
Capitalised costs (i)	-	53
	1,297	786
Non-current asset		
NZX and rental bond	31	100
	31	100

(i) Capitalised costs are incremental costs directly related to the issue of new shares post year end which will be deducted from equity at the time of issue.

Notes to the Financial Statements

for the year ended 30 June 2018

Trade receivables relate to the monthly or annual subscriptions charged for Geo's service. These are on an average credit period of 30 days. The provision for impairment of receivables has been determined by management based on likelihood of recovery. In accepting a new customer, the Group assesses the customer's credit quality and reviews credit performance monthly.

Grants receivable relate to the Callaghan Growth Grant Geo receives from Callaghan Innovation, Australian research and development tax incentive and the EMDG Grant. Grants are recognised when there is reasonable assurance that the grant will be received and that the Group will comply with all attached conditions.

(a) Aging profile of trade receivables:

	2018			2017		
	Gross $'000	Impairment $'000	Net $'000	Gross $'000	Impairment $'000	Net $'000
Not past due	402	-	402	345	-	345
Past due 1 - 30 days	141	-	141	60	-	60
Past due 31 - 60 days	9	-	9	20	-	20
Past due 61 – 90 days	9	9	-	8	4	4
Past due over 90 days	10	10	-	27	27	-
Total	571	19	552	460	31	429

As at 30 June 2018, $402,000 or 70% (2017: $345,000 or 75%) of trade receivables were neither past due nor impaired.

Trade receivables disclosed above include amounts that are past due but not impaired of $150,000 (2017: $84,000), for which the Group has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable.

A provision has been raised for 100% of the balances greater than 61 days; the remaining balance is not impaired at balance date.

(b) Movement in the allowance for doubtful debts:

	2018 $'000	2017 $'000
Balance at 1 July	31	70
Impairment losses recognised on receivables	19	31
Amounts written off during the year	(11)	(70)
Impairment losses reversed	(20)	-
Balance at 30 June	19	31

7. PROPERTY, PLANT & EQUIPMENT

All items of Property, Plant and Equipment are stated at historical cost less accumulated depreciation and accumulated impairment.

Depreciation on assets is charged on a straight-line basis to allocate the differences between their original cost and residual values over their estimated useful lives, as follows:

Category	Estimated useful life
Office Equipment	1 - 8 years
Computer Equipment	1 - 5 years
Fixtures & Fittings	4 - 15 years
Office furniture	4 - 15 years

The assets' residual values and useful lives are reviewed and adjusted if appropriate at each balance date. If an asset's carrying amount is greater than its estimated recoverable amount, the carrying amount is immediately written down to its recoverable amount.

	Office Equipment $'000	Computer Equipment $'000	Fixtures & Fittings $'000	Office Furniture $'000	Total $'000
At 1 July 2016					
Cost	36	155	25	49	265
Accumulated depreciation	(25)	(119)	(6)	(15)	(165)
Carrying amount at beginning of year	11	36	19	34	100
Year ended 30 June 2017					
Additions	2	23	-	-	25
Depreciation	(6)	(26)	(2)	(5)	(39)
Carrying amount at 30 June 2017	7	33	17	29	86
At 1 July 2017					
Cost	38	178	25	49	290
Accumulated depreciation	(31)	(145)	(8)	(20)	(204)
Carrying amount at end of year	7	33	17	29	86
Year ended 30 June 2018					
Additions	1	34	3	-	38
Depreciation	(3)	(29)	(3)	(3)	(38)
Carrying amount at end of year	5	38	17	26	86
At 30 June 2018					
Cost	39	212	28	49	328
Accumulated depreciation	(34)	(174)	(11)	(23)	(242)
Carrying amount at 30 June 2018	5	38	17	26	86

8. INTANGIBLE ASSETS

Costs that are directly associated with the development of software are recognised as internally-generated intangible assets where the following criteria are met:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised as internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred.

Notes to the Financial Statements

for the year ended 30 June 2018

Subsequent to initial recognition, internally-generated intangible assets and other intangibles are reported at cost less accumulated amortisation and accumulated impairment losses. With the exception of goodwill, the useful lives of the Group's intangible assets are assessed to be finite. The useful life of internally-generated and acquired intangible assets is as follows:

Category	Estimated useful life
Application Software	3 – 7 years
Trademarks	3 – 7 years
Website	2 – 3 years

Impairment consideration for trademarks, website and application software

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Group makes a formal estimate of the recoverable amount. Where the carrying value of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The recoverable amount is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (cash-generating unit) is estimated to be less than the carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately.

Impairment consideration for goodwill

Goodwill represents the excess of purchase consideration over the fair value of net assets acquired in a business combination. Goodwill is allocated to cash-generating units (CGUs), which are the lowest level of assets for which separately identifiable cash flows can be attributed. Geo's goodwill relates to the acquisition of Interface IT Pty Ltd. Interface IT Pty Ltd holds the Geo for Sales product.

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the recoverable amount is less than the cost of goodwill an impairment is required.

	Trademarks	Website	Application Software	Goodwill	Total
	$'000	$'000	$'000	$'000	$'000
At 1 July 2016					
Cost	-	-	6,700	4,633	11,333
Accumulated amortisation	-	-	(800)	-	(800)
Carrying amount at beginning end of year	-	-	5,900	4,633	10,533
Year ended 30 June 2017					
Additions	28	19	317	-	364
Amortisation	-	(2)	(1,171)	-	(1,173)
Foreign currency translation reserve	-	-	39	35	74
Carrying amount at 30 June 2017	28	17	5,085	4,668	9,798
At 1 July 2017					
Cost	28	19	7,056	4,668	11,771
Accumulated amortisation	-	(2)	(1,971)	-	(1,973)
Carrying amount at end of year	28	17	5,085	4,668	9,798
Year ended 30 June 2018					
Additions	34	2	566	-	602
Amortisation	-	(8)	(1,088)		(1,096)
Write down of intangible assets	-	-	(103)	(4,868)	(4,971)
Foreign currency translation reserve	-	-	187	200	387
Carrying amount at end of year	62	11	4,647	-	4,720
At 30 June 2018					
Cost	62	21	7,707	4,868	12,658
Accumulated amortisation/ impairment	-	(10)	(3,060)	(4,868)	(7,938)
Carrying amount at 30 June 2018	62	11	4,647	-	4,720

(a) Application Software

The Application Software arises from capitalised development expenditure relating to the continued development of the Group's technology platform hosted in the cloud and mobile application software.

The Group has two CGUs : Geo and Geo for Sales. As at 30 June 2018, the Geo CGU and Geo for Sales CGU had carrying value of $985,000 (2017: $748,000) and $3,662,000 (2017: 4,337,000) of Application Software respectively.

There was no impairment indicator for Geo CGU. Refer to Note 8(b) below for impairment review on Geo for Sales CGU.

(b) Goodwill

Goodwill is allocated entirely to Geo for Sales CGU. Management has conducted impairment assessment on the goodwill and assets in the Geo for Sales CGU.

The recoverable amount of Geo for Sales CGU was calculated on the basis of a value-in-use discounted cashflow model. Future cash flows were projected for five years, based on Board-approved business plans using the following key estimates:

Notes to the Financial Statements

for the year ended 30 June 2018

Key estimates used for value-in-use calculations:

	2018	2017
Revenue growth rate	18% - 21% per annum	30% - 40% per annum
Pre-tax discount rate	14.8%	14.8%
Terminal growth rate	1%	1%

Management determined budgeted revenue growth rate based on both past experience and future expectation of the CGU performance. The discount rates used were pre-tax and reflected specific risks relating to the CGU. The terminal growth rate is determined based on the long-term anticipated growth rate of the business.

The impairment review carried out as at 30 June 2018 has revealed that the recoverable amount of the Geo for Sales CGU of $3,931,000 (2017: $14,400,000) is lower than its carrying amount. The Board determined that the goodwill of $4,868,00 be written off to $Nil and a further write down $103,000 of Application Software was made to the Geo for Sales CGU. The Geo for Sales business has performed below its potential due to the Group focusing its resources on Geo product, notwithstanding the Board's and management team's view that Geo for Sales has significant untapped potential.

9. SUBSIDIARIES

Subsidiary	Equity interest 2018	Equity interest 2017	Balance Date	Country of Incorporation	Principal Activity
Geo.tools Pty Limited	100%	100%	30 June	Australia	Limited risk distributor
GeoOp Trustees Limited	100%	100%	30 June	New Zealand	Trustee
Interface IT Pty Ltd	100%	100%	30 June	Australia	Sales Software supplier
Interface IT Inc	100%	100%	30 June	United States	Sales Software supplier

10. TRADE AND OTHER PAYABLES

	2018 $'000	2017 $'000
Trade and other payables	469	300
Accruals	548	432
Revenue received in advance	625	358
Total Trade and Other Payables	1,642	1,090

The average credit period on trade and other payables represents an average of 30 days credit (2017: 30 days credit). The Group has financial risk policies in place to ensure that all payables are paid within payment terms.

Trade and Other Payables

Accounts payable are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method.

Employee Benefits

Provision is made for benefits accruing to employees in respects of wages and salaries and annual leave when it is probable that settlement will be required and benefits are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured at the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date and reported as a non-current liability.

11. CONVERTIBLE NOTE

The convertible notes are recorded initially at fair value and subsequently measured at fair value through the profit and loss.

Other financial liabilities are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective interest basis.

	2018 $'000	2017 $'000
Unsecured		
Unlisted convertible notes	1,466	1,466

3,000,000 unlisted convertible notes of $1 each were issued as part consideration to the vendors on the acquisition of Interface IT Pty Ltd. During the year ended 30 June 2017, 1,534,000 of these notes were converted to ordinary shares.

The notes were fully paid, having a 0% coupon and a two-year term at which time they were, at the option of the holder, to be repaid or converted to ordinary shares (at the 90-day volume weighted average price per share over the preceding 90 trading days). The notes were able to convert earlier, at the option of the holder, at the 90-day volume weighted average price per share over the preceding 90 trading days or, if Geo undertook a capital raise, at the capital raise price.

Subsequent to the balance date, all the remaining convertible notes were converted to ordinary shares at the same price as the company's recent capital raise.

12. SHARE CAPITAL

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

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

		Number of shares	$'000
Balance at 30 June 2016		49,393,299	20,862
Issue of shares on conversion of notes – related parties	i	4,195,395	839
Issue of shares under rights issue - related parties	ii(a)	2,945,020	589
Issue of shares under rights issue – other parties	ii(b)	6,787,325	1,357
Issue of shares under rights issue from conversion of loans – related parties	ii(c)	2,529,167	510
Issue of shares on conversion of notes – related parties	iii	3,474,720	695
Issue of shares	iv	250,000	50
Issue of shares – other parties	v	1,000,000	200
Transaction costs for the issue of new share		-	(113)
Transfer from share-based payments reserve		-	118
Issue of shares – service provided	vi	375,158	71
Issue of shares – deferred settlement under capital raising process as announced on 18th October 2016	vii	3,000,000	600
Deferred rights issue – other parties	viii	1,000,000	200
Balance at 30 June 2017		74,950,084	25,978

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Movements during the year			
Share issued from treasury stock	i	-	79
Cancellation of treasury stock		(292,830)	-
Deferred rights issue	ii	2,000,000	400
Share consolidation	iii	(38,328,527)	-
Issue of shares – related parties	iv	574,934	213
Issue of shares – related parties	v	547,069	178
Issue of shares – other parties	vi	229,638	50
Deferred shares issue under placement – other parties	vii	158,498	35
Issue of shares under rights issue – settlement under capital raising process as announced on 15 May 2018	viii	13,333,335	2,000
Transaction costs for the issue of new share		-	(213)
Balance at 30 June 2018		53,172,198	28,719

2017

In the year to 30 June 2017, the Company issued equity as follows:

i. On 16 September 2016, the company converted convertible notes into equity by issuing 4,195,395 ordinary shares at an issue price of $0.20 (pre-share consolidation), reducing the related convertible note liability by $839,079.

ii. On 20 October 2016, the Company completed a rights issue, raising $2,452,302 and issuing 12,261,512 ordinary shares, of which:
   a. 2,945,020 shares were issued to related parties, raising $589,004;
   b. 6,787,325 shares were issued to non-related parties, raising $1,357,465; and
   c. 2,529,167 shares were issued to Directors pursuant to a conversion of loans made prior to the rights issue, raising $510,000.

iii. On 20 October 2016, the company converted convertible notes into equity by issuing 3,474,720 ordinary shares at an issue price of $0.20, reducing the related liability by $694,944.

iv. On 17 November 2016, the Company issued 250,000 ordinary shares at an issue price of $0.20 per share under a placement, raising $50,000.

v. On 20 December 2016, the Company issued 1,000,000 ordinary shares at an issue price of $0.20 per share under a placement to Kestrel Capital, raising $200,000.

vi. On 18 May 2017, the Company issued 375,158 shares to Challis & Company in lieu of payment for services provided.

vii. The company issued 3,000,000 ordinary shares at an issue price of $0.20 per share under a placement as deferred settlement under the capital raising process completed on 20th October 2016 (refer note (ii)). The shares were issued in two equal instalments of 1,500,000 on 15 May 2017 and 12 June 2017.

viii. The company issued 1,000,000 ordinary shares at an issue price of $0.20 per share under a deferred rights issue under the capital raising process completed on 20th October 2016 (refer note (ii)).

2018

All shares have been issued as fully paid and have no par value. In the year to 30 June 2018, the Company issued equity as follows:

i. On 7 July 2017, the company issued shares to the Chief Technology Officer ($53,000) and the former Chief Financial Officer ($26,000) from treasury stock.

ii. The Company issued 2,000,000 ordinary shares at an issue price of $0.20 per share as deferred settlement under the capital raising process completed on 20th October 2016.

iii. On 19 July 2017 a consolidation of the Company's share capital on a 2-for-1 new share basis was undertaken.

iv. On 27 October 2017, 574,934 shares were issued in accordance with the agreement with the former CEO on long term incentives.

v. On 31 January 2018, the Company issued 271,619 ordinary shares at an issue price of $0.44 and $0.28 to former CEO under placement for salary sacrifice. On 25 June 2018, 275,450 ordinary shares at an issue price of $0.28 per share were issued in respect of final satisfaction of the amounts due to the former CEO.

vi. On 19 February 2018, the Company issued 229,638 shares in lieu of payment for services provided.

vii. On 17 May 2018, the Company issued 158,498 shares to a former director, in lieu of accrued and unpaid director's fee.

viii. The company issued 13,333,335 ordinary shares at an issue price of $0.15 per share under a placement. The shares were issued in two instalments of $600,000 on 18 May 2018 and $1,400,000 on 25 June 2018.

13. ACCUMULATED LOSSES

	2018 $'000	2017 $'000
Balance at the beginning of year	(16,786)	(13,223)
Net loss after tax for the year	(8,687)	(3,563)
Balance at the end of the year	(25,473)	(16,786)

14. EARNINGS PER SHARE

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares.

- Basic EPS is calculated by dividing the Group profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares on issue during the period.
- Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of shares on issue for the effects of any potential dilutive issue of ordinary shares.

	2018	2017
Net (loss) after tax for the period ($'000)	(8,687)	(3,563)
Weighted average number of ordinary shares outstanding	40,253,633	32,343,971*
Basic and diluted (loss) per share (cents)	(21.58)	(11.02)

*The weighted number of shares have been restated to reflect the effect of share consolidation on 19 July 2017. Refer to Note 12 for details.

15. RELATED PARTY TRANSACTIONS

(a) Remuneration

DIRECTORS

At reporting date, the Directors of Geo Limited (the "Company") controlled 21.64% (2017: 34.65%) of the voting shares in the Company.

Roger Sharp, Chair of the Company held 21.64% (2017: 31.11%) of the shares in the Company at balance date. He also beneficially held 1,144,134 of the convertible notes (78%) (2017: 1,144,598 (78%)). During the year, the Company paid North Ridge Partners (Pty) Ltd, a company of which Roger Sharp is a director and shareholder, $75,000 (2017: $75,000) for director and Chair fees in cash, and $120,000 for consulting fees relating to time spent managing the Company's rights issue and placement (2017: $30,000).

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During the year, Tim Ebbeck, an independent non-executive director was paid $17,000 (2017: $9,000) for director's fees in cash and $33,000 in shares (2017: $Nil), in lieu of director's fees.

Mark Rushworth was appointed as an independent non-executive director on 01 February 2018. During the year Mr. Rushworth was paid $7,000 for director's fees in cash and $13,000 in shares, in lieu of director's fees.

Viv Brownrigg, resigned as a director of the Company on 16 March 2018. During the year the Company issued Dune Trustees Limited, a company of which Viv Brownrigg is a director and shareholder 158,498 shares at $0.223 per share in lieu of director fees (2017: $55,000).

Peter O'Connell, resigned as a director on 20 October 2017. During the year Mr. O'Çonnell was not paid director's fees (2017: $9,000)

Mark Weldon, resigned as a director on 31 August 2016. During the year Mark Weldon was not paid director's fees (2017: $81,000).

Anna Cicognani, resigned as a director of the Company on 01 February 2018. Anna Cicognani was not paid a director's fee. During the year, the following was awarded to Ms. Cicognani:

Anna Cicognani – former CEO		2018 $'000	2017 $'000
Salary		308	441
CEO Incentive Scheme (Long term incentive paid - shares)	21(b)	213	-
Salary Sacrifice (Termination payment and Ex Gratia payment)	21(b)	178	-
		699	441

KEY MANAGEMENT PERSONNEL

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly and include the Chief Executive Officer and the executive team.

The following table summarises remuneration earned by key management personnel and directors:

	2018 $'000	2017 $'000
Directors' fees - Cash	106	96
- Shares issued and accrued	81	118
CEO Incentive Scheme (refer Note 21(b))	213	50
Short term employee benefits and contractors	971	751
Share based payments expense (refer Note 21(b))	212	72
	1,583	1,087

(b) Loans to Directors

	Interest paid/received		Balances outstanding	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Directors – Non-Executive	-	-	194	372

In 2013, Geo provided a loan facility for the two Non-Executive Directors, Viv Brownrigg and Mark Weldon (who resigned on 16 March 2018 and 31 August 2016) that enabled them to each acquire 200,000 shares at $1.00 per share (for a total of 400,000). The loans are interest-free and must be respectively repaid by 30 September 2018. The loans were discounted back to the value at the time of issue at September 2013. During the year, Viv Brownrigg repaid her loan in its entirety (2017: $Nil).

(c) Related party loan payable

	2018 $'000	2017 $'000
Related party loan	1,528	-

On 12 December 2017, the Company entered into a facility agreement of up to $1,500,000 with its major shareholder group North Ridge Partners/ Wentworth Trust to fund the company's working capital requirement, pending a rights issue and/ or placement in 2018. Interest could be either capitalised into the loan or paid monthly by way of the issue of shares at market price. If the Company completed an equity raise, the principal and any capitalised interest could be paid by way of the issue of shares at the equity raise price (subject to shareholder approval) at a minimum issue price of $0.15 per share.

Interest on the loan was 5% annualised, calculated daily, until 1 June 2018 and then 15% afterward if not redeemed for cash or converted to equity, subject to a three-month extension if a capital raise was underway.

Subsequent to the balance date, the loan was repaid in full, partly in cash and partly by the issue of shares.

16. COMMITMENTS FOR EXPENDITURE

(a) Capital Expenditure Commitments

As at 30 June 2018 there were no capital expenditure commitments (2017: $Nil).

(b) Operating Lease Commitments

Non-cancellable operating lease commitments are as follows:

	2018 $'000	2017 $'000
Less than 1 year	122	197
After one year but not more than five years	36	144
	158	341

Operating lease commitments are for the Group's premises.

17. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

There were no material contingent assets or contingent liabilities at 30 June 2018 (2017: $Nil).

18. SEGMENTAL REPORTING

Identification of reportable segments

Information reported to the chief operating decision makers for the purposes of resource allocation and assessment of segment performance focuses on the type of product delivered. The directors of the company have chosen to organise the Group around differences in products and services. No operating segments have been aggregated in arriving at the reportable segments of the Group.

For both the year ended 30 June 2018 and 30 June 2017 financial information about geographical areas is not available and the cost to develop it has been deemed to be excessive.

Types of services provided

The group has identified two main products being Geo for Sales and Geo.

Geo is a mobile workforce management and costing solution that helps users create, schedule and assign jobs to field workers in real time. On site, workers can generate quotes, record job details and attach photos, signatures and files immediately. Once the jobs have been completed, workers can send invoices and organise fast payment. All customer records are available anywhere, at any time.

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Geo for Sales was introduced to Geo's product suite in 2016, through the acquisition of Interface IT and is a market-leading field sales management solution. It allows managers to allocate selling regions to staff, provides detailed geographic and demographic information and monitor sales performance in real time.

Segment revenues and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable segment.

	Geo $'000	Geo for Sales $'000	Total $'000
Year ended 30 June 2018			
Operating revenue	2,623	1,587	4,210
Total segment income	2,623	1,587	4,210
Hosting and infrastructure costs	(456)	(367)	(823)
Sales and marketing	(298)	(192)	(490)
Staffing	(2,180)	(1,196)	(3,376)
Internal Software	(50)	(7)	(57)
Write down of intangible assets	-	(4,971)	(4,971)
Total segment expenses	(2,984)	(6,733)	(9,717)
Segment earnings	(361)	(5,146)	(5,507)

Year ended 30 June 2017	Geo $'000	Geo for Sales $'000	Total $'000
Operating revenue	2,237	1,868	4,105
Total segment income	2,237	1,868	4,105
Hosting and infrastructure costs	(327)	(484)	(811)
Sales and marketing	(268)	(12)	(280)
Staffing	(2,564)	(1,263)	(3,827)
Internal Software	(124)	(17)	(141)
Total segment expenses	(3,283)	(1,776)	(5,059)
Segment earnings	(1,046)	92	(954)

Segment revenue reported above represents revenue generated from external customers. There were no intersegment sales in the current year (2017: nil).

The accounting policies of the reportable segment are the same as the Group's accounting policy described. Segment profit represents the profit before tax earned by each segment without allocation of general and administration costs, director costs, capital raising costs, interest income, amortisation and depreciation. This is the measure reported to the chief operating decision makers for the purposes of resource allocation and assessment of segment performance.

The methodology used for cost allocation for segment reporting for the year ended 30 June 2018 has been modified to reflect the business view of the new chief operating decision makers and hence the segment allocation disclosure for the year ended 30 June 2017 has been restated.

Reconciliation of segment earnings to statement of comprehensive income:

	2018 $'000	2017 $'000
Segment earnings	(5,507)	(954)
Add: Other revenue	951	1,416
Less: General operating and administration	(2,425)	(2,628)
Less: Amortisation	(1,096)	(1,173)
Less: Depreciation	(38)	(40)
Less: ASX listing costs	(572)	(184)
Net Loss before Tax	(8,687)	(3,563)

Segment assets and liabilities

The segment asset and liabilities are assessed by the chief operating decision makers at a group level for both year ended 30 June 2018 and 30 June 2017.

19. RECONCILIATION OF NET LOSS WITH CASH FLOWS FROM OPERATING ACTIVITIES

	2018 $'000	2017 $'000
Net loss from operations for the year	(8,687)	(3,563)
Adjustments for non-cash items:		
Amortisation of intangible assets	1,096	1,173
Depreciation of property, plant and equipment	38	39
Write down of intangible assets	4,971	-
Share based payment expenses	556	232
Listing costs capitalised	-	53
Amortisation of director's loan	(22)	(21)
Contingent consideration	-	(1,000)
Unrealised foreign exchange (gain)/ loss	(164)	51
	6,475	527
Movements in working capital:		
Accounts receivable and other receivables	(511)	(49)
Accounts payable and accruals	539	25
	28	(24)
Net cash (Outflow) from operating activities	(2,184)	(3,060)

20. FINANCIAL RISK MANAGEMENT

The Group is subject to a number of financial risks including liquidity risk, credit risk and market risk. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. Specific risk management objectives and policies are set out below:

(a) Capital Risk Management

The capital structure of the Group consists of equity raised by the issue of ordinary shares and convertible notes in the Company.

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to stakeholders. Capital comprises issued capital and retained losses as disclosed in Note 12 and Note 13.

The Group's board of directors review the capital structure on a regular basis to ensure that entities in the Group are able to continue as going concern (see Note 2).

The Group is not subject to externally imposed capital requirements.

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(b) Liquidity Risk Management

Liquidity risk is the risk that the Group will not have sufficient funds to meet commitments as they fall due.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. A major part of managing liquidity risk is the raising of additional capital. Refer to Note 2 - Going Concern and Note 22 – Significant Events Subsequent to Reporting Date.

All liabilities have maturity within 12 months other than provision for long service leave.

The table below analyses the Group's financial liabilities into maturity groupings based on the remaining period from the end of financial year to the contractual maturity date.

Financial Liabilities

	2018 $'000	2017 $'000
Less than 12 months	4,011	2,198
Later than 12 months	11	24
Total financial liabilities	4,022	2,222

Subsequent to balance date the related party loan of $1,528,000 was repaid in full, partly by cash and partly by issue of shares, and the convertible notes of $1,466,000 were converted to ordinary shares reducing the financial liabilities reported above by $2,994,000 or 64.4%.

(c) Interest Rate Risk

The Group's interest rate risk arises from its cash balances that are placed on deposit at variable rates that expose the Group to cash-flow interest rate risk. The Group does not enter into forward rate agreements.

Management regularly review its banking arrangements to ensure the best returns on funds.

	2018 $'000	2017 $'000
Variable rate instruments		
Financial assets		
Cash and cash equivalents	1,995	864

Interest rates on cash and cash equivalents ranged from 0% to 2.00% (2017: 0% to 3.00%).

(d) Credit Risk

Credit risk refers to the risk that a counter-party will default on its contractual obligations resulting in financial loss to the Group. Financial instruments which potentially subject the Group to credit risk, principally consist of bank balances, director loans and accounts receivable. The Board monitors and manages the exposure to credit risk.

The maximum exposures to credit risk at balance date are:

	2018 $'000	2017 $'000
Cash and short term deposits	1,995	864
Accounts receivable	552	429
Grants receivable	533	257
Sundry debtors	5	12
Related party loans	194	372
Other receivables	31	100

The Group's bank accounts are held with ASB Bank, BNZ Bank, National Australia Bank and Bank of America. Otherwise the Group does not have any other concentrations of credit risk.

The Group does not require any collateral or security to support financial instruments.

(e) Foreign Exchange Risk

The Group is exposed to foreign currency movements against the New Zealand Dollar. International sales are made in the Australian, USA, UK and Canadian markets. The Company's Australian operations are funded directly from New Zealand.

As a result, the financial statements can be affected by movements in these rates.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Liabilities		Assets	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Currency of Australia	2,274	429	974	503
Currency of USA	58	61	71	91
Currency of UK	-	-	7	1
Currency of Canada	-	13	-	-

The following sensitivity analysis is based on the foreign currency risk exposures in existence at the reporting date. As at 30 June 2018, had the New Zealand Dollar moved, as illustrated in the table below, with all other variables held constant, post-tax profit and loss and equity would have been affected as follows:

	2018			
	AUD $'000	USD $'000	Other $'000	Total $'000
Increase in the value of the NZD by 10%				
Impact on profit or (loss)	(395)	(32)	-	(427)
Impact on equity	157	37	-	194
Decrease in the value of the NZD by 10%				
Impact on profit or (loss)	395	32	-	427
Impact on equity	(157)	(37)	-	(194)

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	2017			
	AUD $'000	USD $'000	Other $'000	Total $'000
Increase in the value of the NZD by 10%				
Impact on profit or (loss)	(290)	(25)	1	(314)
Impact on equity	631	(38)	-	593
Decrease in the value of the NZD by 10%				
Impact on profit or (loss)	290	25	(1)	314
Impact on equity	(631)	38	-	(593)

(f) Fair Value of Financial Instruments

There are no significant differences between the fair values and the carrying amounts of financial assets and liabilities in the Consolidated Statement of Financial Position as at balance date.

30 June 2018	Loans & receivables $'000	Financial liabilities at FVTPL $'000	Financial liabilities at amortised cost $'000	Total carrying value $'000
Assets				
Cash and cash equivalents	1,995	-	-	1,995
Trade receivables	1,090	-	-	1,090
Other receivables	31	-	-	31
Related party loans	194	-	-	194
Total financial assets	3,310	-	-	3,310
Liabilities				
Accounts payable	-	-	1,017	1,017
Convertible notes	-	1,466	-	1,466
Related party loans	-	-	1,528	1,528
Total financial liabilities	-	1,466	2,545	4,011

30 June 2017	Loans & receivables $'000	Financial liabilities at FVTPL $'000	Financial liabilities at amortised cost $'000	Total carrying value $'000
Assets				
Cash and cash equivalents	864	-	-	864
Trade receivables	698	-	-	698
Other receivables	100	-	-	100
Related party loans	372	-	-	372
Total financial assets	2,034	-	-	2,034
Liabilities				
Accounts payable	-	-	732	732
Convertible notes	-	1,466	-	1,466
Other payables	-	-	-	-
Total financial liabilities	-	1,466	732	2,198

21. SHARE BASED PAYMENTS

Equity settled compensation in lieu of salary and director fees is measured at the fair value of the salary sacrificed. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 12 and 21.

(a) Share Based Payments Reserve

	2018 $'000	2017 $'000
Opening balance	81	88
Share based payment expenses	556	111
Transfer to issued share capital	(553)	(118)
Closing Balance	84	81

(b) Share based payments expense

		2018 $'000	2017 $'000
CEO Incentive Scheme	12(iv)	213	-
Salary Sacrifice and termination payments – Former CEO	12(v)	178	-
Salary Sacrifice – CEO		34	-
Management Incentive	12(i)	10	72
Employee Growth Share Scheme		(10)	(79)
Directors' fees		81	118
Other payments	12(vi)	50	121
Total for the year		556	232

CEO Incentive Scheme

During the year, the Company issued 574,934 shares for $213,000 to the former CEO in accordance with an agreement on her long term incentives (2017: $Nil).

Salary Sacrifice

During the year, the Company issued 547,069 shares valued at $178,000 in lieu of salary and termination benefits to the former CEO. The fair value of the shares issued is determined having regard to the volume weighted average price over twenty business days following the six-month period to which the service was provided.

As part of the remuneration for Kylie O'Reilly, the current Chief Executive Officer, a share-based payment of $34,000 was made during the year.

Management Incentive

Certain senior management joined the group during the year ended 30 June 2017. Subject to Board approval and completion of 12 months of service they could be awarded shares.

During the year shares were issued to the value of $79,000 to the former Chief Financial Officer ($26,000) and to the Chief Technology Officer ($53,000). These shares relate to the 2017 management incentive program (refer note 12(i)).

The management incentive scheme is no longer in place as at 30 June 2018.

2016 Employee Growth Share Plan

During the 2016 year, the Group implemented an employee share plan, the Geo Limited Employee Growth Share Plan (the "Plan"). The Plan operated as an equity-settled, share-based compensation plan, under which employees render services in exchange for shares in Geo. The value of the employee services rendered for the grant of non-transferable shares is recognised as an expense over the vesting period, and the amount is determined by reference to the fair value of the shares granted.

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The Plan was introduced for selected executives and employees of the Group. Under the Plan, ordinary shares in Geo Limited were issued to a trustee, GeoOp Trustee Limited, a wholly owned subsidiary, and allocated to participants, on grant date, using funds lent to them by the Company.

During the year ended 30 June 2018, the 2016 Employee Growth Share Plan ceased and $10,000 non-cash income/(expense) (2017: $79,000) was recorded for the year relating to the Plan as the employees have left the company before vesting.

	Number of shares ('000) 2018	Number of shares ('000) 2017
Outstanding at beginning of period	25	152
Awarded pursuant to the Employee Growth Share Plan	-	-
Forfeited	(25)	(127)
Vested	-	-
Unvested shares as at 30 June allocated to employees	-	25
Aging of unvested shares		
Balance of shares to vest within 1 year	-	25
Balance of shares to vest after 1 year	-	-
	-	25

Input	Assumption
Risk free rate	3.5%
Share price at grant date	$0.40
Volatility	98%
Hurdle price	
- 2 year term	$1.15
- 3 year term	$1.40
Number of shares	415,629
Fair value of each option	
- 2 year term	$0.33
- 3 year term	$0.35

The volatility was determined having regard to the daily movement in Geo's share price as listed on NZX since listing.

Directors' fees

The Directors of Geo are able to elect to receive up to two thirds of their fees in Geo ordinary shares. The fair value of the shares issued is determined having regard to the volume weighted average price over twenty business days following the six-month period to which the service was provided. Where shares are issued in lieu of cash the company may elect to add an increment of up to 50% of the value of shares issued, to compensate for the risks of being remunerated in shares in lieu of cash.

During the year, director fees were accrued for Viv Brownrigg, Tim Ebbeck and Mark Rushworth for $81,000. (2017: $118,000)

Other payments

During the year, the company issued 229,638 shares for $50,000 in lieu of payments for services provided to other parties (2017: $121,000).

22. SIGNIFICANT EVENTS SUBSEQUENT TO REPORTING DATE

The following events occurred after 30 June 2018:

a) In July 2018, the company completed a rights issue of 10,647,364 shares for $1,634,000.

Certain Executive and Non-Executive Directors participated in the rights issue:

- 986,535 shares were issued to CEO, Kylie O'Reilly appointed on 01 February 2018. 500,000 of these shares were paid to Iper Pty limited, a company in which Kylie O'Reilly is a director and shareholder.
- 317,447 shares were issued to Ebbeck Holdings Pty Ltd, a company in which Tim Ebbeck is a director and shareholder.
- 270,750 shares were issued to The Backbone Trust, a trust in which Mark Rushworth is a trustee.
- 300,834 shares were issued to Ashelie Investments Pty Ltd, a company in which the Chief Financial Officer, Rochelle Lewis is a director and shareholder.

b) In July 2018, all the remaining $1.466 million of convertible notes were converted to equity by issuing 9,773,180 shares at $0.15 per share

c) The company also repaid the loan from Wentworth Trust by issuing 6,474,488 shares for $971,173 and the balance of $556,000 was repaid in cash.

d) On 28 August 2018, Geo Limited confirmed CEO Kylie O'Reilly's remuneration arrangements from financial year 2019, comprising a mix of base salary, and short and long-term incentive arrangements.

- Base salary of A$330,000 per annum including superannuation.
- Annual short-term incentive (STI) payments of up to 30% of salary, subject to meeting performance hurdles relating to profitability and meeting operational targets, payable (at the Board's discretion) in cash and/or shares.
- 2,000,000 three-year options under a long-term incentive (LTI) plan, with vesting based on performance hurdles being met, to be issued and vest on the following basis:
    - FY19: 1,000,000 options, each to acquire one ordinary share in Geo at 15 cents per share (the price of the Company's recent fund raisings) and exercisable until 1 July 2021 with vesting subject to meeting performance hurdles including minimum revenue growth of 30% and an EBITDA break even result in calendar 2019; and
    - FY20: 1,000,000 options, each to acquire one ordinary share in Geo at 25 cents per share, and exercisable until 1 July 2022 with vesting subject to meeting continuing revenue growth and profitability performance hurdles.

e) On 3 September 2018, Geo Limited announced that effective from 4 September 2018, the company's registered office will change to Bell Gully, 171 Featherston Street, Wellington, 6011 New Zealand.

f) On 21 September 2018, the company changed its name from GeoOp Limited to Geo Limited.

There were no other significant events after balance date.

Independent Auditor's Report

Deloitte.

To the Shareholders of Geo Limited (formerly known as 'GeoOp Limited')

Opinion	We have audited the consolidated financial statements of Geo Limited ('the Company') and its subsidiaries (the 'Group'), which comprise the consolidated statement of financial position as at 30 June 2018, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. In our opinion, the accompanying consolidated financial statements, on pages 13 to 41, present fairly, in all material respects, the consolidated financial position of the Group as at 30 June 2018, and its consolidated financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards ('NZ IFRS') and International Financial Reporting Standards ('IFRS').
Basis for opinion	We conducted our audit in accordance with International Standards on Auditing ('ISAs') and International Standards on Auditing (New Zealand) ('ISAs (NZ)'). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. We are independent of the Group in accordance with Professional and Ethical Standard 1 (Revised) *Code of Ethics for Assurance Practitioners* issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants*, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Other than in our capacity as auditor, the provision of other assurance services and the provision of taxation compliance services, we have no relationship with or interests in Geo Limited or any of its subsidiaries. These services have not impaired our independence as auditor of the Company and its subsidiaries.
Audit materiality	We consider materiality primarily in terms of the magnitude of misstatement in the financial statements of the Group that in our judgement would make it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced (the 'quantitative' materiality). In addition, we also assess whether other matters that come to our attention during the audit would in our judgement change or influence the decisions of such a person (the 'qualitative' materiality). We use materiality both in planning the scope of our audit work and in evaluating the results of our work. We determined materiality for the Group financial statements as a whole to be $208,000.
Key audit matters	Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Intangible assets – internally developed software Intangible assets relating to application software had a carrying value of $4.6 million at 30 June 2018, and there were additions of $0.6 million in the year to 30 June 2018 as outlined in Note 8. As a Software as a Service ("SaaS") provider the Group incurs significant expenditure in developing, maintaining and upgrading software. Costs associated with developing software that meet the criteria for capitalisation under NZ IAS 38 *Intangible Assets* ('NZ IAS 38'), including whether the software will generate future economic benefits, are recorded as intangible assets as described in Note 8. Capitalised software assets are subsequently amortised over their estimated useful lives. Costs that do not meet the requirements to be capitalised are expensed as incurred. As the Group must apply a high degree of judgement in determining which software development costs may be capitalised, we have included this as a key audit matter.	We have evaluated the appropriateness of costs capitalised as software development assets by: • Challenging the Group's determination of which development costs meet the criteria to be capitalised. We obtained an understanding of the nature of the projects from management, including how they are used in the business, the stage of development, and the likelihood of the software being successfully completed and used to generate revenue; • Checking capitalisation of cost calculations for mathematical accuracy; and • Testing the amounts capitalised on a sample basis and agreeing this to underlying evidence, including, for employee costs allocated to development projects, testing a sample of hours worked on each project and the relevant wage rates.
Impairment testing of goodwill and other intangible assets for Geo for Sales cash generating unit ('CGU') As at 30 June 2018, the Geo for Sales CGU had $3.7 million of depreciable intangible assets. The Group recorded an impairment loss of $5.0 million in the year ended 30 June 2018 relating to the Geo for Sales CGU, including a $4.9 million impairment to goodwill and a $0.1 million impairment to application software. Information about the Group's goodwill and other intangible assets is included in Note 8. The Group is required to perform an impairment analysis for goodwill annually and assess whether there is any indication that the other intangible assets may be impaired. The Group determined that there were indicators of impairment for the intangible assets in the Geo for Sales CGU. The Group calculated the recoverable amount of the Geo for Sales CGU using a value in use model. The significant inputs to the value in use model were the revenue growth rate, the discount rate and terminal growth rate. We have included impairment testing for goodwill and other intangible assets for the Geo for Sales CGU as a key audit matter due to the level of judgement required in assessing intangible assets for impairment and calculating the recoverable amounts of the CGU to which the intangible assets relate.	Our audit procedures included a detailed evaluation of the Group's cash flow forecast and value in use model for the Geo for Sales CGU. These procedures included: • assessing and comparing the key inputs used in the value in use model being the revenue growth rate, the discount rate and the terminal growth rate to external sources of information; • assessing the reliability of the Group's forecasting by comparing the current year results with the forecast figures; and • discussing the future business plan with management and those charged with governance to ensure it is in line with the cash flow forecasts in the value in use model.

Independent Auditor's Report

Key audit matter	How our audit addressed the key audit matter
Going Concern The consolidated financial statements have been prepared on a going concern basis as disclosed in Note 2. The Group recorded a net loss after tax of $8.7 million for the year ended 30 June 2018. As described in Note 2, the Group has improved the cash outflows from operations by reducing costs and increasing annualised recurring revenue in the current year. The Group has raised funds by issuing additional shares both during the year ended 30 June 2018 and subsequent to year end. Further details of the Group's considerations relating to going concern are outlined in Note 2. Given the significance of the going concern assumption to the consolidated financial statements and the judgement involved in determining the cash flow forecast supporting this assumption, the assessment of the Group's ability to continue as a going concern is considered to be a key audit matter.	We evaluated the Group's assessment of its ability to continue as a going concern. This included: • obtaining the Group's cash flow forecast for a period of at least 12 months from the date the consolidated financial statements are approved; • comparing the actual results for the financial year ended 30 June 2018 to the forecast results for the same period to determine the Group's accuracy in preparing cash flow forecasts; • testing the mechanical accuracy of the Group's cash flow forecast; • evaluating the assumptions used in the forecast, including sighting supporting documentation for known revenue increases, understanding the cost base within the forecast, performing sensitivity analysis, and comparing the forecast to actual results to the date the consolidated financial statements were approved. We assessed the adequacy of the going concern disclosures included in the consolidated financial statements.

Other information

The directors are responsible on behalf of the Group for the other information. The other information comprises the information in the Annual Report that accompanies the consolidated financial statements and the audit report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and consider whether it is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If so, we are required to report that fact. We have nothing to report in this regard.

Directors' responsibilities for the consolidated financial statements

The directors are responsible on behalf of the Group for the preparation and fair presentation of the consolidated financial statements in accordance with NZ IFRS and IFRS, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible on behalf of the Group for assessing the Group's ability 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 have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are 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 ISAs and ISAs (NZ) 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 these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on the External Reporting Board's website at:

https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-1

This description forms part of our auditor's report.

Restriction on use

This report is made solely to the Company's shareholders, as a body. Our audit has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte Limited

Andrew Boivin, Partner
for Deloitte Limited
Auckland, New Zealand
28 September 2018

Non-GAAP financial information

Geo's standard profit measure prepared under NZ GAAP is net profit after tax (NPAT). Geo has used a non-GAAP profit measure of earnings in this document (defined detailed and reconciled to GAAP measures below) and intends to do so in the future allowing investors to compare periods. The directors and management believe this measure provides useful information to readers to assist in understanding the Company's financial performance and position.

These measures are also used internally to evaluate performance of the business to establish operational goals and to allocate resources. Non-GAAP profit measures are not prepared in accordance with NZ GAAP (and therefore do not comply with International Financial Reporting Standards) and are not uniformly defined. Therefore, the non-GAAP profit measures reported in this document may not be comparable with those that other companies report and should be viewed in isolation.

EBITDA: EBITDA is statutory net loss from operations excluding interest, tax, depreciation, amortisation and impairments.

Underlying EBITDA: Underlying EBITDA is EBITDA less non-operational revenue and expenses. In FY18 it excludes the impact of $0.6m in ASX migration costs (FY17:$184k) and associated restructure costs of $0.1m. In FY17, Underlying EBITDA included the impact of a $1.0b write back of a contingent liability previously taken up at the time of acquisition of Interface IT.

	30 June 2018 $'000	30 June 2017 $'000	Variance $'000	Variance %
Revenue from ordinary activities				
Geo Subscriptions	**2,591**	2,144	+447	+20.8%
Geo for Sales Subscriptions	**1,446**	1,652	-206	-12.5%
Training & Implementation Fees	**173**	309	-136	-44.0%
Total Revenues from ordinary activities	**4,210**	4,105	+105	+2.6%
Statutory EBITDA	**(2,582)**	(2,350)	-233	-9.9%
Underlying EBITDA	**(1,910)**	(3,166)	+1,256	+39.7%
Statutory Net (Loss)	**(8,687)**	(3,563)	-5,124	-143.8%

Corporate Governance

The objective of the Board of Geo Limited ("Geo") is to enhance shareholder value. The Board considers there is a strong link between good corporate governance and the achievement of this objective.

The Board considers that its corporate governance framework complies with the 2017 NZX Corporate Governance Code (NZX Code), except as stated within this report. In this regard, there are a few areas where Geo is making progress to ensure compliance with the NZX Code. The information in this report is current as at the date of release of the 2018 Annual Report and has been approved by the Board of Geo.

The key corporate governance documents referred to in this report are available on Geo's website at www.geoworkforcesolutions.com

Geo is listed on the NZX's Main Board and is subject to regulatory control and monitoring by both the NZX and the Financial Markets Authority (FMA).

PRINCIPLE 1 – CODE OF ETHICAL BEHAVIOUR

Directors should set high standards of ethical behaviour, model this behaviour and hold management accountable for these standards being followed throughout the organisation.

Geo is committed to maintaining the highest ethical standards by Directors, staff and suppliers. Geo has a Code of Ethics to guide executives, management and employees in carrying out their duties and responsibilities. A copy of this is available on Geo's website. The Code covers such matters as:

- expected conduct;
- confidentiality;
- use of assets;
- corporate social responsibility; and
- acceptance of gifts.

The Code requires Directors and employees to promptly report material breaches of the Code. In addition, Geo has adopted a Whistleblowing Policy that sets out the processes by which suspected serious wrongdoing can be reported, and the whistleblower is protected.

Geo is putting in place processes to enable training for all new and existing employees to ensure awareness and understanding of the Code.

Geo has a Securities Trading Policy to explain expectations and requirements for dealing in Geo securities and to protect from the risk of breaching insider trading laws. A copy of this is available on Geo's website.

Details of Directors' share dealings are on page 57 of the 2018 Annual Report.

PRINCIPLE 2 – BOARD COMPOSITION AND PERFORMANCE

To ensure an effective Board, there should be a balance of independence, skills, knowledge, experience and perspectives.

The business and affairs of Geo are managed directly by the Board of Directors. The Board:

- establishes long-term goals and strategic plans to achieve those goals;
- reviews and adopts the annual budgets for financial performance and monitors results monthly;
- ensures preparation of the annual and half-yearly financial statements;
- manages risk by ensuring that Geo has implemented adequate systems of internal controls together with appropriate monitoring of compliance activities; and
- works with management to create shareholder value.

Corporate Governance

Geo's Board operates under a written Board Charter which sets out the structure of the Board; the procedures for the nomination, resignation and removal of Directors; outlines the responsibilities and roles of the Chairman and Directors; and identifies procedures to ensure that the Board meets regularly, conducts its meetings in an efficient and effective manner and that each Director is fully empowered to perform his or her duties as a Director of the Company and to fully participate in meetings of the Board. A copy of the Charter is available on Geo's website.

Management of Geo is undertaken by the executive team under the leadership of the Chief Executive Officer (CEO), through a set of delegated authorities that are reviewed regularly.

Directors have direct access to and may rely upon Geo's senior management and external advisers. Directors have the right, with the approval of the Chairman, to seek independent legal or financial advice at the expense of Geo for the proper performance of their duties.

Board Composition and Appointment

The number of elected Directors and the procedure for their retirement and re-election at Annual Shareholders' Meetings are set out in the Constitution of the Company.

The Remuneration and Nomination Committee assists the Board in reviewing the criteria for selection of Directors and making recommendations to the Board to ensure the most appropriate balance of skills, qualifications, experience and background to effectively govern Geo.

At each Annual Shareholders' Meeting, one-third of the current Directors retire by rotation and are eligible for re-election. Any Directors appointed since the previous annual meeting must also retire and are eligible for election.

The Board currently comprises of three Directors: a non-executive Chairman, and two independent non-executive Directors. The CEO is not currently a member of the Board.

The Board supports the separation of the roles of Chairman and CEO on a permanent basis, although does allow for the appointment of an Executive Chairman on a non-permanent basis if circumstances warrant.

The current Chairman is non-executive but is not an independent director by virtue of the significant shareholding he and his associates hold. The Board considers that the skills and experience provided by the Chairman and the alignment of interests with other shareholders outweigh any benefits of the recommendation that the Chairman be independent. The Board considers that because both other directors are independent non-executive directors, there is sufficient openness and challenging of views to ensure a diversity of views are considered by the Board.

In order for a Director to be independent, the Board has determined that he or she must not be an executive of Geo and must have no disqualifying relationships as defined by the NZX Listing Rules.

Information on each Director is available on the Geo website. Directors' interests disclosed in FY18 are described on page 59 of the 2018 Annual Report.

In compliance with the new NZX Code, Geo provides written agreements to new Directors.

The Company encourages all Directors to undertake appropriate training and education so that they may best perform their duties. This may include attending presentations on changes in governance, legal and regulatory frameworks; attending technical and professional development courses; and attending presentations from industry experts and key advisers. In addition, updates are provided to the Board on relevant industry and company issues.

At appropriate times the Board considers individual and collective performance, together with the skill sets, training and development and succession planning required to govern the business. An evaluation of Board performance will be undertaken in FY19.

Principle 2 – Board Composition and Performance continued

Diversity

Geo does not currently have a formal Diversity Policy. However, the Company recognises the value of diversity of thinking and skills. This can arise through several different characteristics including but not limited to the following; gender, ethnic background, religion, age, marital status, culture, disability, economic background, education, language and sexual orientation. Different backgrounds, communication styles, life-skills and interpersonal skills are also considered of value in building diverse teams.

At an appropriate time, Geo will look to develop a formal Diversity Policy and will set objectives for promoting diversity and inclusion within the Company.

As at 30 June 2018, 42% of the Company's employees were female, and 67% of its officers were female (being the CEO and direct reports with key functional responsibility). The Company currently has no female Directors.

	30 June 2018	30 June 2017
Directors		
Male	3	3
Female	0	2
Officers		
Male	1	3
Female	2	1

Board Meetings and Attendance

The Board meets as often as it deems appropriate, including sessions to review the performance of the business versus plans and to consider the strategic direction of Geo and its forward-looking business plans. Video and/or phone conferences are also used as required.

The table below sets out Director attendance at Board and committee meetings during FY18.

	Board	Audit and Risk	Remuneration and Nominations
Total number of meetings	**15**	**3**	**2**
Roger Sharp	15	3	2
Tim Ebbeck	15	3	2
Mark Rushworth (appointed 1 February 2018)	5	1	2
Anna Cicognani (resigned 1 February 2018)	9	0	0
Viv Brownrigg (resigned 16 March 2018)	8	2	1
Peter O'Connell (resigned 20 October 2017)	8	0	2

Corporate Governance

PRINCIPLE 3 – COMMITTEES

The Board should use committees where this will enhance its effectiveness in key areas, while still retaining Board responsibility.

The Board has delegated a number of its responsibilities to committees to assist in the execution of the Board's responsibilities. These committees review and analyse policies and strategies that are within their terms of reference. They examine proposals and, where appropriate, make recommendations to the full Board. Committees do not take action or make decisions on behalf of the Board unless specifically mandated by prior Board authority to do so.

The committees meet as required and have charters which are approved and reviewed by the Board. Copies of committee charters can be found on the Geo website, www.geoworkforcesolutions.com

Minutes of each committee meeting are forwarded to all members of the Board, who are all entitled to attend any committee meeting.

Each committee is empowered to seek any information it requires from employees in pursuing its duties and to obtain independent legal or other professional advice.

The membership and performance of each committee is to be evaluated as part of the Board performance evaluation to be undertaken in FY19.

The current committees of the Board are the Audit and Risk Management Committee, and the Remuneration and Nominations Committee.

From time to time, special purpose committees may be formed to review and monitor specific projects with senior management.

In the case of a takeover offer, Geo will form an Independent Takeover Committee to oversee disclosure and response and engage expert legal and financial advisors to provide advice on procedure. A formal Takeover Response Policy will be developed in FY19.

Audit and Risk Management Committee

The Audit and Risk Management Committee provides a forum for the effective communication between the Board and external auditors, and to review and manage risk. The Committee reviews the annual and half-yearly financial statements prior to their approval by the Board, the effectiveness of internal control and management information systems, and the efficiency and effectiveness of the audit function.

The Committee must be comprised solely of Directors of Geo, have a minimum of three members, have a majority of independent Directors and have at least one Director with an accounting or financial background. The makeup of the current members of this committee complies with this recommendation.

Members as at 30 June 2018 were Tim Ebbeck (Chair), Roger Sharp, and Mark Rushworth. The Committee Chair is not the Chair of the Board.

Management may attend meetings at the invitation of the Committee. The Committee routinely has committee-only time with the external auditors without management present.

Remuneration and Nomination Committee

The Remuneration and Nomination Committee is responsible for:

- remuneration: overseeing management succession planning, establishing employee incentive schemes, reviewing and approving the compensation arrangements for senior management, and recommending to the full Board the compensation of Directors; and
- nominations: ensuring the Board comprises Directors who collectively satisfy the Board's skill matrix (as updated from time-to-time), who contribute actively to the development of strategy, who ensure that key personnel are in place to successfully manage the business, who contribute to the Board's and its committees' reviews of their own performance, and ensure that effective induction and training programmes are in place for new and existing Directors.

The Committee comprises two non-executive Directors of Geo, Mark Rushworth (Chair) and Roger Sharp. As such, it does not comply with the Code recommendation to have a majority of independent Directors. However, the Geo Board considers that this is appropriate as it would be inefficient to have a larger Committee in a company of Geo's size. Further, its decisions require the approval of a third independent director, therefore effectively providing a mechanism to ensure independent decision-making.

Management may attend meetings only at the invitation of the Committee.

PRINCIPLE 4 – REPORTING AND DISCLOSURE

The Board should demand integrity in financial and non-financial reporting, and in the timeliness and balance of corporate disclosures.

Geo's Directors are committed to keeping investors and the market informed of all material information about the Company and its performance, in a timely manner. Geo has adopted a Continuous Disclosure Policy to ensure that material information is identified, reported, assessed and, where required, disclosed to the market in a timely manner.

In addition to all information required by law, Geo also seeks to provide sufficient meaningful information to ensure stakeholders and investors are well informed, including financial and non-financial information.

Financial Information

Senior Management is responsible for implementing and maintaining appropriate accounting and financial reporting principles, policies, and internal controls designed to ensure compliance with accounting standards and applicable laws and regulations.

The Board's Audit and Risk Management Committee oversees the quality and integrity of external financial reporting, including the accuracy, completeness, balance and timeliness of financial statements. It reviews Geo's full and half year financial statements and makes recommendations to the Board concerning accounting policies, areas of judgement, compliance with accounting standards, stock exchange and legal requirements, and the results of the external audit.

For the financial year ended 30 June 2018, the Directors believe that proper accounting records have been kept that enable the determination of the Company's financial position with reasonable accuracy and facilitate compliance of the financial statements with the Financial Markets Conduct Act 2013. The Chief Executive Officer and Chief Financial Officer have confirmed in writing to the Board that Geo's external financial reports present a true and fair view in all material aspects.

Geo's full and half year financial statements are available on the Company's website.

Non-financial information

Geo sets out, reports against and discusses its strategic objectives in a variety of communications including the Chair and CEO's commentary in shareholder reports.

The Company recognises that financial reporting should be balanced, clear and objective.

Further, it provides non-financial disclosure at least annually, including any consideration of material exposure to environmental, economic and social sustainability risks, as well as other key risks.

PRINCIPLE 5 – REMUNERATION

The remuneration of Directors and executives should be transparent, fair and reasonable.

Remuneration of Directors and senior executives is a key responsibility of the Remuneration and Nominations Committee. External advice is sought on a regular basis to ensure that remuneration is benchmarked to the market for senior management, Director and Board positions. Geo has established guidelines in place in regard to remuneration, and will formalise these in a Remuneration Policy in FY19.

Director Remuneration

The total remuneration pool available for Directors has been fixed by shareholders at a current maximum of $250,000 per annum for all non-executive Directors. The Board determines the level of remuneration paid to Directors from that pool. Directors also receive reimbursement for reasonable travelling, accommodation and other expenses incurred in the course of performing their duties.

Any proposed increases in non-executive Director fees and remuneration will be put to shareholders for approval. If independent advice is sought by the Board, it will be disclosed to shareholders as part of the approval process.

Geo shareholders have approved the payment of up to two thirds of Directors' fees in Geo shares. Where such fees are paid in shares, a loading is applied. The issue of such shares is based on the volume weighted average market price of Geo shares over the 20 business days before the share issue occurs.

Corporate Governance

Board Role Approved Remuneration

The fees payable to a non-executive Chairman currently amount to $75,000 per annum, inclusive of all committee participation.

The fees payable to a non-executive Director currently amount to $45,000 per annum, plus an incremental $5,000 for chairing board committees.

No additional Directors' fees are paid for membership (as opposed to chairing) of Board committees.

Details of individual Directors' remuneration are provided on pages 31, 32 and 56 of the 2018 Annual Report.

Executive Remuneration

In general, executive remuneration comprises a fixed base salary and an at-risk short-term incentive payable annually. The CEO and selected executives also receive a long-term incentive in the form of a share plan. At-risk incentives are paid against targets agreed with executives at the commencement of the period and are based on financial measures including earnings targets and progress against objectives related to the strategic plan and other personal objectives.

Executives' remuneration and entitlements are detailed under Employees' Remuneration information on pages 32 and 58 of the 2018 Annual Report. Given its small size and limited resources, Geo takes advice from qualified professionals and advisors, but does not have a formal remuneration policy. The Company intends to adopt a remuneration policy for Directors and Officers in FY19.

CEO Remuneration

The review and approval of the CEO's remuneration is the responsibility of the Board.

The CEO's remuneration comprises a fixed base salary including superannuation, an at-risk short-term incentive payable annually and a long-term incentive plan. At-risk incentives are paid against targets agreed with the CEO and are based on financial measures including earnings targets and progress against objectives related to the strategic plan and other personal objectives.

Remuneration received by the current and former CEO of Geo was as follows:

	Remuneration	
	FY18	**FY17**
Kylie O'Reilly – appointed 1 February 2018		
Salary	117	–
Superannuation	4	–
Share based payments accrued	34	–
	155	**–**
Anna Cicognani – Former CEO resigned 1 February 2018		
Salary	308	441
CEO Incentive Scheme (long term incentive paid - shares)	213	–
Salary sacrifice (termination payment and ex gratia payment)	178	–
	699	**441**

The Company's Chief Executive Officer, Kylie O'Reilly, entered an employment contract with effect from 1 July 2018 with fixed remuneration (including superannuation) of A$330,000 plus incentives. The incentives comprise an annual short-term incentive (STI) and a long-term incentive plan (LTI).

The STI enables payment of up to 30% of salary, subject to meeting performance hurdles relating to profitability and meeting operational targets, and is payable (at the Board's discretion) in cash and/or shares.

Principle 5 – Remuneration continued

The LTI comprises 2,000,000 three-year options to acquire Geo shares, with vesting based on performance hurdles being met. Key terms are as follows:

- FY19: 1,000,000 options, each to acquire one ordinary share in Geo at 15 cents per share (the price of the Company's major 2018 fund raisings) and exercisable until 1 July 2021 with vesting subject to achieving minimum revenue growth of 30% in FY19 and an EBITDA break even result in calendar 2019; and
- FY20: 1,000,000 options, each to acquire one ordinary share in Geo at 25 cents per share, and exercisable until 1 July 2022 with vesting subject to meeting continuing revenue growth and profitability performance hurdles.

This LTI is aligned to the delivery of Geo's strategy and recent earnings guidance. Additional options will be issued to other key management executives within the annual 3% issuance threshold in due course.

PRINCIPLE 6 – RISK MANAGEMENT

Directors should have a sound understanding of the material risks faced by the issuer and how to manage them. The Board should regularly verify that the issuer has appropriate processes that identify and manage potential and material risks.

The Board has overall responsibility for the Company's system of risk management and internal control. The Board delegates day-to-day management of the risk to the CEO. In addition, the Audit and Risk Management Committee provides an additional and more specialised oversight of Geo's risks in addition to the oversight provided by the Board. The Audit and Risk Management Committee's Charter details the specific responsibilities of the Committee in regard to risk assurance.

Risk Identification

The executive team is required to regularly identify the major risks affecting the business and develop structures, practices and processes to manage and monitor these risks. It reports to the Board through a series of Risk Grids which are reviewed at each Board meeting.

Induction and Training

The Company's executive team runs an onboarding process for new employees during which the code of ethics, expense and securities trading policies, inter alia, are provided and explained on the first day of employment.

Insurance

Geo maintains insurance policies that it considers adequate to meet its insurable risks.

Health and Safety

The Board recognises that effective management of health and safety is essential for the operation of a successful business, and its intent is to prevent harm and promote wellbeing for employees, contractors and customers. The Board is responsible for ensuring that the systems used to identify and manage health and safety risks are fit for purpose, being effectively implemented, regularly reviewed and continuously improved.

Health and safety procedures are in place which Geo believes are appropriate for the size and nature of its business. No health and safety incidents have been reported during FY18.

The Board is satisfied that major risks are reviewed through its existing risk review framework, which it continually reviews and strengthens. More details of Geo's financial risk management are available on pages 35 to 38 of the 2018 Annual Report.

Corporate Governance

PRINCIPLE 7 – AUDITORS

The Board should ensure the quality and independence of the external audit process.

The Board is committed to ensuring audit independence, both in fact and appearance, so that Geo's external financial reporting is viewed as being highly objective and without bias.

The Audit and Risk Management Committee reviews the quality and cost of the audit undertaken by the Company's external auditors and provides a formal channel of communication between the Board, senior management and external auditors.

An External Auditor Independence Policy has been adopted and sets out the services that may or may not be performed by the external auditor.

The Audit and Risk Management Committee approves the auditor's terms of engagement, audit partner rotation (at least every five years) and audit fee, and reviews and provides feedback in respect of the annual audit plan. The Audit and Risk Management Committee periodically has time with the external auditor without management present. The Committee also assesses the auditor's independence on an annual basis.

For the financial year ended 30 June 2018, Deloitte Limited was the external auditor for Geo Limited. Deloitte was reappointed under the Companies Act 1993 at the 2017 Annual Meeting. The last audit partner rotation was in 2015.

All audit work at Geo is fully separated from non-audit services to ensure that appropriate independence is maintained. Other services provided by Deloitte in FY18 amounts to $62,000. These were deemed to have no effect on the independence or objectivity of the auditor in relation to audit work. The amount of fees paid to Deloitte for audit and non-audit work are identified on page 22 of the 2018 Annual Report.

Deloitte has provided the Committee with written confirmation that, in its view, it was able to operate independently during the year.

Deloitte attends the Annual Shareholders' Meeting, and the lead audit partner is available to answer questions from shareholders at that meeting. The relevant audit partner from Deloitte attended the 2017 Annual Shareholders' Meeting.

Geo has a number of internal controls which are overseen by the Audit and Risk Management Committee and/or the Board. These include controls for information systems, cyber risk and information security, business continuity management, insurance, health and safety, conflicts of interest, and prevention and identification of fraud. The Company does not have an internal audit function.

PRINCIPLE 8 – SHAREHOLDER RIGHTS AND RELATIONS

The Board should respect the rights of shareholders and foster constructive relationships with shareholders that encourage them to engage with the issuer.

The Board is committed to open and regular dialogue and engagement with shareholders. Geo seeks to ensure that investors understand its activities by communicating effectively with them and giving them access to clear and balanced information.

Geo has a calendar of communications and events for shareholders, including but not limited to:

- Annual and Interim Reports;
- market announcements;
- Annual Shareholders' Meeting;
- scheduled and ad hoc investor presentations to institutional investors and retail brokers;
- easy access to information through the Geo website www.geoworkforcesolutions.com; and
- access to management and the Board via a dedicated email address.

Shareholders are actively encouraged to attend the Annual Shareholders' Meeting and may raise matters for discussion at this event, and may vote on major decisions that affect Geo. Voting is by poll, upholding the 'one share, one vote' philosophy.

Principle 8 – Shareholder Rights and Relations continued

In accordance with the Companies Act 1993, Geo's Constitution and the NZX Main Board Listing Rules, Geo refers major decisions that may change the nature of the Company to shareholders for approval.

All shareholders are given the option to elect to receive electronic communications from the Company.

In addition to shareholders, Geo has a wide range of stakeholders and maintains open channels of communication for all audiences, including brokers, the investing community, regulators, staff, customers and suppliers.

Exercise of disciplinary powers

No disciplinary action has been taken by either the NZX or the FMA against the Company during the financial year ended 30 June 2018.

Shareholder Information

for the year ended 30 June 2018

1. DIRECTORS' REMUNERATION

Directors' remuneration received by directors of Geo was as follows:

	Remuneration 2018 $000	Remuneration 2017 $000	Director's fee 2018 $000	Director's fee 2017 $000
Roger Sharp	–	–	75	75
Tim Ebbeck	–	–	50	9
Mark Rushworth (appointed 1 February 2018)	–	–	20	–
Anna Cicognani (resigned 1 February 2018)	699	441	–	–
Viv Brownrigg (resigned 16 March 2018)	–	–	35	55
Peter O'Connell (resigned 20 October 2017)	–	–	–	9
Mark Weldon (resigned 31 August 2016)	–	–	–	81
Total	**699**	**441**	**180**	**229**

Roger Sharp's Director's fee as Chairman is paid to North Ridge Partners Pty Ltd, a company of which Roger Sharp is a Director and shareholder.

Former Geo Director and Chief Executive Officer Anna Cicognani was remunerated in her capacity as Chief Executive Officer of Geo and did not receive a fee as Director. Details of Anna Cicognani's remuneration for the year is set out in pages 32 and 52 of the 2018 Annual Report.

No additional remuneration or benefits were paid to the directors of the Company.

2. DIRECTORS' SHAREHOLDINGS

Details of director shareholdings as at 30 June 2018 are set out below:

	Ordinary Shares held by Directors and associated entities	
Director	**2018**	**2017**
Roger Sharp	11,504,066	23,008,130[1]
Tim Ebbeck	0	0
Mark Rushworth	0	0

No Directors have sold any shares during the year. Since balance date, Tim Ebbeck and Mark Rushworth have acquired shares in the Company. Refer Subsequent Event Note 22 of the financial section.

1. Company took a 2:1 share consolidation in financial year 2018.

3. DIRECTOR SHARE DEALING

During the year to 30 June 2018, the following persons who were or are Directors (or the relevant associated entity in which the Director has a relevant interest) acquired or disposed of equity securities in Geo:

Date	Director	Associated entity	Class of share	Acquired/(Sold)
25 June 2018	Anna Cicognani	n/a	Ordinary	275,450
17 May 2018	Viv Brownrigg	Dune Trustees Limited	Ordinary	158,498
30 January 2018	Anna Cicognani	CicoMilne Pty Limited	Ordinary	271,619
27 October 2017	Anna Cicognani	n/a	Ordinary	574,931

4. DIRECTORS' LOANS

On 26 September 2013, Geo provided a loan facility for two Non-Executive Directors, Viv Brownrigg (resigned 16 March 2018) and Mark Weldon (resigned on 31 August 2016) that enabled them to each acquire 200,000 shares at $1.00 per Share. The loans are interest-free and must be paid to Geo by 30 September 2018.

Viv Brownrigg repaid her loan early during FY18.

5. INSURANCE AND INDEMNITIES

In accordance with Section 162 of the Companies Act 1993 and Geo's constitution, Geo indemnifies and insures Directors and officers against liability to other parties that may arise from their position. Details are recorded in the interests register as required by the Companies Act 1993.

6. USE OF COMPANY INFORMATION

The Board received no notices during the year from Directors requesting to use the Company or its subsidiaries' information received in their capacity as directors which would not have been otherwise available to them.

Shareholder Information

for the year ended 30 June 2018

7. EMPLOYEE REMUNERATION

During the year to 30 June 2018, employees of the Company and its subsidiaries, excluding executive directors, received remuneration and benefits which exceeded $100,000 as follows:

Remuneration range	Number of employees
$100,000 – $110,000	–
$110,001 – $120,000	2
$120,001 – $130,000	3
$130,001 – $140,000	1
$140,001 – $150,000	–
$150,001 – $160,000	–
$160,001 – $170,000	1
$170,001 – $180,000	1
$180,001 – $190,000	–
$190,001 – $200,000	1
$200,001 – $210,000	–
$210,001 – $220,000	–
$220,001 – $230,000	1
Total	**10**

8. DONATIONS

No donations were made by Geo during the year ended 30 June 2018 (2017: Nil).

Geo facilitates an employee support scheme, GeoAssist, which collects donations periodically from employees for redistribution to employees' families in need.

9. SUBSIDIARIES

At 30 June 2018, Geo has the following wholly owned subsidiary companies with the following Directors:

Entity	Directors
Geo.tools Pty Limited	Kylie O'Reilly
GeoOp Trustee Limited	Roger Sharp, Mark Rushworth
InterfaceIT Pty Ltd	Kylie O'Reilly
InterfaceIT Pty Limited	Kylie O'Reilly

10. INTEREST REGISTER

Directors have given notices disclosing interests pursuant to section 140(1) of the Companies Act 1993. Those interests (and any changes to interests) notified and recorded in Geo's Interests Register during the financial year ended 30 June 2018 are set out below:

Director	Date of Disclosure	Nature of Disclosure
Tim Ebbeck	14 July 2017	Consulting contract with Asia Pacific Digital Limited, a company in which Northridge Partners, an associated person of Director Roger Sharp, had a substantial shareholding (since sold).
Tim Ebbeck	15 September 2017	Resigned Directorship of Envoi Limited Appointed Executive Director of IXUP Limited
Mark Rushworth	13 March 2018	Director Freightways Ltd – Director Genoapay – Chairman
Mark Rushworth	17 July 2018	Enable Networks Ltd – Director

11. SUBSTANTIAL PRODUCT HOLDERS

According to disclosed substantial product holder notices, the substantial product holders in Geo as at 30 June 2018 were as follows:

Substantial Product Holder	Disclosure Date	Number of ordinary shares	Percentage of issued shares held
Roger Sharp (through relevant Interests in North Ridge Partners Pty Limited, Wentworth Financial Pty Limited, Valuestream Investment Management Limited)	20 October 2016	23,008,130	33.19%
Jordan Muir	8 June 2016	3,052,405	6.18%

The above table is required to describe the substantial product holders as at 30 June 2018 based on disclosures received by Geo and NZX as at that date, and reflects the percentage ownership at the time of those disclosures. Further substantial product holder notices were disclosed on 9 July 2018, and these may be viewed on the NZX website www.nzx.com/companies/Geo/announcements. The Top 20 Shareholders as at 14 September 2018 are set out in the section below.

Shareholder Information

for the year ended 30 June 2018

12. TWENTY LARGEST EQUITY SECURITY HOLDERS

The names of the 20 largest holders of ordinary issued shares as at 14 September 2018 are listed below.

Investor Name	Total Units	% Issued Capital
New Zealand Central Securities Depository Limited	21,341,910	26.43
Wentworth Financial Pty Limited	8,699,588	10.77
Jkm Family Investments Pty Limted	4,068,714	5.04
Custodian Nominee Company Limited	3,225,000	3.99
Forsyth Barr Custodians Limited	2,883,584	3.57
Carnethy Evergreen P/L	2,842,446	3.52
Lola Nominees Limited	1,642,443	2.03
Leveraged Equities Finance Limited	1,600,167	1.98
Allan Michael Nobilo & Lynne Nobilo	1,450,000	1.80
FNZ Custodians Limited	1,358,939	1.68
Carnethy Investments Pty Limited	1,331,250	1.65
Anna Cicognani	1,216,353	1.51
Realcal P/L	1,025,000	1.27
First NZ Capital Securities Limited	1,019,051	1.26
Ilakolako Investment Limited	1,000,000	1.24
Dune Trustees Limited	873,117	1.08
Wairahi Holdings Limited	800,001	0.99
Shane David Edmond	767,840	0.95
Jacon Investments Limited	666,667	0.83
Hirvi Limited	666,667	0.83
Total	**58,478,737**	**72.42**

13. SPREAD OF SECURITY HOLDERS

The spread of security holders of ordinary issued shares as at 14 September 2018 is shown below.

Range	Holders	Holders %	Issued Capital	Issued Capital %
1 – 1000	554	39.46	266,468	0.33
1,001 – 5,000	440	31.34	11,53,450	1.43
5,001 – 10,000	127	9.05	959,431	1.19
10,001 – 50,000	184	13.11	4,124,987	5.11
50,001 – 100,000	24	1.71	18,20,034	2.25
100,001 and above	75	5.33	724,27,014	89.69
Total	**1,404**	**100**	**80,751,384**	**100**

14. WAIVERS

On 28 November 2017, Geo was granted waivers from NZX Main Board Listing Rules 5.1.1, 5.1.2(e), 5.1.2(i), 5.2.1, 5.2.2(b), 5.2.2(c), 5.2.2(d) and 5.2.2(f) to assist Geo to migrate from the NZX Alternative Market (NZAX) to the NZX Main Board.

Corporate Directory

Geo Limited Registered Office

Bell Gully
Level 21, ANZ Centre
171 Featherston Street
Wellington 6011
New Zealand
Website: www.geoworkforcesolutions.com

Directors

Roger Sharp (Chair)
Tim Ebbeck
Mark Rushworth

Registry

Link Market Services Limited
PO Box 91976
Auckland 1142
New Zealand
Telephone: +64 9 375 5998
Fax: +64 9 375 5990

Legal Advisors

Bell Gully
Level 21, ANZ Centre
171 Featherston Street
PO Box 1291
Wellington 6140
New Zealand

Auditors

Deloitte Limited
Deloitte Centre
Level 18, 80 Queen Street
Auckland 1010
New Zealand

INVESTOR CALENDAR

Annual General Meeting: 13 November 2018 at 11am at Link Market Services, Level 11, Deloitte Centre, 80 Queen Street, Auckland

Preliminary interim results: February 2019
Interim report: March 2019
Financial year end: 30 June 2019
Preliminary annual results: August 2019
Audited annual report: September 2019

Geo

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