GeoOp Limited

ANNUAL REPORT
FOR THE YEAR ENDED
30 JUNE 2017

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Chair and Chief Executive Report

Dear Shareholder

GeoOp Limited (NZAX: GEO) is pleased to present it's annual report for the year ended 30 June 2017.

HIGHLIGHTS

- Reflecting the first full year of ownership of its GeoSales product, total revenue grew by $2.18m to $4.52m, an increase of 93% over the prior corresponding period (PCP) on a non-GAAP basis.
- Group monthly recurring revenues grew at an annualised rate of 19.5% despite FY17 being a period of heavy restructuring and integration. GeoService and GeoSales delivered monthly recurring revenue growth at annualised rates of 24.8% and 13.4% respectively.
- EBITDA for the year improved by 13% over PCP to ($2.14m) after expensing more than $320k in one-off restructuring costs associated with the integration of the GeoSales product and $184k in ASX listing expenses.
- The average monthly operating and investing cash burn (excluding restructuring costs) was $245k for the period, a reduction of 7% on PCP.
- After balance date GEO completed a prospectus and launched an initial public offering in Australia.

FY17 STATUTORY RESULT - VARIANCES TO FY17 PROSPECTUS FORECAST

$'000	Statutory FY17 Result (NZD/GAAP)	Statutory FY17 Result (NZD/non-GAAP)(i)	Prospectus – Statutory Forecast FY17 (NZD)	Prospectus – Statutory Forecast FY17 (AUD)	Variance Statutory (non GAAP) to Prospectus Fav./(Unfav.) (ii) (NZD)
REVENUES	$5,521	$4,521	$4,503	$4,227	$18
EBITDA	($2,384)	($2,337)	($2,923)	($2,744)	$586
NPAT	($3,563)	($3,563)	($3,877)	($3,639)	$314

Note:

(i) Non-GAAP adjustments relate to the categorisation of the write back of the contingent consideration.

(ii) The significant improvement to reported EBITDA & NPAT versus prospectus FY17 forecast relates principally to the write-back of a contingent consideration associated with the acquisition of the GeoSales product.

VARIANCE TO PRELIMINARY RESULTS

There were two main adjustments to the Preliminary Results due to different accounting treatments from previous years. A $73k expense was taken up to reflect management incentives, and an unrealised foreign exchange charge of $208k was expensed to reflect the movement in valuation of intercompany loan accounts, mainly due to currency movements.

JOINT CHAIR AND CEO STATEMENT

"During the 2017 financial year GEO nearly doubled its revenues through acquisition while maintaining its organic growth path and improving its key financial metrics. With over 27,000 customers globally, we are proud to be an established business with a great product-market fit and significant opportunity ahead."

Signed on behalf of the Board on 4 October 2017 by

Roger Sharp
Chair

Anna Cicognani
Managing Director

Group Statement of Corporate Governance

The objective of the Board is to enhance shareholder value. The Board considers there is a strong link between good corporate governance policies and practices and the achievement of this objective.

The directors are responsible for reviewing and maintaining the corporate governance principles of GeoOp Limited and its subsidiaries ("GEO" or "the Group") and consider that they do not materially differ from the principles set out in the NZX Corporate Governance Best Practice Code and the Financial Markets Authority Corporate Governance in New Zealand: Principles and Guidelines.

Board of Directors

The business and affairs of the Group are managed directly by the Board of Directors. In particular, the Board:

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

Composition of the Board

The Board is composed of experienced executives based in New Zealand and Australia, with a broad and diverse range of technology, financial, sales, and general business experience. As at 30 June 2017 the Board comprised five Directors including:

- Roger Sharp (Non-Executive Chair)
- Viv Brownrigg (Independent Non-Executive Director)
- Anna Cicognani (Executive Director)
- Tim Ebbeck (Independent Non-Executive Director – appointed 9th May 2017)
- Peter O'Connell (Independent Non-Executive Director – appointed 9th May 2017)
- Mark Weldon (Non-Executive Director), resigned on 22 August 2016.

A short biography of each Director is available at www.geo.tools/investor.

The Board meets at least monthly on a formally scheduled basis. All available information relating to items to be discussed at a meeting of the Board is provided to each non-conflicted director prior to that meeting.

One third, or the whole number nearest one third, of the directors retire by rotation at each Annual Meeting. The directors to retire are those who have been longest in office since the last election. Directors retiring by rotation may, if eligible, stand for re-election. A director appointed since the previous Annual Meeting holds office only until the next Annual Meeting but is eligible for re-election at that meeting.

Each director has the right to seek independent legal and other professional advice, at the Group's expense with the prior approval of the chairman, concerning any aspect of the Group's operations or undertakings to assist in fulfilling their duties and responsibilities as directors.

The Board has two standing committees, namely the Audit and Risk Committee and Remuneration and Nomination Committee. Other committees may be formed for specific purposes and disbanded as required.

Audit and Risk Committee

The current members of the Committee are Tim Ebbeck (Committee Chair) and Roger Sharp.

The Audit and Risk Committee provides a forum for the effective communication between the Board and external auditors. 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 generally invites the Group's Chief Financial Officer and the auditors to attend Committee meetings. The Committee also meets with and receives reports from the auditors concerning any matters that arise in connection with the performance of their role.

GEO has established a system of risk oversight and management. GEO's senior management maintains a risk register and this is reviewed at each meeting of the Audit and Risk Committee.

Remuneration and Nomination Committee

The current members of the Committee are Peter O'Connell and Roger Sharp.

The Remuneration and Nomination Committee reviews the remuneration packages of all directors and the senior management team.

The packages of the employees and contractors of the Company and its subsidiaries, which consist of base salary and incentive schemes (including performance-related bonuses) are reviewed with due regard to performance and other relevant factors.

The Committee reviews the composition of the Board annually to ensure that the Board comprises a majority of non-executive directors, with an appropriate mix of skills and expertise.

The terms and conditions of the appointment of directors are set out in a formal letter of appointment that deals with the following matters:

- duration of appointment; role of the Board; timing and location of Board meetings, and expected time commitment; remuneration including the timing of reviews; committee involvement; Board and individual evaluation processes;
- outside interests including other directorships; dealing in Company shares; and
- induction and development processes; access to independent professional advice; availability of liability insurance; and the confidentiality of Group information.

Meetings

GEO meetings are either held in person or by teleconference. Attendances are as follows:

	Board of Directors		**Audit and Risk Committee**		**Remuneration and Nomination Committee**	
Directors	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**
Roger Sharp	10	10	2	2	4	4
Viv Brownrigg	10	10	2	2	3	3
Anna Cicognani	10	10				
Peter O'Connell (i)	2	1			1	1
Tim Ebbeck (i)	2	2				
Mark Weldon (ii)	2	1				

(i) Appointed on 9 May 2017
(ii) Resigned 22 August 2016

Code of Ethics

As part of the Board's commitment to the highest standards of behaviour and accountability, the Group adopts a code of ethics to guide executives, management and employees in carrying out their duties and responsibilities. The code covers such matters as:

- responsibilities to shareholders;
- relations with customers and suppliers;
- protection of Group assets;
- employment practices; and
- responsibilities to the community.

An interests' register is maintained for the Group in which the particulars of certain transactions and matters involving the directors must be recorded. The interests' register is available for inspection at the Group's registered office. When a director has declared an interest in a particular entity, as a shareholder or director, the declaration serves as notice that the director may benefit from any transaction between the Group and the identified entity.

The Board has adopted a specific policy for directors, senior staff and other insiders for trading in the Company's securities. Compliance with this policy is actively managed and a director must declare to the Board any interest in a transaction with the Group, any relationship that might compromise his or her ability to act independently from management and any conflicts of interest that are potentially detrimental to the Group. While a director has inside information on the Group, he or she must not trade in, or advise others to trade in, the securities of the Company.

Directors' Responsibility Statement

The Directors of GeoOp Limited (the "Company") are pleased to present to shareholders the financial statements for GeoOp Limited and its subsidiaries ("GEO" or "the Group") for the year ended 30 June 2017.

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 2017 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, NZAX 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 4 October 2017 by:

Roger Sharp
Chair

Tim Ebbeck
Chair of Audit and Risk Committee

Deloitte.

Independent Auditor's Report

To the Shareholders of GeoOp Limited

Opinion

We have audited the consolidated financial statements of GeoOp Limited and its subsidiaries (the 'Group'), which comprise the consolidated statement of financial position as at 30 June 2017, 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 11 to 45, present fairly, in all material respects, the consolidated financial position of the Group as at 30 June 2017, 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, other services related to the ASX listing process and the provision of taxation compliance services, we have no relationship with or interests in GeoOp Limited or any of its subsidiaries. These services have not impaired our independence as auditor of the GeoOp Limited and its subsidiaries.

Material uncertainty related to going concern

We draw attention to Note 2 in the consolidated financial statements, which indicates that the Group recorded a net loss from operations for the year of $3.6 million, and net cash outflow from operating activities of $3 million for the year ended 30 June 2017. Further, the Group is dependent on its ability to raise sufficient cash through the issuance of new share capital to enable the Group to continue operating for the foreseeable future. This dependency including those events and conditions set forth in Note 2 indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 $185,000.

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
Recognition of subscription revenue Subscription revenue was $3.8 million for the year to 30 June 2017 as outlined in Note 3(a). Deferred revenue at 30 June 2017 was $0.4 million as disclosed in Note 10. Subscription revenue is recognised in the accounting period(s) in which the services are rendered. This requires the Group to identify the individual services being provided, allocate the revenue across these services, and record the revenue in profit or loss in the period(s) in which the services are delivered to customers. We have included the recognition of subscription revenue as a key audit matter due to the significance of this revenue to the measurement of the performance of the Group and the level of judgement required in determining the periods over which the services are delivered.	We obtained an understanding of the Group's process for recording subscription revenue arising from agreements and performed walk through procedures of the Group's processes for this revenue stream. For a sample of customer contracts, we: • Evaluated the Group's allocation of revenue to the services provided under the contract and the determination of the timing of revenue recognition for each service; • Compared the period over which revenue is being recognised against the contractual terms and the period in which the service was rendered; and • Reperformed the calculation for the deferred revenue balance at balance date based on the contract terms, payments to date, and the period in which the services being delivered under the contract are provided.
Intangible assets – internally developed software As a Software as a Service ("SaaS") provider the Group incurs significant expenditure in developing, maintaining and upgrading software. The Group has to exercise judgement in determining which costs associated with the software meet the criteria for capitalisation (as described in Note 2) including whether the software will generate future economic benefits and be subsequently amortised under NZ IAS 38 *Intangible Assets* ('NZ IAS 38') rather than being expensed as incurred. Intangible assets relating to software had a carrying value of $5 million at 30 June 2017, and there were additions of $0.3 million in the year to 30 June 2017 as outlined in Note 8(a). The Group must also assess each period whether there are any indications that the development assets may be impaired and must perform impairment testing on any capitalised development costs for which there are indicators of impairment. In the current period the Group has assessed the internally developed software assets and determined that impairment testing was not required. As there is a high degree of judgement applied in the determining which costs may be capitalised and whether there are any indicators of impairment for software development assets we have included these as key audit matters.	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. We evaluated the carrying amount of completed development projects by: • Considering whether the useful economic lives remained appropriate; and • Challenging the Group's assessment of indicators of impairment, with a particular focus on projects which generate low or no revenue.
Finalisation of purchase price allocation of acquired business In 2016, the Group acquired all of the shares in InterfaceIT Pty Limited. For the year ended 30 June 2016, the Group applied provisional acquisition accounting consistent with NZ IFRS 3 *Business Combinations* ('NZ IFRS 3') for its acquisition of Interface IT Pty Limited. Subsequently, the Group finalised the its acquisition accounting based on a report received from an external advisor, during the current financial year as outlined in Note 24 which resulted in an adjustment to the provisionally determined amounts of intangible assets, goodwill and deferred tax presented in the previous year. We have included this as a key audit matter given the significance of the Group's judgement in measuring the fair values of consideration, assets and liabilities of the business	We obtained the calculations and external advisor's report used by the Group to finalise the provisional acquisition accounting for the acquisition of InterfaceIT Pty Limited in 2016. We considered the competence and experience of the external advisor preparing the report used by the Group to finalise the acquisition accounting. We evaluated and challenged the assumptions in the external advisor's report in consultation with our internal corporate finance specialist. We agreed the fair values as outlined in the report to the fair values used in the Group's calculations. We checked the Group's calculations derived from the external advisor's report for mathematical accuracy. We traced the differences between the initial fair values

Key audit matter	How our audit addressed the key audit matter
combination.	determined as at 30 June 2016 and the revised fair values to the consolidated financial statements and ensured that any adjustments made by the Group to the 30 June 2016 comparative numbers had been accurately adjusted in the consolidated financial statements We evaluated the adequacy of the disclosure of the finalisation of the provisional acquisition accounting against the requirements of NZ IFRS 3.

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
4 October 2017

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2017

(Stated in New Zealand Dollars)	Note	2017 $'000	Restated 2016 $'000
Revenue			
Operating revenue	3(a)	4,105	1,928
Grant and Interest revenue	3(b)	416	411
Other income	3(c)	1,000	-
Total Revenue		5,521	2,339
Expenses			
Research and development		(2,682)	(1,647)
Sales and marketing		(1,795)	(1,459)
General operating and administration		(3,210)	(2,541)
ASX Listing costs		(184)	-
Depreciation and amortisation		(1,213)	(419)
Total Expenses		(9,084)	(6,066)
(Loss) from operations before tax	3(d)	(3,563)	(3,727)
Income Tax benefit	4 (a)	-	1,430
Net (loss) from operations for the year		(3,563)	(2,297)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Gain/(Loss) on translation of foreign operations		288	(117)
Total comprehensive (loss) for the year, net of tax attributable to shareholders		(3,275)	(2,414)
(Loss) per Share:			
Basic and diluted (loss) per share (cents)	14	(5.51)	(6.70)

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 2017

(Stated in New Zealand Dollars)	Note	Share Capital $'000	Share Based Payments Reserve $'000	Foreign Currency Translation Reserve $'000	Accumul-ated Losses $'000	Total Equity $'000
Balance at 1 July 2015		13,434	186	(18)	(10,926)	2,676
Restated loss for the year		-	-	-	(2,297)	(2,297)
Currency translation movements		-	-	(117)	-	(117)
Total Comprehensive Income		-	-	(117)	(2,297)	(2,414)
Transactions with Owners						
Issue of shares	12	7,427	(151)	-	-	7,276
Share based payment expense	23	-	53	-	-	53
Restated balance at 30 June 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	23	-	111	-	-	111
Balance at 30 June 2017		25,978	81	153	(16,786)	9,426

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

Consolidated statement of financial position

As at 30 June 2017

(Stated in New Zealand Dollars)	Note	2017 $'000	Restated 2016 $'000
Current assets			
Cash and cash equivalents	5	864	1,068
Trade and other receivables	6	786	684
Total current assets		1,650	1,752
Non-current assets			
Property, plant & equipment	7	86	100
Intangible assets	8	9,798	10,533
Related party loans	15 (b)	372	351
Trade and other receivables	6	100	100
Total non-current assets		10,356	11,084
Total assets		12,006	12,836
Current liabilities			
Trade and other payables	10	1,090	1,220
Convertible note	11	1,466	3,000
Total current liabilities		2,556	4,220
Non-current liabilities			
Provision for long service leave		24	25
Contingent consideration	17	-	1,000
Total non-current liabilities		24	1,025
Total liabilities		2,580	5,245
Net assets		9,426	7,591
Equity			
Share capital	12	25,978	20,861
Share based payments reserve	23	81	88
Accumulated losses	13	(16,786)	(13,223)
Foreign currency translation reserve		153	(135)
Total equity		9,426	7,591

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

Signed on behalf of the Board on 4 October 2017 by:

Roger Sharp

Chair

Tim Ebbeck

Chair of Audit and Risk Committee

Consolidated statement of cash flows

For the year ended 30 June 2017

(Stated in New Zealand Dollars)	Note	2017 $'000	2016 $'000
Cash flows from operating activities			
Cash was provided from (applied to):			
Receipts from customers		4,492	2,120
Grants received		236	545
Interest received		13	36
Payments to suppliers & employees		(7,801)	(5,441)
Net cash (outflow) from operating activities	21	(3,060)	(2,740)
Cash flows from investing activities			
Cash was provided from (applied to):			
Purchase of property, plant and equipment		(25)	(15)
Capitalised development costs	8	(317)	(422)
Capitalised website & trademark costs	8	(47)	-
Cash acquired as part of the acquisition of subsidiary	17	-	64
Net cash (outflow) from investing activities		(389)	(373)
Cash flows from financing activities			
Cash was provided from (applied to):			
Capital raising costs		(166)	-
Issue of ordinary shares		3,411	2,706
Net cash inflow from financing activities		3,245	2,706
Net decrease in cash held		(204)	(407)
Add cash and cash equivalents at start of the period		1,068	1,475
Balance at end of the year		864	1,068
Comprised of:			
Cash and cash equivalents	5	864	1,068

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

For the year ended 30 June 2017

1. CORPORATE ENTITY

Reporting Entity

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 and whose shares publicly trade on the New Zealand Stock Exchange (NZAX: GEO). The registered office of the Company is located on level 3, 12 Heather Street, Auckland, New Zealand.

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

The consolidated financial statements represented are those for GeoOp Limited and its subsidiaries.

The Company is a FMC reporting entity for the purpose of the Financial Markets Conduct Act 2013 and the Financial Reporting Act 2013 and is listed on the NZX alternative market (“NZAX”).

The Board of Directors approved these financial statements on 4 October 2017.

2. SUMMARY OF ACCOUNTING POLICIES

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”).

The financial statements have been prepared on the basis of historical cost and on a going concern basis. Cost is based on the fair values of the consideration given in exchange for assets. As noted in ‘Key Sources of Estimation Uncertainty and Key Judgements’, the application of the going concern assumption is a key judgement. Refer below for further details.

Going Concern

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

For the year to 30 June 2017, subscription revenue was $3,796,000 (2016: $1,773,000), 114% higher than the year to 30 June 2016, through a combination of organic growth and acquisition. During the year management focussed on increasing organic revenue growth in an economically sustainable manner through a mixture of winning new customers, reducing churn and increasing average revenue per user (“ARPU”). Licenced users increased by 16.7% to 27,682. 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, and recorded a net loss before tax of $3,563,000 for the year ended 30 June 2017 (2016: $2,297,000). The net cash outflow from operations for the year was $3,060,000 (2016: $2,740,000) and capitalised development costs were $317,000 (2016: $389,000). Additional research and development activities have been undertaken in the financial year ending 30 June 2017 and are expected to continue in future financial years.

As at 30 June 2017 the Group was in a net asset position of $9,426,000 (30 June 2016: $7,591,000). Due to the Group being a technology-focused business and the recent acquisition of Interface IT Pty Ltd, a large portion of the Group’s assets is represented by intangibles, including $5,085,000 of software assets (30 June 2016: $5,900,000) and $4,668,000 of goodwill (2016: $4,633,000). Net current liabilities at the end of the period was $906,000 (30 June 2016: $2,468,000).

The Group’s forecasts indicate that cash on hand combined with cash flows from operations and the issuance of new share capital will 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.

For the year ended 30 June 2017

2. SUMMARY OF ACCOUNTING POLICIES (continued)

Going concern (continued)

Whilst the Directors are taking a number of actions in respect of development of the Group's business, in the short term, the going concern assumption is mainly dependent on raising sufficient cash through the issuance of further share capital. The dependency on future capital raising creates a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern, and therefore that the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, nor to the amounts and classification of liabilities that may be necessary should the Group be unable to continue as a going concern.

Notwithstanding this dependency on raising further capital the Directors are confident that the Group remains a going concern and are confident of being able to raise further share capital from the current ASX listing process, a potential further NZAX capital raising if ASX listing criteria are not met, and/or from current shareholders. Northridge Partners has advised the Directors of its support for the Group during the capital raising process. Accordingly, the Directors believe the going concern assumption is valid and have reached this conclusion having regard to the circumstances which they consider likely to affect the Group during the period of one year from the date these financials are approved.

Accounting policies are selected and applied in a manner that ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

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

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 circumstance, the results of which form the basis of making the judgements. 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.

Key sources of estimation uncertainty and key judgements include:

- The application of the going concern assumption
- Determining whether the intangible assets to which the development expenditure relate meet the criteria for capitalisation. Judgement is requirement to ensure that costs capitalised as intangible assets meet each of the six criteria set out in note 2 "Internally-generated Intangible Assets – Capitalised Development Expenditure". 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. Intangible assets that are part of the CGU to which goodwill has been allocated are also tested for impairment through the cash-generating units impairment test conducted for the goodwill impairment.
- 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

2. SUMMARY OF ACCOUNTING POLICIES (continued)

flows are less than expected, a material impairment loss may arise. The carrying amount of goodwill at 30 June 2017 was $4,668,000 (30 June 2016: $4,633,000). Refer to Note 8.

- Finalisation of the application of provisional accounting to the fair value of Interface IT Pty Ltd assets and liabilities acquired on 1 June 2016 as outlined in note 17. This resulted in the restatement of intangible assets and accumulated losses as outlined in note 24.
- Identification of service provided and allocation of revenue across the periods based on when services were delivered

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 financial statements are set out below. These policies have been consistently applied unless otherwise stated.

Basis of Consolidation

The consolidated financial statements prepared are issued in the name of the legal entity and parent, GeoOp 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.

Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred. Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. For each business combination, the Group elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administration expenses.

For the year ended 30 June 2017

2. SUMMARY OF ACCOUNTING POLICIES (continued)

Property, Plant and Equipment

All items of Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated impairment. Cost includes expenditure that is directly attributable to the acquisition of the item.

Depreciation is provided on property, plant and equipment.

Depreciation is calculated on a diminishing value basis so as to write off the net cost of the asset over its expected useful life to its estimated residual value. The following estimates of useful lives are used in the calculation of depreciation:

Category	Estimated useful life
Office Equipment	1 to 8 years
Computer Equipment	1 to 7 years
Fixtures & Fittings	14 to 17 years
Office furniture	4 to 15 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Internally-generated Intangible Assets – Capitalised Development Expenditure

Expenditure on research and maintenance activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- 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 for 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 internally-generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred.
Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses. 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	3 – 7 years

2. SUMMARY OF ACCOUNTING POLICIES (continued)

Impairment of Tangible and Intangible Assets other than goodwill

At each Statement of financial position date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent of other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher 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 its 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 of goodwill

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.

Revenue Recognition

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 accounting 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 there is reasonable assurance that the grant will be received and 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 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 Statement of Financial Position as accrued income and included within trade and other receivables.

2. SUMMARY OF ACCOUNTING POLICIES (continued)

Taxation

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 calculated using the comprehensive balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax rates that have been enacted or substantively enacted at reporting date. Deferred tax is charged or credited in the profit and loss, except when it relates to items charged or credited to other comprehensive income or directly to equity, in which case the deferred tax is also dealt with in other comprehensive income or equity.

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.

Goods and Services Tax (GST)

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

Cash flows are included in the 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.

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 22).

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.

2. SUMMARY OF ACCOUNTING POLICIES (continued)

Accounts Receivable

Accounts 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.

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.

Other Financial Liabilities

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.

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, annual leave, and sick leave when it is probable that settlement will be required and they 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.

Share-based payments

Equity-settled share-based payments are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date of equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit and loss over the remaining vesting period, with a corresponding adjustment to the equity-settled share-based payment reserve.

Equity settled compensation in lieu of salary 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 23.

2. SUMMARY OF ACCOUNTING POLICIES (continued)

Earnings per share

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

(i) 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.

(ii) 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.

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 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.

Statement of Cash Flows

For the purpose of the 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 cash flow statement is prepared exclusive of GST, which is consistent with the method used in the statement of comprehensive income.

Definition of terms used in the 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.
- 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.

For the year ended 30 June 2017

2. SUMMARY OF ACCOUNTING POLICIES (continued)

New and revised IFRSs in issue but not yet effective

The Group has not applied the following new and revised NZ IFRSs that have been issued but are not yet effective.

NZ IFRS 9	Financial Instruments (1)
NZ IFRS 15	Revenue from Contracts with Customers (and the related Clarifications) (2)
NZ IFRS 16	Leases (3)
Amendments to NZ IFRS 2	Classification and Measurement of Share-based Payment Transactions (2)
Amendments to NZ IFRS 10 and NZ IAS 28	Sale or Contribution of Assets between an Investor and its Associate of Joint Venture (4)
Amendments to NZ IAS 7	Disclosure Initiative (1)
Amendments to NZ IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses (1)

(1) Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.
(2) Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.
(3) Effective for annual periods beginning on or after 1 January 2019, with earlier application permitted.
(4) Effective for annual periods beginning on or after a date yet to be determined.

No assessment of the impact of the revised NZ IFRSs in issue but not yet effective has yet been performed by management.

3. (LOSS) FROM OPERATIONS

	Note	2017 $'000	2016 $'000
(a) Operating Revenue			
Operating revenue consisted of the following items:			
Subscription revenue		3,796	1,773
Other operating revenue		309	155
		4,105	1,928
(b) Grant and Interest Revenue			
Other income from operations consisted of the following items:			
Government grants		382	364
Interest received		34	47
		416	411

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

		2017 $'000	2016 $'000
(c) Other Income			
Other income from operations consisted of the following items:			
Write back of contingent liability		1,000	0
		1,000	0

The contingent liability related to the purchase of Interface IT

For the year ended 30 June 2017

3. **(LOSS) FROM OPERATIONS (Continued)**

(d) (Loss) from operations before tax

(Loss) before tax includes the following specific expenses:

Amortisation of finite life intangible assets	8	1,173	370
Auditors' fees for audit of the financial statements (ii)		60	38
Auditors' fees for review of the half year financial statements (ii)		36	-
Auditors' other fees:			
Other services		18	11
Taxation compliance services		33	12
Depreciation of property, plant & equipment	7	39	49
Employee benefits		3,855	3,530
Superannuation		167	64
Share Based Payments	23	232	319
Lease expenditure (i)		172	155
Net foreign exchange differences		245	30

(i) Operating lease rentals relate to the Company's offices in Auckland, New Zealand and in Sydney and Melbourne, Australia.
(ii) The auditor of the Group is Deloitte Limited.

4. TAXATION

	2017 $'000	2016 $'000
(a) Statement of Profit or Loss and other comprehensive Income		
Current tax expense	-	-
Deferred tax benefit	-	1,430
	-	1,430
(b) Reconciliation of income tax expense to prima facie tax payable		
(Loss) before tax	(3,563)	(3,727)
Benefit at 28%	998	1,044
Non-deductible expenses	(74)	(199)
Future benefit of tax losses not recognised	(924)	-
Recognition of prior period tax losses	-	585
Income tax benefit	-	1,430

(c) Deferred Tax Balances

The Group has an unrecognised deferred tax asset arising from tax losses of $1,866,000 measured at 28% (2016: $1,866,000). The carry forward of losses are subject to confirmation by the relevant tax authority.

For the year ended 30 June 2017

4. TAXATION (Continued)

The analysis of deferred tax assets and liabilities for the prior year (2017: $nil) is as follows:

	Intangible assets $'000	Provisions & accruals $'000	Tax losses $'000	Total $'000
At 1 July 2015	(48)	48	-	-
Recognised in the profit & loss	-	-	1,430	1,430
Recognised as part of a business combination	(1,430)	-	-	(1,430)
At 30 June 2016 (Restated)	(1,478)	48	1,430	-
At 1 July 2016	(1,478)	48	1,430	-
Recognised in the profit & loss	552	65	(617)	-
As at 30 June 2017	(926)	113	813	-

5. CASH AND CASH EQUIVALENTS

	2017 $'000	2016 $'000
Cash at bank	864	868
Short term deposit	-	200
	864	1,068

$132,000 (2016: $443,000) was held in Australian dollars and $56,000 (2016: $nil) was held in USD with the balance of $676,000 (2016: $625,000) held in NZD.

Two bank guarantees over the lease premise are held by NAB totalling $43,041 (2016: $19,828).

6. TRADE AND OTHER RECEIVABLES

	2017 $'000	2016 $'000
Current assets		
Accounts receivable	429	480
Grants receivable	257	111
Prepayments	35	35
Goods and services & withholding taxes receivable	-	45
Sundry debtors	12	13
Capitalised costs (i)	53	-
	786	684
Non-current assets		
NZX & rental bond	100	100
	100	100

For the year ended 30 June 2017

6. TRADE AND OTHER RECEIVABLES (continued)

(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.

(a) Trade and other receivables

Trade receivables relate to the monthly or annual subscriptions charged for GEO's service. The provision for impairment of receivables has been determined by management based on likelihood of recovery. In accepting a new customer with terms other than that above, 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 and the EMDG Grant. Grants are recognised when there is reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

(b) Aging analysis

At 30 June 2017, $329,888 or 72% of trade receivables were due for payment between one and 60 days after being invoiced (as at 30 June 2016: $386,000 or 80% of trade receivables).

(c) Past due but not impaired trade receivables

	2017 $'000	2016 $'000
Debtors past due	129	164
Provision for impaired debtors	(31)	(70)
Debtors past due but not impaired	98	94

Included in the trade receivables balance are debtors amounting to $129,319 (2016: $94,000) that are past due. A provision has been raised for 100% of the balances greater than 120 days; the remaining balance is not impaired at balance date.

For the year ended 30 June 2017

7. PROPERTY, PLANT & EQUIPMENT

	Office Equipment $'000	Computer Equipment $'000	Fixtures & Fittings $'000	Office Furniture $'000	Total $'000
At 1 July 2015					
Cost	31	135	22	49	237
Accumulated depreciation	(16)	(86)	(4)	(10)	(116)
Carrying amount at beginning of year	15	49	18	39	121
Year ended 30 June 2016					
Additions	5	13	3	-	21
Additions - acquisition	-	7	-	-	7
Depreciation	(9)	(33)	(2)	(5)	(49)
Carrying amount at end of year	11	36	19	34	100
At 30 June 2016					
Cost	36	155	25	49	265
Accumulated depreciation	(25)	(119)	(6)	(15)	(165)
Carrying amount at end 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 end of year	7	33	17	29	86
At 30 June 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

No impairment losses were recorded in 2017 or 2016.

For the year ended 30 June 2017

8. INTANGIBLE ASSETS

	Trademarks $000	Website $000	Restated Application Software $'000	Restated Goodwill $'000	Total $'000
At 1 July 2015					
Cost	-	-	1,211	-	1,211
Accumulated amortisation	-	-	(430)	-	(430)
Carrying amount at beginning end of year	-	-	781	-	781
Year ended 30 June 2016					
Additions	-	-	389	-	389
Additions – acquisition (Note 24)	-	-	5,100	4,633	9,733
Amortisation	-	-	(370)	-	(370)
Carrying amount at end of year	-	-	5,900	4,633	10,533
At 30 June 2016					
Cost	-	-	6,700	4,633	11,333
Accumulated amortisation	-	-	(800)	-	(800)
Carrying amount at 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 end of year	28	17	5,085	4,668	9,798
At 30 June 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

(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.

(b) Goodwill - Impairment Consideration

During the year ended 30 June 2017, the Board and management reviewed Interface IT Pty Ltd assets including goodwill, as a cash generating unit. The Company has two cash generating units: GeoOp Limited and Interface IT Pty Ltd, acquired in June 2016. Goodwill is allocated to the Interface IT Pty Ltd cash generating unit. The Board has determined that there is no impairment of any amount, including the intangible assets in the Interface IT Pty Ltd cash-generating unit.

8. INTANGIBLE ASSETS (continued)

The calculation of the recoverable amounts has been determined based on a value in use calculation that uses cash flow projections based on financial forecasts approved by management and the Board. Management has determined that the recoverable amount calculations are most sensitive to changes in the pre-tax discount rates used and the cash flow projections themselves.

Key assumptions in testing goodwill for impairment is determined using a discounted cash flow model (DCF), key assumptions include a forecast of 5 years, a discount rate of 14.8%, and continued revenue growth rates of between 30-40% which are reflective of industry standard growth rates, and the expected growth rates of the CGU. The recoverable amount is sensitive to the assumptions being achieved. If the assumptions are not met goodwill may require impairment. In particular, if all other assumptions are held the same and:

- The discount rate increased to 22.5%; or
- The expected revenue growth rates were reduced by 66%.

Then the headroom between the carrying value of the CGU's assets and its value in use would be negligible.

9. SUBSIDIARIES

Subsidiary	Equity interest 2017	Equity interest 2016	Balance Date	Country of Incorporation	Principal Activity
geo.tools Pty Limited (previously GeoOp 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

100% of the shares in Interface IT Pty Ltd were acquired on 1 June 2016. See Note 17.

10. TRADE AND OTHER PAYABLES

	2017 $'000	2016 $'000
Trade and other payables	300	390
Accruals	432	587
Revenue received in advance	358	243
	1,090	1,220

The average credit period on trade and other payables represents an average of 30 days credit (2016: 30 days credit). The Group has financial risk policies in place to ensure that all payables are paid within payment terms.

11. CONVERTIBLE NOTE

	2017 $000	2016 $000
Unsecured		
Unlisted convertible notes	1,466	3,000

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 on 1 June 2016. During the year 1,534,000 of these notes were converted to ordinary shares. Refer to note 12.

For the year ended 30 June 2017

11. CONVERTIBLE NOTE (continued)

The notes are fully paid, having a 0% coupon and a two-year term at which time they will, at the option of the holder, 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 may 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 undertakes a capital raise, at the capital raise price.

12. SHARE CAPITAL

		Number of shares	$'000
Balance at 30 June 2015		27,471,468	13,434
Movements during the year			
Issue of shares in lieu of director fees and salaries - related parties		224,604	90
Issue of shares under a share placement plan - related parties		713,919	343
Issue of shares under a share placement plan - other parties		4,396,665	2,110
Issue of shares under a share purchase plan - other parties		1,408,072	629
Share buyback; shares placed in treasury stock		-	(200)
Issue of shares under CEO incentive scheme		178,571	130
Transaction costs for the issue of new shares		-	(176)
Transfer from share based payments reserve		-	151
Shares issued to fund acquisition of Interface IT Pty Ltd		15,000,000	4,350
Balance at 30 June 2016		49,393,299	20,861
Movements during the year			
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 under placement	iv	250,000	50
Issue of shares under placement – other parties	v	1,000,000	200
Issue of shares under placement	vi	375,158	72
Issue of shares under placement - deferred settlement – other parties	vii	3,000,000	600
Deferred rights issue – other parties	viii	1,000,000	200
Transaction costs for the issue of new shares		-	(113)
Transfer from share based payments reserve		-	118
Balance at 30 June 2017		74,950,084	25,978

12. SHARE CAPITAL (continued)

All shares have been issued as fully paid and have no par value. 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 $505,833

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)).

13. ACCUMULATED LOSSES

	2017 $000	Restated 2016 $000
Balance at the beginning of period	(13,223)	(10,502)
Net loss after tax for the period	(3,563)	(2,721)
Balance at the end of the period	(16,786)	(13,223)

14. (LOSS) PER SHARE

	2017	Restated 2016
Net (loss) after tax for the period ($'000)	(3,563)	(2,297)
Number of issued and outstanding ordinary shares (refer Note 12)	74,950,084	49,393,299
Weighted average number of ordinary shares outstanding	64,589,811	33,877,219
Basic and diluted (loss) per share (cents)	(5.51)	(6.70)

15. RELATED PARTY TRANSACTIONS

(a) Remuneration

At reporting date, the Directors of GeoOp Limited (the "Company") controlled 34.65% (2016: 40.1%) of the voting shares in the Company.

Roger Sharp, Chair of the Company (and previous Chair of Interface IT Pty Ltd), beneficially held 31.11% (2016: 31.3%) of the shares in the Company at balance date. He also beneficially holds 1,144,598 of the convertible notes (78%) (2016: 2,517,237 (84%)).

During the period, the Company paid North Ridge Partners (Pty) Ltd, a company of which Roger Sharp is a director and shareholder, $75,000 (2016: $3,333) for director and Chair fees, and $30,000 for consulting fees relating to time spent managing the Company's rights issue and placement (2016: $13,333).

Viv Brownrigg, director of the Company, held 1.9% (2016: 2.1%) of the shares in the Company at balance date. During the year the Company paid Dune Trustees Limited, a company of which Viv Brownrigg is a director and shareholder, $55,000 (2016: $55,000) for director fees.

Anna Cicognani was appointed to the Board on 1 June 2016 and holds 1.61% (2016: 0.9%) of the shares in the Company at balance date. Anna Cicognani is not paid a director's fee.

Tim Ebbeck and Peter O'Connell were appointed as independent directors of the Company on 9th May 2017. They are each entitled to an annual director's fee of $55,000. During the year ended 30 June 2017 (2016: Nil) an accrual of $18,333 was made in the accounts for the two months during which Messrs Ebbeck and O'Connell were directors.

Mark Weldon resigned as a director on 22 August 2016. During the period, the Company paid Lola Nominees Limited, a company of which Mark Weldon is a director and shareholders, $80,833 ($2016: $71,667) for services as Chair and director.

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 her direct reports.

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

	2017 $'000	2016 '000
Directors' fees - Cash	96	48
- Issue of shares	118	136
CEO Incentive Scheme (refer Note 23)	50	130
Short term employee benefits and contractors	751	815
Share based payments	72	-
	1,087	1,129

(b) Loans to Directors

	Interest paid/received		Balances outstanding	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Directors – Non-Executive	-	-	372	351

For the year ended 30 June 2017

15. RELATED PARTY TRANSACTIONS (continued)

In 2013, GEO provided a secured loan facility for the two Non-Executive Directors, Viv Brownrigg and Mark Weldon (resigned on 22 August 2016) that enabled them to each acquire 200,000 shares at $1.00 per share (total of 400,000). The loans are interest free and must be repaid by 30 September 2018. The secured loans were discounted back to the value at the time of issue at September 2013. No amounts have been written off or forgiven in the year (2016: nil).

16. COMMITMENTS FOR EXPENDITURE

(a) Capital Expenditure Commitments

As at 30 June 2017 there were no capital expenditure commitments (2016: $Nil).

(b) Operating Lease Commitments

Non-cancellable operating lease commitments are as follows:

	2017 $000	2016 $000
Less than 1 year	197	172
After one year but not more than five years	144	182
	341	354

Operating lease commitments are for the Group's premises.

17. BUSINESS COMBINATIONS

Subsidiaries acquired

2016	Principal activity	Date of Acquisition	Proportion of voting equity interest acquired	Consideration transferred $'000
Interface IT Pty Ltd	Sales software provider	1 June 2016	100%	8,350

This acquisition has significantly increased GEO's revenue and will enable the Company to scale quicker as it builds out its suite of workforce productivity applications.

	Interface IT Pty Ltd $'000
Fair value of consideration transferred	
15,000,000 ordinary shares in GeoOp Limited, at $0.29 per share.	4,350
3,000,000 unlisted unsecured convertible notes at $1.00 per note.	3,000
Contingent consideration arrangement (i)	1,000
Indemnification asset / (liability) (ii)	-
	8,350

17. BUSINESS COMBINATIONS (continued)

(i) The purchase price was subject to a potential performance payment, calculated as: 2 times the amount of recurrent revenue of the merged group (GeoOp and Interface IT) in excess of $4.5 million for the year ended 30 June 2017. Recurrent revenue represents gross recurring subscription and licence fee and support revenue received from ordinary customers. It excludes one-off training and implementation income or any grant income or interest received or any revenue from further acquisitions. The requirements of the performance payment were not met during the year ended 30 June 2017. The $1.0 million in contingent consideration was recognised as other income in the consolidated statement of profit or loss. The derecognition of the contingent consideration was determined after the finalisation of the provisional accounting.

(ii) The purchase price is also subject to adjustment for warranty claims against either the Interface IT shareholders or GeoOp. As at the reporting date, the Directors are not aware of any circumstances that would trigger a claim under the warranty provisions.

Assets acquired and liabilities recognised at the date of acquisition

	Interface IT Pty Ltd Restated (1) 2016 $'000
Current Assets	
Cash and cash equivalents	64
Trade and other receivables	419
Non-current Assets	
Plant and equipment	7
Security deposit	11
Application software	5,100
Current liabilities	
Trade and other payables	(431)
Non-current liabilities	
Provision for Long Service Leave	(24)
Deferred tax liability	(1,430)
	3,716

(1) Refer note 24

Goodwill arising on acquisition

Consideration transferred	8,350
Less: fair value of identifiable net assets acquired	3,716
Goodwill arising on acquisition	4,634

17. BUSINESS COMBINATIONS (continued)

Impact on 30 June 2016 Group Accumulated Losses

	Group
	$'000
Accumulated Losses per 30 June 2016 Financial Statements	(13,646)
Addback: Tax benefit arising from increase in valuation of Intellectual Property	423
Adjusted Accumulated Losses (1)	(13,223)

(1) Refer note 24

Acquisition related costs
The acquisition process was conducted by the directors as part of their day to day activities and therefore there are no separately identifiable acquisition costs relating to this transaction.

18. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

There were no material contingent assets or contingent liabilities at 30 June 2017 (2016: $Nil).

19. SIGNIFICANT EVENTS SUBSEQUENT TO REPORTING DATE

On 14 July 2017, the Directors announced their intention for the Company to cease trading on NZX and be admitted to the official list of the ASX and for the Company's securities to be quoted on ASX. On 26 July 2017, the Company announced a one-for-two consolidation of its shares in preparation for listing on ASX. On 11 August 2017, the Company lodged a prospectus with the Australian Securities & Investments Commission (ASIC).

As part of the IPO process it was agreed that the current employee share scheme would be replaced with an updated scheme aligned to the ASX listing, to be made public post the ASX listing.

In its prospectus GEO set a minimum offer size of A$2m. This minimum raise amount was determined by the Company's Board of Directors to provide maximum certainty of the Offer being completed successfully and the Company's shares listing on ASX, while providing enough capital to fund the Company's operations. The minimum level of demand was exceeded.

Just prior to the end of the Offer period, ASX advised GEO that it required additional capital to be raised above this minimum to satisfy its own requirements. On 20 September 2017, the Directors announced an extension to the capital raising process to enable further due diligence by potential investors and to enable it to meet ASX listing admission criteria.

The Company is working with its advisors and with investors to determine whether it can satisfy ASX requirements, and will consult with ASX once all available demand is identified. If GEO meets ASX requirements, a supplementary prospectus will be lodged which will incorporate the increased minimum raise size and an extended Offer period. If GEO is unable to satisfy ASX listing criteria it will revert to its NZAX listing and raise funds in that marketplace.

The capital raising activities are being undertaken pursuant to the Board's Liquidity Risk Management process.

There have been no other events subsequent to reporting date which will have a material effect on these financial statements.

20. 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 2017 and 30 June 2016 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 GeoService and GeoSales.

GeoService 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.

GeoSales 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 Services $'000	**Geo Sales $'000**	**Total $'000**
Year ended 30 June 2017			
Operating income	2,237	1,868	4,105
Grant income	292	90	382
Total segment income	2,529	1,958	4,487
Research and development	(2,031)	(651)	(2,682)
Sales and marketing	(1,400)	(395)	(1,795)
Total segment expenses	(3,431)	(1,046)	(4,477)
Segment earnings	(902)	912	10

20. SEGMENTAL REPORTING (continued)

	Geo Services $'000	Geo Sales $'000	Total $'000
Year ended 30 June 2016			
Operating income	1,767	161	1,928
Grant income	349	15	364
Total segment income	2,116	176	2,292
Research and development	(1,549)	(98)	(1,647)
Sales and marketing	(1,440)	(19)	(1,459)
Total segment expenses	(2,989)	(117)	(3,106)
Segment earnings	(873)	59	(814)

Segment revenue reported above represents revenue generated from external customers. There were no intersegment sales in the current year (2016: nil).

The accounting policies of the reportable segment are the same as the Group's accounting policy described in note 2. 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.

Reconciliation of segment earnings to statement of comprehensive income:

	2017 $000	2016 $000
Segment earnings	10	(814)
Add: Other revenue	1,000	-
Add: Interest received	34	47
Less: General operating and administration	(3,210)	(2,541)
Less: Amortisation	(1,173)	(370)
Less: Depreciation	(40)	(49)
Less: ASX listing costs	(184)	-
Net Profit before Tax	(3,563)	(3,727)

Segment assets and liabilities

For both the year ended 30 June 2017 and 30 June 2016 the chief operating decision makers do not assess segment assets and liabilities. The segment asset and liability information is not available.

For the year ended 30 June 2017

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

	2017 $'000	2016 $'000
Net loss for the period	(3,563)	(2,297)
Adjustments for non-cash items		
Amortisation	1,174	370
Depreciation	39	49
Share based payments expense (Refer Note 23)	232	319
Listing costs capitalised	53	-
Income tax benefit	-	(1,430)
Related party loans	(21)	(20)
Contingent consideration	(1,000)	-
Other	51	(147)
	527	(859)
Movements in working capital		
Accounts receivable and other receivables	(49)	(231)
Accounts payable and accruals	25	647
	(24)	416
Net cash (outflow) from operating activities	(3,060)	(2,740)

22. 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 reviews 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.

(b) Liquidity Risk Management

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. All liabilities have maturity within 12 months.

22. FINANCIAL RISK MANAGEMENT (continued)

(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.

	2017 $000	2016 $000
Variable rate instruments		
Financial assets		
Cash and cash equivalents	864	1,068

Interest rates on cash and cash equivalents ranged from 0% to 3.00% (2016: 0% to 3.20%).

(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:

	2017 $000	2016 $000
Cash and short term deposits	864	1,068
Accounts receivable	429	480
Grants receivable	257	111
Sundry debtors	12	13
Related party loans	372	351
Other receivables	100	100

The Group's bank accounts are held with ASB Bank, BNZ Bank and National Australia Bank. 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, US and UK markets. The Company's Australian operations are funded directly from New Zealand and will require continual funding for at least the next twelve months.

As a result, the financial statements can be affected by movements in these rates. Foreign currency risk will increasingly be mitigated by repatriation of Australian revenues.

22. FINANCIAL RISK MANAGEMENT (continued)

(e) Foreign Exchange Risk (continued)

The following sensitivity analysis is based on the foreign currency risk exposures in existence at the reporting date. As at 30 June 2017, 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:

	2017				2016
	AUD $000	USD $000	Other $000	Total $000	$000
Increase in the value of the NZD by 10%					
Impact on profit or (loss)	(290)	(25)	1	(316)	(18)
Impact on equity	631	(38)	-	593	(158)
Decrease in the value of the NZD by 10%					
Impact on profit or (loss)	290	25	(1)	314	18
Impact on equity	(631)	38	-	(593)	(158)

The sensitivity analysis was calculated by taking the average rate as at balance date of 0.9455 (2016: 0.9170) for Australian Dollars and moving this rate by the reasonably possible movements of plus and minus 10 percent and then re-converting the foreign currency into New Zealand Dollars with the “new spot rate”. This methodology reflects the translation methodology undertaken by the Group.

(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 Statement of Financial Position as at balance date.

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
Bonds	100	-	-	100
Related party loans	372	-	-	372
Total financial assets	2,034	-	-	2,034
Liabilities				
Accounts payable	-	-	733	733
Convertible notes	-	1,466	-	1,466
Total financial liabilities	-	1,466	733	2,199

For the year ended 30 June 2017

22. FINANCIAL RISK MANAGEMENT (continued)

(f) **Fair Value of Financial Instruments (continued)**

30 June 2016	**Loans & receivables $000**	**Financial liabilities at FVTPL $000**	**Financial liabilities at amortised cost $000**	**Total carrying value $000**
Assets				
Cash and cash equivalents	1,068	-	-	1,068
Trade receivables	649	-	-	649
Bonds	100	-	-	100
Related party loans	351	-	-	351
Total financial assets	2,168	-	-	2,168
Liabilities				
Accounts payable	-	-	977	977
Convertible notes	-	3,000	-	3,000
Other payables	-	-	1,000	1,000
Total financial liabilities	-	3,000	1,977	4,977

23. SHARE BASED PAYMENTS

(a) Share Based Payments Reserve

	2017 $000	**2016 $000**
Opening balance	88	186
Movements during the year	-	-
Share based payment expenses	111	53
Transfer to issued share capital	(118)	(151)
Closing Balance	81	88

(b) Share based payments expense

	2017 $000	**2016 $000**
CEO Incentive Scheme	-	130
Management Incentive	72	-
Employee Growth Share Scheme	(79)	53
Directors' fees	118	90
Other payments	121	-
	232	273
Accrual	-	46
Total for the period	232	319

For the year ended 30 June 2017

23. SHARE BASED PAYMENTS (continued)

Employee Growth Share Plan

During the prior period the Group implemented an employee share plan, the GeoOp Limited Employee Growth Share Plan (the “Plan”). The Plan operates 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.

The Plan was introduced for selected executives and employees of the Group. Under the Plan, ordinary shares in GeoOp Limited are 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.

The price for each share issued during the year under the Plan is the higher of the market price of the share on the date on which the shares are allocated or the invitation price.

Under the Plan, shares are beneficially owned by the participants. The length of retention period before the shares vest is either two or three years, being 31 October 2016 or 31 October 2017. If the individual is still employed by the Group at the end of this specific period and the GEO share price is above a specific hurdle price of $1.15 for the two-year tranche or $1.40 for the three-year tranche, the employee is given a cash bonus that must be used to repay the free loan and shares are then transferred to the employee. The number of shares awarded and the hurdle price for the two or three year tranches are determined by the Remuneration and Nomination Committee. The grant date fair value of restricted shares issued during the period was determined by using an option pricing model.

A non-cash income/(expense) of $79,000 (2016: ($52,723)) was recorded during the year relating to the Plan.

	Number of shares (‘000) 2017	Number of shares (‘000) 2016
Outstanding at beginning of period	152	322
Awarded pursuant to the Employee Growth Share Plan	-	-
Forfeited	(127)	(98)
Vested	-	(72)
Unvested shares as at 30 June allocated to employees	25	152
Forfeited shares held by the Trustee not yet reallocated	-	98
Aging of unvested shares		
Balance of shares to vest within 1 year	25	152
Balance of shares to best after 1 year	-	-
	25	152

Two employees remain in the scheme. The Board is taking advice with a view to resetting its employee equity incentive plans during the 2018 financial year.

The fair value of the shares granted under the Plan is based on the fair value of shares granted measured using an option pricing model with the following inputs (note that all issues occurred in the prior year, with none made in the current year):

For the year ended 30 June 2017

23. SHARE BASED PAYMENTS (continued)

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 the Alternative Market of the 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. The shares vest immediately.

Employee Salary Sacrifice

During the prior year, the Company issued 35,246 shares valued at $15,360 in lieu of salary to the Chief Financial Officer. 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. The shares vest immediately.

Chief Executive Officer Long Term Incentive

On 13 November 2015, the Company agreed a long-term incentive scheme with the Chief Executive Officer, Anna Cicognani. The details of the long-term incentive scheme are:

An allocation of a maximum of 1,078,571 shares will be awarded to the Chief Executive Officer, being 178,571 shares vesting immediately upon signing and 900,000 being awarded upon the Company's share price achieving the following share price targets (based on end-of-day pricing on a specific trading day).

Share price target	Allocation of shares
$0.50	50,000
$0.70	50,000
$1.00	200,000
$1.30	100,000
$1.60	100,000
$1.90	100,000
$2.20	100,000
$2.50	200,000
TOTAL	900,000

The scheme remains in place during the tenure of the Chief Executive Officer role and ceases upon cessation of employment.

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23. SHARE BASED PAYMENTS (continued)

The Company allotted 178,571 shares to the Chief Executive Officer on 13 November 2015, being the date of inception of the scheme, and 50,000 share under the scheme on 29 January 2016, based on the share price target of $0.50 being achieved on 15 January 2016. No shares were issued under the scheme during the year ended 30 June 2017.

A non-cash expense of $nil (2016: 130,000) was recorded in the year to 30 June 2017 relating to the incentive scheme. The fair value of the shares granted under the incentive scheme has been calculated using an option pricing model with the following key inputs:

Input	Assumption
Risk free rate	2.5%
Share price at grant date	$0.44

Other key inputs include volatility (determined having regard to the daily movement in GEO’s share price as listed on the Alternative Market of the NZX since listing), the share target price (as per above) and the expected time to expiry.

Management incentive

Certain senior management joined the Group during the year. Subject to Board approval and completion of 12 months of service will be awarded shares to the value of NZ$ 100,000.

24 RESTATEMENT NOTE

The initial accounting for the acquisition of Interface IT Pty Ltd was only provisionally determined at the end of the 30 June 2016 reporting period. At the date of finalisation of the 2016 consolidated financial statements, the necessary market valuations and other calculations had not been finalised and they were therefore only provisionally determined based on the directors' best estimate.

An Independent valuation report on the Intellectual Property of Interface IT Pty Limited was completed as at the 31st of March 2017. The accounting for the acquisition of Interface IT Pty Ltd has been adjusted to reflect this valuation, which resulted in the intellectual property being valued at $5.1m up $1.5m from the value recognised at the time of the acquisition, a tax benefit of $423k being recognised in the Profit and Loss Account, Goodwill being reduced by the balance of $1.1m. The increased intellectual property value has led to a $138k increase in amortisation in the current period. Refer to the table below for further details of the impact of the change on the 2016 financial report.

24 RESTATEMENT NOTE (continued)

A summary of the impact on the financial report is presented below:

Impact on assets, liabilities and equity as at 30 June 2016	**As previously reported 2016 $'000**	**Adjustment 2016 $000**	**Restated 2016 $000**
Non-current assets			
Intangible assets	10,110	423	10,533
Total non-current assets	10,661	423	11,084
Total assets	12,413	423	12,836
Net assets	7,168	423	7,591
Owner equity			
Share capital	20,861	-	20,861
Share based payments reserve	88	-	88
Accumulated losses	(13,646)	423	(13,223)
Foreign currency translation reserve	(135)	-	(135)
Total equity	7,168	423	7,591

Impact on business combinations note as at 30 June 2016

	As previously reported 2016 $'000	**Adjustment 2016 $000**	**Restated 2016 $000**
Current Assets			
Cash and cash equivalents	64	-	64
Trade and other receivables	419	-	419
Non-current Assets			
Plant and equipment	7	-	7
Security deposit	11	-	11
Intellectual property	3,592	1,508	5,100
Current liabilities			
Trade and other payables	(431)	-	(431)
Non-current liabilities			
Provision for Long Service Leave	(24)	-	(24)
Deferred tax liability	(1,006)	(424)	(1,430)
	2,632	1,084	3,716

Additional NZX Information

For the year ended 30 June 2017

1. DIRECTORS REMUNERATION

Roger Sharp, as Chair of GeoOp Limited is entitled to a Director's fee of $75,000 per annum, which is paid to North Ridge Partners Pty Ltd, a company of which Roger Sharp is a director and shareholder.

The fee for independent directors is currently set at $55,000 per annum.

Anna Cicognani is remunerated in her capacity as Chief Executive Officer of GEO, and does not receive a fee as Director. Anna Cicognani' remuneration totalled $440,903 for the year, comprising salary of $390,903 and share based payments of $50,000.

Prior to listing, GEO shareholders approved a total pool of $250,000 of Directors' fees. The Directors are also entitled to be paid for all reasonable travel, accommodation and other expenses incurred by them in connection with their attendance at Board or GEO shareholder meetings, or otherwise in connection with GEO's business, according to company policy.

Directors' remuneration received by directors of GeoOp Limited was as follows:

	Remuneration		**Director's fee**	
	2017 $000	**2016 $000**	**2017 $000**	**2016 $000**
Roger Sharp (appointed 1 June 2016)	-	-	75	3
Viv Brownrigg	-	-	55	55
Anna Cicognani (appointed 1 June 2016)	441	457	-	-
Peter O'Connell (appointed 9 May 2017)	-	-	9	-
Tim Ebbeck (appointed 9 May 2017)	-	-	9	-
Mark Weldon	-	-	81	72
Leanne Graham (resigned 27 May 2016)	-	-	-	29
Richard Suhr (resigned 9 May 2016)	-	-	-	(3)
Jodi Mitchell (resigned 11 March 2016)	-	-	-	28
Total	441	457	229	184

In relation to the directors of GeoOp Pty Limited and GeoOp Trustees Limited, no additional remuneration or benefits were paid.

2. DIVERSITY

The Board is strongly supportive of increasing diversity in corporate governance and recognises the wide-ranging benefits that diversity brings to an organisation. As at 30 June 2017, two of the five members of the Board were women (2016: two of the four).

3. DIRECTORS' SHAREHOLDINGS

Details of director shareholdings as at 30 June 2017 are set out below:

Director	**Ordinary Shares Held by Directors and associated entities**	
	2017	**2016**
Roger Sharp	23,008,130	11,947,595
Vivienne Brownrigg	1,429,237	1,054,237
Anna Cicognani	1,186,904	436,904
Mark Weldon	-	2,880,718

No directors have sold any shares during the year.

For the year ended 30 June 2017

4. DIRECTOR SHARE DEALING

During the year to 30 June 2017, the following Directors (or the relevant associated entity in which the Director has a relevant interest) acquired or disposed of equity securities in the Group:

Date	Director	Associated entity	Class of share		Acquired / (Sold)
16 September 2016	Roger Sharp	Wentworth Financial Pty Limited	Convertible Notes	i	(267,012)
16 September 2016	Roger Sharp	Wentworth Financial Pty Limited	Ordinary	i	1,335,060
16 September 2016	Roger Sharp	Valuestream Investment Management Limited	Convertible Notes	i	(526,612)
16 September 2016	Roger Sharp	Valuestream Investment Management Limited	Ordinary	i	2,633,060
16 September 2016	Roger Sharp	North Ridge Partners Pty Ltd, co-investor No.1 fund account.	Convertible Notes	i	(29,890)
16 September 2016	Roger Sharp	North Ridge Partners Pty Ltd, co-investor No.1 fund account.	Ordinary	i	149,450
16 September 2016	Roger Sharp	North Ridge Partners Pty Ltd, co-investor No.2 fund account.	Convertible Notes	i	(15,565)
16 September 2016	Roger Sharp	North Ridge Partners Pty Ltd, co-investor No.2 fund account.	Ordinary	i	77,825
20 October 2016	Roger Sharp	Wentworth Financial Pty Limited	Ordinary	ii	445,020
20 October 2016	Roger Sharp	Valuestream Investment Management Limited	Ordinary	ii	3,642,350
20 October 2016	Anna Cicognani	Anna Cicognani	Ordinary	ii	253,373
20 October 2016	Anna Cicognani	CicoMilne Pty Limited	Ordinary	ii	246,627
20 October 2016	Viv Brownrigg	Dune Trustees Limited	Ordinary	ii	375,000
20 October 2016	Roger Sharp	North Ridge Partners Pty Ltd, co-investor No.2 fund account.	Ordinary	ii	107,650
20 October 2016	Roger Sharp	Wentworth Financial Pty Limited	Convertible Notes	I	(534,024)
20 October 2016	Roger Sharp	Wentworth Financial Pty Limited	Ordinary	i	2,670,120
15 December 2016	Anna Cicognani	Anna Cicognani	Ordinary	iii	250,000
10 February 2017	Anna Cicognani	CicoMilne Pty Limited	Warrants	iv	(69,445)
10 February 2017	Viv Brownrigg	Dune Trustees Limited	Warrants	iv	(34,722)

i Sold/issued as part of the convertible note conversion
ii Renounceable rights accepted
iii share transfer
iv lapsed security

Additional NZX Information (continued)

For the year ended 30 June 2017

5. DIRECTORS' LOANS

On 26 September 2013, GEO provided a secured loan facility for two Non-Executive Directors, Viv Brownrigg and Mark Weldon (resigned on 22 August 2016) that enabled them to each acquire 200,000 shares at $1.00 per Share. The loans are secured, interest free and must be paid to GEO by 30 September 2018.

6. 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.

7. USE OF COMPANY INFORMATION

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

8. EMPLOYEE REMUNERATION

During the year to 30 June 2017, employees, excluding executive directors, within the Group received remuneration and benefits which exceeded $100,000 as follows:

Remuneration range	Number of employees
$100,000 - $110,000	3
$110,001 - $120,000	3
$120,001 - $130,000	-
$130,001 - $140,000	-
$140,001 - $150,000	-
$150,001 - $160,000	-
$160,001 - $170,000	1
$170,001 - $180,000	-
$180,001 - $190,000	-
$190,001 - $200,000	1
$220,001 - $230,000	-
$240,001 - $250,000	-
$280,001 - $290,000	-
> $290,001	-
	8

9. DONATIONS

No donations were made by the Group during the year ended 30 June 2017 (2016: Nil).

The Group has launched an employee support scheme, GeoAssist, which collects donations from employees for redistribution to employees' families in need.

Additional NZX Information (continued)

For the year ended 30 June 2017

10. SUBSIDIARIES

At 30 June 2017, GEO has the following wholly owned subsidiary companies with the following directors:

Entity	Directors
Geo.tools Pty Limited	Rhonda Robati (Resigned Feb 2017, removed from ASIC Aug 2017) Anna Cicognani
GeoOp Trustee Limited	Viv Brownrigg
InterfaceIT Pty Ltd	Roger Sharp Anna Cicognani
InterfaceIT Pty Limited	Anna Cicognani

11. SUBSIDIARY INTEREST REGISTER

There were no entries in GeoOp Pty Limited's interests register during the year to 30 June 2017 (2016: none).

12. SUBSTANTIAL SECURITY HOLDERS

According to the substantial product holders report filed for the year to 30 June 2017, the substantial security holders in GEO were as follows:

Substantial security holder	Number of ordinary shares	Percentage of issued shares held
Valuestream Investment Management Limited, as trustee for co-investor No.3 pipe fund. (R. Sharp)	17,880,005	24.18%
New Zealand Central Securities	9,482,080	12.82%
Wentworth Financial Pty Limited	4,450,200	6.02%
JKM Family Investments Pty Ltd (J. Muir)	3,852,373	5.21%

13. TWENTY LARGEST EQUITY SECURITY HOLDERS

The names of the 20 largest holders of ordinary issued shares as at 13 September 2017 are listed below.

Top 20 Shareholders	Issued shares	
	Number	%
Valuestream Investment Management Limited	8,940,003	23.32%
New Zealand Central Securities Depository Limited	4,741,035	12.37%
Wentworth Financial Pty Limited	2,225,100	5.81%
JKM Family Investments Pty Limited	1,926,187	5.03%
Lola Nominees Limited	1,642,443	4.29%
Carnethy Evergreen P/L	1,625,000	4.24%
Carnethy Investments Pty Limited	1,331,250	3.47%
Realcal P/L	1,025,000	2.67%
Dune Trustees Limited	714,619	1.86%
FNZ Custodians Limited	681,746	1.78%
Dublin Nominees Limited	500,000	1.30%
Wairahi Holdings Limited	468,987	1.22%
Robert William Bentley Morrison & Andrew Stewart & Anthony Howard	436,592	1.14%
Stewart Leslie Reynolds	373,747	0.98%
Anna Cicognani	365,972	0.95%
Allan Michael Nobilo & Lynne Nobilo	275,000	0.72%
Richard Jeremy Suhr & Kathleen Lilian Mary Heather	270,237	0.71%
North Ridge Partners Pty Limited	264,238	0.69%

For the year ended 30 June 2017

First NZ Capital Securities Limited	244,640	0.64%
Cicomilne Pty Limited	227,480	0.59%
Total	**28,279,276**	**73.78%**

14. SPREAD OF SECURITY HOLDERS

The spread of security holders of ordinary issued shares as at 13 September 2017 are listed below.

Range	**Shareholders**		**Issued capital**	
	Number	**%**	**Number**	**%**
1 – 1000	589	42.04%	286,527	0.75%
1,001 – 5,000	481	34.33%	1,267,203	3.31%
5,001 – 10,000	120	8.57%	901,419	2.35%
10,001 – 50,000	158	11.28%	3,700,086	9.65%
50,001 – 100,000	13	0.93%	991,217	2.59%
100,001 and above	40	2.86%	31,182,275	81.35%
Total	1,401	100.0%	38,328,727	100.0%

Corporate Directory

Company Number	2244624	
Directors	Viv Brownrigg Anna Cicognani Roger Sharp (Chair) Peter O'Connell Tim Ebbeck	
Registered Office	Level 3, 12 Heather Street Parnell Auckland, 1052 New Zealand	
Postal Address	PO Box 37340 Parnell Auckland, 1151 New Zealand	
Auditors	Deloitte Limited Private Bag 115033 Shortland Street Auckland	
Share Registrars	Link Market Services Limited PO Box 91976 Auckland 1142 Phone +64 9 375 5998 Fax +64 9 375 5990	
Bankers	ASB Bank PO Box 35 Shortland Street Auckland New Zealand	BNZ Bank 80 Queen Street Auckland New Zealand
	National Australia Bank 800 Bourke Street Docklands, Victoria 3008 Australia	
Solicitors	Bell Gully PO Box 4199 Auckland New Zealand	
	Norton Rose Fulbright GPO Box 3872 Sydney, NSW 2001 Australia	
Website	www.geoop.com	