GeoOp Limited

ANNUAL REPORT
FOR THE YEAR ENDED
30 JUNE 2016

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CHAIR AND CHIEF EXECUTIVE REPORT

Dear Shareholder

In the 12-month period to 30 June 2016 GeoOp Limited (GEO) performed well, with 64% organic revenue growth and a material reduction in cash burn.

During the year, we began a transformational plan including the appointment of a new leadership team, a restructuring of the Board, the acquisition and integration of InterfaceIT Pty Limited (IIT) and its iKnock product (now called GeoSales) in May 2016, the expansion of its US-based sales team and a new office in Melbourne.

The acquisition of IIT has doubled group revenues and heralds a new focus on higher revenue from enterprise customers and industry verticals. Today GEO offers its customer base two market-leading workplace productivity solutions: GeoSales and GeoServices. Today these applications serve over 26,000 Enterprise and SME licenced users in more than 30 countries. Any company whose employees sell to, service or collect payment from customers in the field can profit through using GEO's product suite.

Highlights for the period ended 30 June 2016

	GEO Group (audited)	GeoServices	GeoSales (1 month)
Total Revenue	$2,339k	$2,203k	$ 136k
Licences	25,048	23,717	1,331
ARR	$3,420k	$1,794k	$1,626k
Net (loss) after tax	($2,721k)	($2,676k)	($45k)

*ARR = Annualised recurring revenue as at June 2016
Note: ARPU and ARR are non-GAAP measures

GEO has successfully integrated the acquisition of IIT in a rapid turnaround. Revenue per employee, a key measure of productivity, has increased from NZ$27,155 in June 2015 to $114,100 in June 2016.

Pro-forma unaudited revenues to 30 June 2016, as if GEO and IIT had operated as a combined entity during FY16, were NZ$4,576,000 versus a projection of NZ$4,500,000 in the Independent Expert's Report (IER) provided to assist shareholders in evaluating the transaction, in May 2016.

Leadership and Governance

GEO has been through a significant governance reset. The Board has been reduced to three Directors, comprising the Chair, Managing Director and Lead Independent Director. During this period of change, the Company has been able to move quickly and reduce costs significantly by reducing its board size. Directors are predominantly remunerated in equity, reflecting their belief and commitment in the Company.

Australia now represents more than 60% of the Company's revenues, and GEO intends to recruit an Independent Director there prior to seeking an ASX listing in 2017.

Over the past twelve months a new Australian-based management team has been appointed to grow the Company. New senior management appointments include a Chief User Experience Officer, Chief Technology Officer and Chief Financial Officer.

GEO operates out of three main offices in Auckland, Melbourne and Sydney, and it has sales staff in the USA, the UK and Singapore.

Platform and Product Suite

GEO has now developed a new Enterprise platform, which will enable greater scale to meet the needs of large customers. It will progressively launch Enterprise verticals such as GeoCare, a solution aimed at making mobile workforces more productive as they serve aged, ill and disabled members of the community.

GEO continued to invest significantly in its core technology platform over the period. New features were introduced such as GeoPay and JobShare, while integrations with other leading SaaS applications, such as MYOB, are now possible for all customers.

GeoSales powers field sales forces in New Zealand, Australia and the USA. Available as a native application on iOS and Android tablets, this market leading application is used by leading utility, telecommunications and energy efficiency companies to manage, track and audit their field sales and campaigns.

Strategic Alliances and Channels

GEO remains a steadfast supporter of its original SME customer base, and has been refining the channels to market it uses to acquire smaller customers in order to improve the economics of the business. For example, the Telstra channel in Australia has delivered material growth (more than doubling revenues in the last 12 months) with superior economics to the direct sales model. GEO will continue to seek cost-efficient ways to market for its lower ARPU customers.

MCC in the USA is becoming a productive partner for GEO, providing a sales channel for GeoSales and GeoServices in North America and implementation services with US-based customers.

Capital Position

GEO continues to focus on profitable growth. The Company has substantially reduced its combined monthly cash burn, which is expected to progressively decline as base metrics and unit economics steadily improve.

With each incremental sale now delivering a gross margin of around 80%, we believe that this business can scale without taking on significant incremental overheads. GEO's analysis shows that annual growth rates of 30-50% in recurring revenues would move the business into profit within 24-36 months.

GEO had NZ$1,068,000 of cash reserves at 30 June 2016 and obtained commitments to raise an additional $3.95m after balance date in a well-supported one-for-three rights issue and placement. The Company's Directors and major shareholder supported the rights issue and NZ$840,000 of convertible notes were converted to equity.

The Company's audit report to 30 June 2016 contains an emphasis of matter relating to going concern. On completion of the Company's capital raising process, comprising a rights issue, placement and conversion of convertible notes, GEO's capital position will be improved by NZ$4.7m, enabling the Company to fund its growth activities for FY17. The Directors believe that, in light of this development, the Company is now appropriately capitalised.

Callaghan Innovation Growth Grant

During 2016, GEO continued to be recognised for its commitment to research and development (R&D) by receiving a Growth Grant from Callaghan Innovation. R&D Growth Grants support firms with a proven track record in R&D and GEO is pleased to be associated with Callaghan Innovation.

Outlook

GEO completed FY16 with pro-forma annualised revenues of $4.5m, a comprehensive product suite, solid growth prospects and reducing cash burn. Underpinning GEO's growth strategy are four main areas of activity that provide a strong platform for future growth:

1. focus on larger SME and Enterprise customers
2. vertical product specialisation, to cater for specific industry needs
3. expansion, via channels and partners, into other geographies
4. M&A, where adjacent customer bases and products can be acquired and integrated

The new GEO is excited about its future prospects. On behalf of Directors and management, we thank our team for their dedicated work, our customers for choosing GEO, and to our shareholders for your continued support. While the path to success is never linear, and there are always ups and downs in an early stage company, your Directors believe that GEO is going to be a valuable business.

Yours sincerely,

Roger Sharp
Chair

Anna Cicognani
Chief Executive and Managing Director

1. 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 offshore, with a broad and diverse range of technology, financial, sales, and general business experience. At 30 June 2016 the Board comprised four Directors, as follows:

– Roger Sharp (Non-Executive Chair)
– Viv Brownrigg (Independent Non-Executive Director)
– Anna Cicognani (Executive Director)
– Mark Weldon (Non-Executive Director), resigned after balance date

A short biography of each Director is available at www.geoop.com/resources/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 Roger Sharp and Viv Brownrigg.

The Board is committed to a transparent system for auditing and reporting the Group's financial performance. The Board has established an Audit and Risk Committee whose principal functions are:

– to assist the Board in ensuring that appropriate accounting policies and internal controls are established and followed;

- to assist the Board in producing accurate financial statements in compliance with all applicable legal requirements and accounting standards; and
- to ensure the efficient and effective management of business risks.

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 Roger Sharp and Viv Brownrigg.

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 (i)	1	1				
Viv Brownrigg	12	11	2	2		
Anna Cicognani (ii)	1	1				
Mark Weldon (iii)	12	12	2	2		
Leanne Graham (iv)	11	10				
Richard Suhr (v)	10	10			1	1
Jodi Mitchell (vi)	8	8			1	1

(i) Appointed on 5 May 2016
(ii) Appointed on 1 June 2016
(iii) Resigned on 31 August 2016
(iv) Resigned 27 May 2016
(v) Resigned 9 May 2016
(vi) Resigned 11 March 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.

2. 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 2016.

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 2016 and the results of its operations and cash flows for the year ended on that date.

GEOOP LIMITED
STATEMENT OF CORPORATE GOVERNANCE
For the year ended 30 June 2016

The Directors consider 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 consider 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 29 August 2016 by:

Roger Sharp	Viv Brownrigg
Chair	Chair of Audit and Risk Committee

Deloitte.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF GEOOP LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of GeoOp Limited and its subsidiaries ('the Group') on pages 12 to 46, which comprise the consolidated statement of financial position as at 30 June 2016, and the consolidated statement of comprehensive income, statement of movements in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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.

Board of Directors' Responsibility for the Consolidated Financial Statements

The Board of Directors are responsible on behalf of the company for the preparation and fair presentation of these consolidated financial statements, in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards and for such internal control as the Board of Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Other than in our capacity as auditor, the provision of other assurance services, and the provision of taxation compliance services, we have no relationship with or interests in GeoOp Limited or any of its subsidiaries. These services have not impaired our independence as auditor of the Company and Group.

Opinion

In our opinion, the consolidated financial statements on pages 12 to 46 present fairly, in all material respects, the financial position of GeoOp Limited and its subsidiaries as at 30 June 2016, and their financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2(i) in the consolidated financial statements which indicates that the Group recorded a net loss of $2,721,000, and net cash out flow of $2,740,000 from operating activities for the year ended 30 June 2016. These conditions, along with other matters as set forth in Note 2(i), indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern.

Deloitte

Chartered Accountants
29 August 2016
Auckland, New Zealand

GeoOp limited

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2016

	Notes	12 mths	15 mths
		30 Jun 16 $000	30 Jun 15 $000
Revenues			
Operating revenue	3a	1,928	1,212
Other revenue	3b	411	517
		2,339	1,729
Expenses			
Research and development		1,647	2,353
Sales and marketing		1,459	2,284
General operating and administration		2,960	2,920
		6,066	7,557
(Loss) before tax	3c	(3,727)	(5,828)
Tax benefit	4	1,006	-
Net (loss) for the period		(2,721)	(5,828)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
(Loss) on translation of foreign operations		(117)	(13)
Total comprehensive (loss) for the period, net of tax attributable to shareholders		(2,838)	(5,841)
(Loss) per Share:			
Basic and diluted (loss) per share (cents)	14	(8.0)	(21.3)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

GeoOp limited

CONSOLIDATED STATEMENT OF MOVEMENTS IN EQUITY

For the year ended 30 June 2016

	Share Capital $000	Share Based Payments Reserve $000	Foreign Currency Translation Reserve $000	Accumulated Losses $000	Total Equity $000
Balance at 1 April 2014	12,984	385	(5)	(5,097)	8,267
Loss for the fifteen months	-	-	-	(5,828)	(5,828)
Currency translation movements	-	-	(13)	-	(13)
Total Comprehensive Income	-	-	(13)	(5,828)	(5,841)
Transactions with Owners					
Issue of shares (note 12)	450	(450)	-	-	-
Share based payment expense (note 23)	-	251	-	-	251
Balance at 30 June 2015	13,434	186	(18)	(10,925)	2,677

	Share Capital $000	Share Based Payments Reserve $000	Foreign Currency Translation Reserve $000	Accumulated Losses $000	Total Equity $000
Balance at 1 July 2015	13,434	186	(18)	(10,925)	2,677
Loss for the year	-	-	-	(2,721)	(2,721)
Currency translation movements	-	-	(117)	-	(117)
Total Comprehensive Income	-	-	(117)	(2,721)	(2,838)
Transactions with Owners					
Issue of shares (note 12)	7,427	(151)	-	-	7,276
Share based payment expense (note 23)	-	53	-	-	53
Balance at 30 June 2016	20,861	88	(135)	(13,646)	7,168

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

GeoOp limited

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2016

	Notes	30 Jun 16	30 Jun 15
		$000	$000
Current assets			
Cash and cash equivalents	5	1,068	1,475
Accounts receivable	6	684	453
		1,752	1,928
Non-current assets			
Property, plant & equipment	7	100	121
Intangible assets	8	10,110	781
Related party loans	15b	351	331
Other receivables	6	100	89
		10,661	1,322
Total assets		12,413	3,250
Current liabilities			
Trade and other payables	10	1,220	573
Convertible note	11	3,000	-
		4,220	573
Non-current liabilities			
Provision for long service leave		25	-
Contingent consideration	17	1,000	-
		1,025	-
Total liabilities		5,245	573
Total net assets		7,168	2,677
Owners equity			
Share capital	12	20,861	13,434
Share based payments reserve	23	88	186
Accumulated losses	13	(13,646)	(10,925)
Foreign currency translation reserve		(135)	(18)
Total equity		7,168	2,677

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

Signed on behalf of the Board on 29 August 2016 by:

Roger Sharp	Viv Brownrigg
Chair	Chair of Audit and Risk Committee

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2016

	12 mths 30 Jun 16 $000	15 mths 30 Jun 15 $000
Cash flows from operating activities		
Cash was provided from (applied to):		
Receipts from customers	2,665	1,290
Interest received	36	253
Payments to suppliers & employees	(5,441)	(6,879)
Net cash (outflow) from operating activities (note 21)	(2,740)	(5,336)
Cash flows from investing activities		
Cash was provided from (applied to):		
Purchase of property, plant and equipment	(15)	(23)
Capitalised development costs (note 8)	(422)	(801)
Cash acquired as part of the acquisition of subsidiary (note 17)	64	-
Proceeds from sale of government stock	-	3,096
Net cash inflow/(outflow) from investing activities	(373)	2,272
Cash flows from financing activities		
Cash was provided from (applied to):		
Issue of ordinary shares	2,706	-
Net cash inflow (outflow) from financing activities	2,706	-
Net decrease in cash held	(407)	(3,064)
Add cash and cash equivalents at start of the period	1,475	4,539
Balance at end of the period	**1,068**	**1,475**
Comprised of:		
Cash and cash equivalents (note 5)	1,068	1,475

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

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 ("GEO").

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 29 August 2016.

2. SUMMARY OF ACCOUNTING POLICIES

Basis of Preparation

The consolidated financial statements of the Group are prepared in accordance with 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.

(i) Going Concern

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

For the 12 month period to 30 June 2016, subscription revenue was $1,773,000, 47% higher than the 15 month period to 30 June 2015. The number of licenced users grew to 23,717 (25% growth over 30 June 2015.) Annualised committed monthly revenue grew 242% over the same period to $3,389,000 at 30 June 2016. During the financial year ending 30 June 2017, management are focused on further increasing the subscription revenue by continuing to expand the Group's customer base. The Group is also seeking to grow the business through investment in the development of software, and through its recent acquisition of Interface IT Pty Ltd (see note 17).

The Group remains in an early stage of its operations, and recorded a net loss of $2,721,000 for the 12-month period ended 30 June 2016 (15-months to 30 June 2015: $5,828,000). Net cash outflow from operations for the 12 month period was $2,740,000 (15-months to 30 June 2015: $5,336,000) and capitalised development costs were $389,000 (15-months to 30 June 2015: $801,000). Additional research and development activities are being undertaken in the financial year ending 30 June 2017 and are expected to continue in future financial years.

At 30 June 2016 the Group is in a net asset position of $7,168,000 (30 June 2015: $2,677,000). 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 $4,392,000 of software assets (30 June 2015: $781,000) and $5,718,000 of goodwill (30 June 2015: nil).

At 30 June 2016 the Group is in a net current liability position of $2,468,000 (30 June 2015: net current asset position of $1,355,000). $3,000,000 of the Group's current liability balance relates to convertible notes which, if settled prior to 1 June 2018, would be settled through the issuance of shares (see note 11) rather than cash. Excluding the convertibles notes, the Group is in a net current asset position of $532,000 at 30 June 2016.

2 SUMMARY OF ACCOUNTING POLICIES (CONT'D)

Subsequent to year end, the Directors of the Group and their related parties provided short term, unsecured interest free loans totalling $425,000 to aid the continuation of the Group's strategy (see note 19). These loans will be repaid at conclusion of the forthcoming capital raising proposed by the Company, which Directors and their related parties have committed to invest $1,000,000 in.

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.

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. 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 on-going 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.

2. SUMMARY OF ACCOUNTING POLICIES (CONT'D)

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 (refer Note 2(i))
- the intangible assets to which the development expenditure relate are reviewed for possible indicators of impairment on an annual basis. None were noted in the current year.
- Assessing goodwill for impairment on an annual basis. Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. The carrying amount of goodwill at 30 June 2016 was $5,718,000 (30 June 2015: Nil). Refer to Note 8.
- The application of provisional accounting applicable to the fair value of Interface IT Pty Ltd assets and liabilities acquired on 1 June 2016. Refer to Note 17.

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. Acquisitions of businesses 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

2. SUMMARY OF ACCOUNTING POLICIES (CONT'D)

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.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions at the acquisition date.

Where the Group has been unable to complete the initial accounting for a business combination by the end of the reporting period in which the combination occurred it provisionally accounts for the transaction.

Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date. During this period, the acquirer retrospectively adjusts the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date.

The measurement period ends as soon as the acquirer receives the information it was seeking about facts and circumstances that existed as of the acquisition date or learns that more information is not obtainable.

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.

2. SUMMARY OF ACCOUNTING POLICIES (CONT'D)

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 – 5 years

Impairment of Tangible and Intangible Assets

At each balance sheet 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.

2. SUMMARY OF ACCOUNTING POLICIES (CONT'D)

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 is discharged.
>
> Government Grants – Grants from the Government are recognised in the period the expense is incurred at their fair value where there is a 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.

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.

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 unpaid (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.

2. SUMMARY OF ACCOUNTING POLICIES (CONT'D)

Deferred Tax (continued)

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 'Available-For-Sale' (AFS) financial assets and '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.

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.

2. SUMMARY OF ACCOUNTING POLICIES (CONT'D)

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.

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

2. SUMMARY OF ACCOUNTING POLICIES (CONT'D)

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.

Adoption of New and Revised Standards and Interpretations

The Group adopted all mandatory new and amended standards and interpretations effective during the period. None of these standards and interpretations had a material impact on the financial statements.

There are a number of other new and revised standards and interpretations that are not effective yet. In particular, NZ IFRS 9 Financial Instruments and NZ IFRS 15 Revenue from Contracts with Customers which are effective for periods beginning 1 January 2018 may impact the Group but have not yet been assessed. All other changes are not expected to have a significant impact on the Group.

3. (LOSS) FROM OPERATIONS

	12 mths 2016 $000	15 mths 2015 $000
(a) Operating Revenue		
Operating revenue consisted of the following items:		
Subscription revenue	1,773	1,204
Other operating revenue	155	8
	1,928	1,212
(b) Other revenue		
Other income from operations consisted of the following items:		
Government grants	364	265
Interest received	47	252
	411	517

Government grants are from Callaghan Innovation and relate to GEO's research and development investment.

(c) Expenses

(Loss) before tax includes the following specific expenses:

Amortisation of finite life intangible assets (Note 8)	370	235
Auditors' fees for audit of the financial statements (ii)	38	26
Auditors' other fees:		
Other assurance services	11	12
Taxation compliance services	12	10
Depreciation of property, plant & equipment (Note 7)	49	74
Employee benefits	3,530	4,492
Superannuation	64	138
Share Based Payments (Note 23)	319	334
Lease expenditure (i)	155	176
Net foreign exchange differences	30	21

(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.

4. TAXATION

(a) Statement of Comprehensive Income:

	12 mths 2016 $000	15 mths 2015 $000
Current tax expense	-	-
Deferred tax benefit	1,006	-

(b) Reconciliation of income tax expense to prima facie tax payable

(Loss) before tax	(3,727)	(5,828)
Benefit at 28%	1,044	1,632
Non-deductible expenses	(199)	(66)
Utilisation of tax losses	-	8
Future benefit of tax losses not recognised	-	(1,574)
Recognition of prior period tax losses	161	-
Income tax benefit	1,006	-

(c) Deferred Tax Balances

The Group has an unrecognised deferred tax asset arising from tax losses of $2,292,000 measured at 28% (2015: $2,470,000). The carry forward of losses are subject to confirmation by the relevant tax authority.

The analysis of deferred tax assets and liabilities is as follows:

	Intangible assets $'000	Provisions & accruals $'000	Tax losses $'000	Total $'000
At 1 April 2014	(11)	33	(22)	-
Recognised in the profit & loss	(37)	15	22	-
At 30 June 2015	(48)	48	-	-
At 1 July 2015	(48)	48	-	
Recognised in the profit & loss	-	-	1,006	1,006
Recognised as part of a business combination	(1,006)	-	-	(1,006)
At 30 June 2016	(1,054)	48	1,006	-

5. CASH AND CASH EQUIVALENTS

	30 June 16 $000	30 June 15 $000
Cash at bank	868	1,475
Short term deposit	200	-
	1,068	1,475

As at 30 June 2016, $443,000 (2015: $21,000) was held in Australian dollars.

6. ACCOUNTS & OTHER RECEIVABLES

	30 June 16 $000	30 June 15 $000
Current assets		
Accounts receivable	480	29
Grants receivable	111	292
Prepayments	35	30
Goods and services & withholding taxes receivable	45	89
Sundry debtors	13	13
	684	453
Non-current assets		
NZX & rental bond	100	89

(a) Trade and other receivables

Trade receivables relate to the monthly or annual subscriptions charged in advance for GEO's service. The provision for impairment of receivables has been determined on specific balances 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. Of the trade receivable balances at the end of the year $222,000 (2015: $17,000) representing 34% (2015: 59%) are due from GEO's three largest customers, are not impaired and considered to be a low credit risk.

Grants receivable relate to the Growth Grant GEO receives from Callaghan Innovation. Grants are recognised when there is reasonable assurance that the grant will be received and the Group will comply with all attached conditions. $66,000 of the above balance was received subsequent to balance date.

(b) Aging analysis

At 30 June 2016, $386,000 or 80% of trade receivables were due for payment between one and 60 days after being invoiced (as at 30 June 2015: $27,000 or 93% of trade receivables.)

(c) Past due but not impaired trade receivables

Included in the trade receivables balance are debtors amounting to $94,000 (2015: $2,000) that are past due but not impaired at balance date.

7. PROPERTY, PLANT & EQUIPMENT

	Office Equipment $'000	Computer Equipment $'000	Fixtures & Fittings $'000	Office Furniture $'000	Total $'000
At 1 April 2014					
Cost	28	120	22	44	214
Accumulated depreciation	(6)	(33)	(1)	(2)	(42)
Carrying amount at beginning of period	22	87	21	42	172
15 months ended 30 June 2015					
Additions	3	15	-	5	23
Depreciation	(10)	(53)	(3)	(8)	(74)
Carrying amount at end of period	15	49	18	39	121
At 1 July 2015					
Cost	31	135	22	49	237
Accumulated depreciation	(16)	(86)	(4)	(10)	(116)
Carrying amount at beginning of period	15	49	18	39	121
Year ended 30 June 2016					
Additions	5	13	3	-	21
Additions - acquisition	-	7	-	-	7
Disposals	-	-	-	-	-
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

No impairment losses were recorded in 2016 or 2015.

8. INTANGIBLE ASSETS

(a) Capitalised development expenditure

The capitalised development expenditure relates to the continued development of the Group's technology platform hosted in the cloud and mobile application software.

	Application Software $'000
At 1 April 2014	
Cost	410
Accumulated amortisation	(195)
Carrying amount at beginning of period	215
15 months ended 30 June 2015	
Additions	801
Amortisation	(235)
Carrying amount at end of period	781
At 30 June 2015	
Cost	1,211
Accumulated amortisation	(430)
Carrying amount at end of period	781
Year ended 30 June 2016	
Additions	389
Additions - acquisition	3,592
Amortisation	(370)
Carrying amount at end of year	4,392
At 30 June 2016	
Cost	5,192
Accumulated amortisation	(800)
Carrying amount at end of year	4,392

The useful life of the capitalised development expenditure has been extended from 3 to 4 years which better reflects expected life of the platform and related products. Had the useful life not been changed, amortisation for the current year would have been $473,000.

(b) Goodwill

Year ended 30 June 2016	
Carrying amount at beginning of year	-
Additional amounts recognised from business combinations occurring during the year	5,718
Carrying amount at end of year	5,718
At 30 June 2016	
Cost	5,718
Accumulated impairment	-
Carrying amount at end of year	5,718

No impairment losses were recorded in 2016 (2015: Nil)

(c) Impairment Consideration

During the year ended 30 June 2016, 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 the recently acquired Interface IT Pty Ltd. 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.

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 post-tax discount rates used and the cash flow projections themselves. The recoverable amount is sensitive to the assumptions being achieved. If the assumptions are not met goodwill may require impairment.

9. SUBSIDIARIES

Subsidiary	Equity interest 30 June 2016	Equity interest 30 June 2015	Balance Date	Country of Incorporation	Principal Activity
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%	-	30 June	Australia	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

	30 June 16 $000	30 Jun 15 $000
Trade and other payables	390	68
Accruals	587	412
Revenue received in advance	243	93
	1,220	573

Trade and other payables

The average credit period on purchases of services represents an average of 30 days credit (2015: 20 days credit). The Group has financial risk policies in place to ensure that all payables are paid within payment terms.

11. BORROWINGS

	30 June 16 $000	30 Jun 15 $000
Unsecured		
Unlisted convertible notes	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.

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.

Fair value
The fair value of the convertible notes has been calculated based on an implied interest rate of 10% and over a 2 year term and an assessment of the value of the converting option built into the note.

12. SHARE CAPITAL

	Notes	Number of shares	$000's
Balance at 31 March 2014		27,270,167	12,984
Movements during the fifteen months			
Issue of shares to Directors & Employees		201,301	118
Transfer from share based payment reserve		-	332
Balance at 30 June 2015		27,471,468	13,434
Movements during the year			
Issue of shares in lieu of directors fees and salaries - related parties	i	224,604	90
Issue of shares under a share placement plan - related parties	ii	713,919	343
Issue of shares under a share placement plan - other parties	ii	4,396,665	2,110
Issue of shares under a share purchase plan - other parties	iii	1,408,072	629
Share buyback; shares placed in treasury stock	vi	-	(200)
Issue of shares under CEO incentive scheme	iv	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 InterfaceIT Pty Ltd	v	15,000,000	4,350
Balance at 30 June 2016		49,393,299	20,861

All shares have been issued as fully paid and have no par value. In the year to 30 June 2016, the Company issued the following:

(i) On 31 July 2015 the Company issued 224,604 ordinary shares in lieu of directors' fees and salaries to the directors and Chief Financial Officer.

(ii) On 24 August 2015 the Company completed a placement of 5,110,584 ordinary shares at an issue price of NZ$0.48 per share, raising NZ$2,453,000.

Warrants
Participants in the placement also received 1 warrant for every 3 shares subscribed for in the placement. The warrant is exercisable at each holder's election on three dates 30 April 2016, 31 July 2016 or 31 October 2016 at NZ$0.480 per share. The warrants, totalling 1,703,528 shares, will potentially provide the Company with additional funding in the future of approximately $817,000 if exercised in full.

(iii) On 30 September 2015 the Company completed a share purchase plan of 1,408,072 ordinary shares to existing shareholders at an issue price of NZ$0.446 per share, raising NZ$629,000.

SHARE CAPITAL (CONTINUED)

(iv) 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 set out in Note 23.

(v) On 1 June 2016 the Company allotted 15,000,000 shares as part consideration for the purchase of 100% of the shares in Interface IT Pty Ltd.

(vi) On 11 May 2015 a share buyback for NZ$ 200,000 was completed.

13. ACCUMULATED LOSSES

	12 mths 30 June 16 $000	15 mths 30 June 15 $000
Balance at the beginning of period	(10,925)	(5,097)
Net loss after tax for the period	(2,721)	(5,828)
Balance at the end of the period	(13,646)	(10,925)

14. (LOSS) PER SHARE

	12 mths 30 June 16	15 mths 30 June 15
Net (loss) after tax for the period ($'000)	(2,721)	(5,828)
Number of issued and outstanding ordinary shares (refer Note 12)	49,393,299	27,471,468
Weighted average number of ordinary shares outstanding	33,877,219	27,331,451
Basic and diluted (loss) per share (cents)	(8.0)	(21.3)

For 2015 there were no instruments that could potentially dilute basic earnings per share.

15. RELATED PARTY TRANSACTIONS

(a) Remuneration

At reporting date, the Directors of GeoOp Limited (the "Company") controlled 40.1% (2015: 26.2%) of the voting shares in the Company.

Roger Sharp, Chair of the Company (and previous Chair of Interface IT Pty Ltd), beneficially held 31.3% (2015: 0%) of the shares in the Company at balance date. He also beneficially holds 2,517,237 (84%) of the convertible notes. During the period, the Company paid North Ridge Partners (Pty) Ltd, a company of which Roger Sharp is a director and shareholder, $3,333 (2015: Nil) for director fees, and $13,333 for consulting fees. (2015: Nil).

Mark Weldon, director of the Company, held 5.8% (2015: 9.6%) of the shares in the Company at balance date. During the period, the Company paid Lola Nominees Limited, a company of which Mark Weldon is a director and shareholder, $71,667 (2015 : 15 month period: $106,250) for services as Chair for the period to 1 June 2016, and director services for the period 1 June to 30 June 2016.

15. RELATED PARTY TRANSACTIONS

(a) Remuneration (continued)

Viv Brownrigg, director of the Company, held 2.1% (2015: 3.3%) of the shares in the Company at balance date. During the period, the Company paid Dune Trustees Limited, a company of which Viv Brownrigg is a director and shareholder, $55,000 (2015: 15 month period: $68,750) for director fees.

Anna Cicognani was appointed to the Board on 1 June 2016 and holds 0.9% (2015: nil) of the shares in the Company at balance date. Anna Cicognani is not paid a directors fee.

Jodi Mitchell resigned as a director on 11 March 2016. During the period, the Company paid Medary Services Limited, a company of which Jodi Mitchell is a director and shareholder, $27,500 (2015: 15 month period: $68,750) for director fees.

Leanne Graham resigned as a director on 27 May 2016. During the period, the Company paid Leanne Graham $29,167 (2015: $Nil) for director fees.

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:

		12 months 30 Jun 16 $000	15 months 30 Jun 15 $000
Directors' fees	- Cash	48	89
	- Issue of shares	136	170
CEO Incentive Scheme (refer Note 23)		130	129
Short term employee benefits		815	670
		1,129	1,058

(b) Loans to Directors

	Interest paid/received		Balances outstanding	
	2016 12 months $'000	2015 15 months $'000	2016 30 Jun 16 $'000	2015 30 Jun 15 $'000
Directors – Non executive	-	-	351	331

In 2013, GEO provided a secured loan facility for the two Non-Executive Directors (through their investment entities) 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 period (2015: nil).

16. COMMITMENTS FOR EXPENDITURE

(a) Capital Expenditure Commitments

As at 30 June 2016 there were no capital expenditure commitments (2015: $Nil).

(b) Operating Lease Commitments

Non-cancellable operating lease commitments are as follows:

	30 June 16 $000	30 June 15 $000
Less than 1 year	172	89
After one year but not more than five years	182	163
	354	252

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.

Fair value of consideration transferred

	Interface IT Pty Ltd $'000
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

(i) The purchase price is subject to a potential performance payment, calculated as: $2 x 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

17. BUSINESS COMBINATIONS (Continued)

from ordinary customers. It excludes one-off training and implementation income or any grant income or interest received or any revenue from further acquisitions.

(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 2016
	$'000
Current Assets	
Cash and cash equivalents	64
Trade and other receivables	419
Non-current Assets	
Plant and equipment	8
Security deposit	11
Intellectual property	3,592
Current liabilities	
Trade and other payables	(432)
Non-current liabilities	
Provision for Long Service Leave	(24)
Deferred tax liability	(1,006)
	2,632

The initial accounting for the acquisition of Interface IT Pty Ltd has only been provisionally determined at the end of the reporting period. For tax purposes, the tax values of Interface IT's assets are required to be reset based on market values of the assets. At the date of finalisation of these consolidated financial statements, the necessary market valuations and other calculations had not been finalised and they have therefore only been provisionally determined based on the directors' best estimate.

Goodwill arising on acquisition

	Interface IT Pty Ltd $'000
Consideration transferred	8,350
Less: fair value of identifiable net assets acquired	2,632
Goodwill arising on acquisition	5,718

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.

Revenue and Profit contribution

The acquired business contributed recurring revenues of $135,507 and net loss of $44,898 to the Group for the period from 1 June 2016 to 30 June 2016.

Board appointment

As part of the acquisition Roger Sharp (Interface IT Pty Ltd's Chair) joined GeoOp Limited's board and assumed the role of Chair. Roger Sharp is also a director and shareholder of North Ridge Partners Pty Limited who collectively held 79.65% of Interface IT Pty Ltd's ordinary shares.

18. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

There were no material contingent assets or contingent liabilities at 30 June 2016 (2015: $Nil).

19. SIGNIFICANT EVENTS SUBSEQUENT TO REPORTING DATE

Mark Weldon resigned as a Director, effective 31 August 2016.

Subsequent to year end Director and related party loans of $425,000 were received.

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

20. SEGMENTAL REPORTING

The Chief Executive and members of the executive management team are the Group's chief operating decision makers. They have determined that based on the information they use for the purposes of allocating resources and assessing performance, the Group itself forms a single operating segment, the development and deployment of cloud based application software. The segment result is reflected in the financial statements. Financial information about geographical areas is not available and the cost to develop it has been deemed to be excessive.

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

	12 mths 30 Jun 16 $000	15 mths 30 Jun 15 $000
Net loss for the period	(2,721)	(5,828)
Adjustments for non-cash items		
Amortisation of capitalised development costs	370	235
Depreciation	49	74
Related party loan expense / (income)	(20)	(23)
Share based payments expense (Refer Note 23)	319	251
Tax losses utilised	(1,006)	-
Other	(147)	57
	(435)	594
Movements in working capital		
Accounts receivable and other receivables	(231)	(252)
Accounts payable and accruals	647	150
	416	(102)
Net cash (outflow) from operating activities	(2,740)	(5,336)

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(i)).

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.

22. FINANCIAL RISK MANAGEMENT

(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.

	30 Jun 16 $000	**30 Jun 15 $000**
Variable rate instruments		
Financial assets		
Cash and cash equivalents	1,068	1,475

Interest rates on cash and cash equivalents ranged from 0% to 3.20% (2015: 0% to 4.00%).

(d) Credit Risk

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

The maximum exposures to credit risk at balance date are:

	30 Jun 16 $000	**30 Jun 15 $000**
Assets		
Cash and short term deposits	1,068	1,475
Accounts receivable	480	29
Grants receivable	111	292
Sundry debtors	13	13
Related party loans	351	331
Other receivables	100	89

$66,000 of the grants receivable had been paid subsequent to year end. The Group's bank accounts are held with ASB Bank, BNZ Bank, Commonwealth Bank of Australia 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.

22. FINANCIAL RISK MANAGEMENT (CONT'D)

(e) Foreign Exchange Risk

The Group is exposed to foreign currency movements against the New Zealand Dollar. The 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 this rate. During this time the foreign currency risk will increasingly be mitigated by repatriation of Australian revenues.

The following sensitivity analysis is based on the foreign currency risk exposures in existence at the reporting date. As at 30 June 2016, 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:

	12 months 30 June 16 $000	**15 months 30 June 15 $000**
Increase in the value of the New Zealand Dollar by 10%		
Impact on profit or (loss)	(18)	54
Impact on equity	(158)	54
Decrease in the value of the New Zealand Dollar by 10%		
Impact on profit or (loss)	18	(54)
Impact on equity	158	(54)

The sensitivity analysis was calculated by taking the average rate as at balance date of 0.9170 (2015: 0.9286) 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 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	684	-	-	684
Bonds	100	-	-	100
Related party loans	351	-	-	351
Total financial assets	2,203	-	-	2,203
Liabilities				
Accounts payable	-	-	1,002	1,002
Convertible notes	-	3,000	-	3,000
Other payables	-	-	220	220
Total financial liabilities	-	3,000	1,222	4,222

22. FINANCIAL RISK MANAGEMENT

(f) Fair Value of Financial Instruments (continued)

15 months ended 30 June 2015	**Loans & receivables**	**Financial liabilities at amortised cost**	**Total carrying value**
	$000	**$000**	**$000**
Assets			
Cash and cash equivalents	1,475	-	1,475
Trade receivables	321	-	321
Sundry receivables	13	-	13
Bonds	89	-	89
Related party loans	331	-	331
Total financial assets	2,229	-	2,229
Liabilities			
Accounts payable	-	68	68
Other payables	-	505	505
Total financial liabilities	-	573	573

23. SHARE BASED PAYMENTS

(a) Share Based Payments Reserve	**$000's**
Balance at 31 March 2014	385
Share based payment expense	251
Transfer to issued share capital	(450)
Balance at 30 June 2015	186
Movements during the year	
Share based payment expenses	53
Transfer to issued share capital	(151)
Balance at 30 June 2016	88

23 SHARE BASED PAYMENTS (CONT'D)

(b) Share based payments expense

	12 mths 30 June 16 $000	15 mths 30 June 15 $000
CEO Incentive Scheme	130	-
Management Incentive Scheme	-	114
Employee Growth Share Scheme	53	35
Directors' fees	90	87
Employee salary sacrifice	-	15
	273	251
Accrual	46	83
Total for the period	319	334

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 est 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. 72,727 shares vested during the 15 month period to 30 June 2015 as a result of participants leaving the scheme as good leavers.

23 SHARE BASED PAYMENTS (CONT'D)

Employee Growth Share Plan (continued)

A non-cash expense of $52,723 was recorded in the period to 30 June 2016 relating to the Plan.

	Number of shares ('000) 30 Jun 16	Number of shares ('000) 30 Jun 15
Outstanding at beginning of period	322	-
Awarded pursuant to the Employee Growth Share Plan	-	415
Forfeited	(98)	(21)
Vested	(72)	(72)
Unvested shares as at 30 June allocated to employees	152	322
Forfeited shares held by the Trustee not yet reallocated	98	21
Aging of unvested shares		
Balance of shares to vest within 1 year	152	91
Balance of shares to vest after 1 year	-	231
	152	322

The Board is taking advice with a view to resetting its employee equity incentive plans during the 2017 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):

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 period, the Company issued 35,246 ordinary shares for a value of $15,360 (2015: 26,034 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

23 SHARE BASED PAYMENTS (CONT'D)

volume weighted average price over twenty business days following the six month period to which the service was provided. The shares vest immediately.

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:

Chief Executive Officer Long Term Incentive

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 certain share price targets (based on end-of-day pricing on a specific trading day).

Share price targets are

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.

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.

A non-cash expense of $130,000 was recorded in the year to 30 June 2016 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	3.5%
Share price at grant date	$0.40

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 scheme

GEO entered into a Subscription Agreement in July 2013 pursuant to which Cloud Rainmakers, an entity associated with Leanne Graham, and Stewart Reynolds each subscribed for ordinary fully paid shares in GEO under the Management Incentive Scheme.

In September 2014, Leanne Graham moved from Chief Executive Officer to take up the role as Executive Strategic Advisor to the Group. Pursuant to Leanne Graham's Management Incentive Scheme and related Subscription Agreement, the Group

23 SHARE BASED PAYMENTS (CONT'D)

acquired 500,077 ordinary shares in the Company from Leanne Graham for a total consideration of NZ$1.00 and held as treasury stock.

On 30 October 2015, Stewart Reynolds resigned as Chief Financial Officer. Pursuant to Stewart Reynolds's Management Incentive Scheme and related Subscription Agreement, the Group acquired 133,350 ordinary shares in the Company from Stewart Reynolds for a total consideration of NZ$1.00 and held it as treasury stock.

Jason Faulkner, Chief Technology Officer, joined the Group on 6 June 2016. Subject to Board approval and completion of 12 months of service he will be awarded shares to the value of NZ$ 50,000.

1. DIRECTORS' REMUNERATION

Roger Sharp, as Chair of GeoOp Limited receives a Director's fee of $20,000 per annum. The Company pays an advisory fee of $80,000 per annum to North Ridge Partners Pty Ltd, a company of which Roger Sharp is a director and shareholder, for advice in relation to capital markets and mergers and acquisitions.

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

Anna Cicognani is remunerated as an employee in her capacity as Chief Executive of GEO, and does not receive a fee as Director. Anna Cicognani's remuneration totalled $457,000 for the year, comprising salary of $327,000 and share based payments of $130,000.

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 during the 12 months to 30 June 2016 were as follows:

Director	Director's fee, 12 months, $000
Roger Sharp (appointed 1 June 2016)	3
Mark Weldon	72
Viv Brownrigg	55
Anna Cicognani (appointed 1 June 2016)	-
Leanne Graham (resigned 27 May 2016)	29
Richard Suhr (resigned 9 May 2016)	(3)
Jodi Mitchell (resigned 11 March 2016)	28
Total	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 2016, two of the four members of the Board were women (2015: three of the five) and three of the five members of the senior management team were women (2015: two).

3. DIRECTORS' SHAREHOLDINGS

Details of director shareholdings as at 30 June 2016 are set out below:

Director	Held by associated entities
Roger Sharp	11,947,595 ordinary shares
Mark Weldon	2,880,718 ordinary shares
Vivienne Brownrigg	1,054,237 ordinary shares
Anna Cicognani	436,904 ordinary shares

No directors have sold any shares during the year.

4. DIRECTOR SHARE DEALING

During the year to 30 June 2016, 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)	Consideration $000
30 July 2015	Viv Brownrigg	Dune Trustees	Ordinary	iii	42,068	18
24 September 2015	Viv Brownrigg	Dune Trustees	Ordinary	v	104,167	50
24 September 2015	Viv Brownrigg	Dune Trustees	Warrants	v	34,722	-
24 September 2015	Anna Cicognani	CicoMilne Pty Ltd	Ordinary	v	208,333	100
24 September 2015	Anna Cicognani	CicoMilne Pty Ltd	Warrants	v	69,445	-
13 November 2015	Anna Cicognani	Anna Cicognani	Ordinary	i	178,571	130
29 January 2016	Anna Cicognani	Anna Cicognani	Ordinary	iv	50,000	-
1 June 2016	Roger Sharp	North Ridge Partners Pty Ltd, co-investor No.1 fund account.	Ordinary	ii	343,000	-
1 June 2016	Roger Sharp	Valuestream Investment Management Limited, co-investor No.3 pipe fund.	Ordinary	ii	11,604,595	-
30 July 2015	Mark Weldon	Lola Nominees Ltd	Ordinary	iii	48,761	21
24 September 2015	Mark Weldon	Lola Nominees Ltd	Ordinary	v	208,333	100
24 September 2015	Mark Weldon	Lola Nominees Ltd	Warrants	v	69,445	-
24 September 2015	Leanne Graham	Cloud Rainmakers Ltd	Ordinary	v	41,667	20
24 September 2015	Leanne Graham	Cloud Rainmakers Ltd	Warrants	v	13,889	-
30 July 2015	Jodi Mitchell	Medary Services Ltd	Ordinary	iii	42,068	18
24 September 2015	Jodi Mitchell	Medary Services Ltd	Ordinary	v	31,250	15
20 April 2016	Jodi Mitchell	Medary Services Ltd	Ordinary	iii	45,833	18
24 September 2015	Jodi Mitchell	Medary Services Ltd	Warrants	v	10,417	-
30 July 2015	Richard Suhr	Suhr Heather Family Trust	Ordinary	iii	56,512	24
24 September 2015	Richard Suhr	Suhr Heather Family Trust	Ordinary	v	104,166	50
24 September 2015	Richard Suhr	Suhr Heather Family Trust	Warrants	v	34,722	-

i Issued in terms of the CEO incentive scheme.
ii Issued as part consideration for the acquisition of Interface IT Pty Ltd.
iii Shares acquired in lieu of Director fees.
iv Issued from treasury stock.
v Issued as part of a share placement.

5. DIRECTORS' LOANS

On 26 September 2013, GEO provided a secured loan facility for two Non-Executive Directors (through their investment entities) 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 2016, 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	6
$110,001 - $120,000	-
$120,001 - $130,000	-
$130,001 - $140,000	-
$140,001 - $150,000	2
$150,001 - $160,000	-
$160,001 - $170,000	-
$170,001 - $180,000	-
$180,001 - $190,000	-
$190,001 - $200,000	-
$220,001 - $230,000	-
$240,001 - $250,000	1
$280,001 - $290,000	1
> $290,001	-
	10

9. DONATIONS

No donations were made by the Group during the year ended 30 June 2016 (2015: Nil).

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

10. SUBSIDIARIES

At 30 June 2016, GEO has the following wholly owned subsidiary companies with the following directors:

Entity	*Directors*
GeoOp Pty Limited	Rhonda Robati Anna Cicognani
GeoOp Trustee Limited	Viv Brownrigg
InterfaceIt Operations Pty Ltd	Roger Sharp Anna Cicognani

11. SUBSIDIARY INTEREST REGISTER

There were no entries in GeoOp Pty Limited's interests register during the year to 30 June 2016.

12. SUBSTANTIAL SECURITY HOLDERS

According to the substantial product holders report filed for the year to 30 June 2016, 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)	11,604,595	23.49%
Cloud Rainmakers Limited (L. Graham)	3,520,994	7.13%
New Zealand Central Securities	3,294,946	6.15%
JKM Family Investments Pty Ltd (J. Muir)	3,048,928	6.17%
Lola Nominees Limited (M. Weldon)	2,880,718	5.83%

13. TWENTY LARGEST EQUITY SECURITY HOLDERS

The names of the 20 largest holders of ordinary issued shares as at 7 October 2016 are listed below.

Top 20 Shareholders	*Issued shares*	
	Number	*%*
1. North Ridge Partners & Associates (R. Sharp)	16,142,990	30.12%
2. Cloud Rainmakers Limited (L. Graham)	3,520,994	6.57%
3. New Zealand Central Securities	3,294,946	6.15%
4. JKM Family Investments Pty Ltd (J. Muir)	3,048,928	5.69%
5. Lola Nominees Limited (M. Weldon)	2,880,718	5.38%
6. Simon Calder Fraser & Lisa Joy	1,794,761	3.35%
7. Brendan Sean Cervin & Neilsons	1,673,183	3.12%
8. Dune Trustees Limited (V. Brownrigg)	1,054,237	1.97%
8. Geoop Limited (Treasury shares)	836,251	1.56%
9. Stewart Leslie Reynolds	696,226	1.30%
10. Carnethy Evergreen P/L	600,000	1.12%
11. FNZ Custodians Limited	496,834	0.93%
13. Anna Cicognani	436,904	0.82%
12. Hodge Tech Limited	408,334	0.76%
13. Mark Benedict Forstmann	357,783	0.67%
14. Terry David Shearer	331,631	0.62%
15. Nick Abplanalp	321,558	0.60%
16. David Georges Andre Dromer	313,591	0.59%
17. Allan Michael Nobilo	300,000	0.56%
20. Richard Jeremy Suhr	290,474	0.54%
Total	38,800,343	72.40%

14. SPREAD OF SECURITY HOLDERS

The spread of security holders of ordinary issued shares as at 7 October 2016 are listed below.

Range	**Shareholders**		**Issued capital**	
	Number	**%**	**Number**	**%**
1 – 1000	415	28.5%	255,203	0.5%
1,001 – 5,000	552	37.9%	1,579,488	2.9%
5,001 – 10,000	187	12.8%	1,479,682	2.8%
10,001 – 50,000	221	15.2%	5,116,761	9.6%
50,001 – 100,000	36	2.5%	2,536,451	4.7%
100,001 and above	45	3.1%	42,621,109	79.5%
Total	1,456	100.0%	53,588,694	100.0%

CORPORATE DIRECTORY

Company Number	2244624	
Directors	Viv Brownrigg Anna Cicognani Roger Sharp (Chair)	
Registered Office	Level 3, 12 Heather Street Parnell Auckland, 1052 New Zealand	
Postal Address	PO Box 37340 Parnell Auckland, 1151 New Zealand	
Auditors	Deloitte 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	