

LIVEHIRE LTD (formerly Fifobids Pty Ltd)

ABN 59 153 266 605

Financial Report

For the six months ended 31 December 2015

Livehire Ltd
Directors' report
For the six months ended 31 December 2015

The directors present their report, together with the financial statements, on the Livehire Ltd (referred to hereafter as the 'company') for the six months ended 31 December 2015.

Directors

The following persons were directors of Livehire Ltd during the six month period and up to the date of this report, unless otherwise stated:

Patrick Grant Galvin
Antonluigi Gozzi
Michael Haywood
Adam Paul Zorzi
Geoff Morgan (appointed 27 Nov 2015)

Principal activities

During the six month period the principal continuing activities of the company consisted of:

- Software development and big data services

Dividends

No dividends paid or declared during the six month period (2015: NIL).

Review of operations

The loss for the company for the six months ended 31 December 2015 after providing for income tax amounted to \$2,116,881 (for the year ended 30 June 2015: \$1,944,961).

The entities increased loss position reflects the continued investment into research and development of the core product, based on the approved technology roadmap and inputs from existing clients of LiveHire. The company also committed to undertake a review of the business operations and subsequently to prepare for listing on the ASX in 1H 2016. This process included increasing the commercialisation efforts and internal resourcing in the areas of sales, customer support, customer success, brand and marketing. This loss position continues to be financed by way of strong investment from industry veterans and investment backers who see the long term prospects of the entity.

Revenue results remain nominal compared to overall investment in product and technology, in preparation for future commercialisation at scale and with medium to large enterprises. A large Talent Community pilot program implementation with the largest Australian labour hire company required deployment of significant company resources for the first quarter of the year, generating significant revenues (\$120k approx.) and increase in company IP and business processes. The employment market in Australia has been strengthening in areas being targeted by the business, including healthcare, construction, IT and professional services. Research and development ("R&D") grant revenues have not been brought to account in the 31 December 2015 financial year due to the largely unknown value at the date of the production of this report. Indications from preliminary works by Price Waterhouse Coopers in February 2016 indicates an amount receivable of \$495,415, but this claim has yet to be submitted to the Australian Taxation Office. Predicted grant revenues have continued to increase year on year as R&D expenditure increases with ongoing product development and capital investment. The high level of R&D funding received is indicative of the unique nature of the core product in its development lifecycle, and the complexities in delivering a transformational product for an industry that is highly complex and variable.

The financial position of the entity is in line with expectations due to high levels of investment in the year and we predict to continue to investment in product, technology, analytics and commercialisation in the next financial year. There are no loans or overdrafts in place due to the high level of demand for investment into the entity.

The Software as a Service ("SAAS") industry is a rapidly growing technological area heavily reliant on investor funding early in its lifespan. The main risk for such an entity is any potential low valuation for the entity in the future as this would affect the demand to invest, which currently funds the entities operational costs. Any future legislative changes (none of which are known nor announced) around R&D funding also pose a risk.

Significant changes in the state of affairs

There were no other significant changes in the state of affairs of the company during the six month period.

Matters subsequent to the end of the financial year

All performance rights issued to Brett Stevenson were cancelled on 27th January 2016 following written agreement between Livehire and Brett Stevenson.

The company is currently in the process of an IPO which the Board anticipates will be completed in the coming months.

No matter or circumstance has arisen since 31 December 2015 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future periods.

Likely developments and expected results of operations

Information on likely developments in the operations of the company and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the company.

Environmental regulation

The company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on directors

Name:	Patrick Grant Galvin
Title:	Director
Qualifications:	BA (Economics), MBA, GDipAppFin
Experience and expertise:	20yrs with blue-chip organisations, including EY (Global), The Coca-Cola Company, Deloitte and American Express, in Consulting, Commercial Marketing and General Management, in Australia, Ireland, USA and UK.
Special responsibilities:	Executive Director with specific accountability for Commercial Execution

Name:	Antonluigi Gozzi
Title:	Managing Director
Qualifications:	Master's in Mechanical Engineering (Italy)
Experience and expertise:	Management consulting, strategy, product development, change management, performance management with small companies and large Top25 ASX companies in Australasia.
Special responsibilities:	Managing Director, Product Director, Finance, KPI analytics, Reporting, Client implementation.

Name:	Michael Haywood
Title:	Director
Qualifications:	Batchelor of Engineering (Mechanical) Batchelor of Commerce (HR) PhD Engineering (Materials)
Experience and expertise:	Early stage startup operator (3rd business founded, all remain going concerns). Focussed on growth, sales, marketing, networking and partnerships.
Special responsibilities:	Company Secretary

Name:	Adam Paul Zorzi
Title:	Director
Qualifications:	Bachelor of Commerce (Property & Finance) Graduate Certificate in Financial Planning
Experience and expertise:	Company Director, specialising in Construction and Property & Construction Early stage start up investor in technology
Special responsibilities:	Non-Executive Director

Livehire Ltd
Directors' report
31 December 2015

Company secretary

Michael Haywood has held the role of Company Secretary since 16 September 2011.

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the six months ended 31 December 2015, and the number of meetings attended by each director were:

	Full board		Audit Committee	
	Attended	Held	Attended	Held
Patrick Grant Galvin	5	5	0	0
Anton Luigi Gozzi	5	5	0	0
Michael Haywood	5	5	0	0
Adam Paul Zorzi	5	5	0	0
Geoff Morgan	1	5	0	0

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Shares under option

There are no shares under option as at 31 December 2015.

Shares issued on the exercise of options

The following ordinary shares of Livehire Ltd were issued during the year ended 31 December 2015 and up to the date of this report on the exercise of options granted:

Date options	Exercise price	Number of shares issued
21 July 2014	\$0.0757576	9,447,404
31 July 2014	\$0.1262920	5,915,007

Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the six month period, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

The company has not, during or since the six month period, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the six month period, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Livehire Ltd
Directors' report
31 December 2015

Auditor's independence declaration

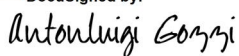
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

Auditor

BDO Audit (WA) Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

DocuSigned by:

B87DC97446CC412...

Antonluigi Gozzi
Director

23 March 2016
Perth

DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF LIVEHIRE LTD

As lead auditor of LiveHire Ltd for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.



Dean Just
Director

BDO Audit (WA) Pty Ltd
Perth, 23 March 2016

Livehire Ltd
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For the six months ended 31 December 2015

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General information

The financial statements cover Livehire Ltd as a single entity during the six month period. The financial statements are presented in Australian dollars, which is Livehire Ltd's functional and presentation currency.

Livehire Ltd is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

c/- Coghlan & Co
7 Acacia Place
Abbotsford
VIC 3067

Principal place of business

Level 13
114 William Street
Melbourne
VIC 3000

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on __ March 2016. The directors have the power to amend and reissue the financial statements.

Livehire Ltd
Statement of profit or loss and other comprehensive income
For the six months ended 31 December 2015

		For the 6 months ended 31 December 2015 \$	For the year ended 30 June 2015 \$
	Note		
Revenue			
Revenue from continuing operations	3	135,570	101,856
Other income	3	5,170	14,909
		<u>140,740</u>	<u>116,765</u>
Expenses			
Share based payment expense	18	(1,054,256)	(573,567)
Employee benefits expense	4	(543,147)	(747,200)
Depreciation and amortisation expense	4	(14,555)	(11,754)
Operating expenses	4	(500,551)	(729,163)
IPO related expenses	4	(145,112)	-
Finance costs		-	(42)
		<u>-</u>	<u>(42)</u>
Loss before income tax expense		(2,116,881)	(1,944,961)
Income tax expense		-	-
		<u>-</u>	<u>-</u>
Loss after income tax expense for the period		(2,116,881)	(1,944,961)
Other comprehensive income			
Other comprehensive income for the period, net of tax		-	-
		<u>-</u>	<u>-</u>
Total comprehensive income (loss) for the period		<u>(2,116,881)</u>	<u>(1,944,961)</u>
Loss for the period is attributable to:			
Owners of Livehire Ltd		<u>(2,116,881)</u>	<u>(1,944,961)</u>
 Total comprehensive income (loss) for the period is attributable to:			
Owners of Livehire Ltd		<u>(2,116,881)</u>	<u>(1,944,961)</u>

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

Livehire Ltd
Statement of financial position
As at 31 December 2015

	Note	As at 31 December 2015 \$	As at 30 June 2015 \$
Assets			
Current assets			
Cash and cash equivalents	5	2,872,520	766,432
Trade receivables		5,871	59,709
Other current assets	6	73,335	17,930
Total current assets		<u>2,951,726</u>	<u>844,071</u>
Non-current assets			
Property, plant and equipment	7	<u>4,381</u>	<u>6,916</u>
Total non-current assets		<u>4,381</u>	<u>6,916</u>
Total assets		<u>2,956,107</u>	<u>850,987</u>
Liabilities			
Current liabilities			
Trade and other payables	8	54,299	56,425
Other liabilities and accruals	9	<u>42,271</u>	<u>92,400</u>
Total current liabilities		<u>96,570</u>	<u>148,825</u>
Total liabilities		<u>96,570</u>	<u>148,825</u>
Net assets		<u>2,859,537</u>	<u>702,162</u>
Equity			
Issued capital	10	6,321,702	3,101,702
Share based payment reserves	18	1,627,823	573,567
Accumulated losses	11	<u>(5,089,988)</u>	<u>(2,973,107)</u>
Equity attributable to the owners of Livehire Ltd		<u>2,859,537</u>	<u>702,162</u>
Total equity		<u>2,859,537</u>	<u>702,162</u>

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

Livehire Ltd
Statement of changes in equity
For the six months ended 31 December 2015

	Issued capital \$	Share based payment reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2014	1,402,740	-	(1,028,146)	374,594
Loss after income tax expense for the year	-	-	(1,944,961)	(1,944,961)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income (loss) for the year	-	-	(1,944,961)	(1,944,961)
Transactions with owners in their capacity as owners:				
<i>Contributions of equity, net of transaction costs</i>	1,698,962	-	-	1,698,962
Share option expense	-	573,567	-	573,567
Balance at 30 June 2015	<u>3,101,702</u>	<u>573,567</u>	<u>(2,973,107)</u>	<u>702,162</u>
	Issued capital \$	Share based payment reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2015	3,101,702	573,567	(2,973,107)	702,162
Loss after income tax expense for the six month period	-	-	(2,116,881)	(2,116,881)
Other comprehensive income for the six month period, net of tax	-	-	-	-
Total comprehensive income (loss) for the six month period	-	-	(2,116,881)	(2,116,881)
Transactions with owners in their capacity as owners:				
<i>Contributions of equity, net of transaction costs</i>	3,220,000	-	-	3,220,000
Share option expense	-	1,054,256	-	1,054,256
Balance at 31 December 2015	<u>6,321,702</u>	<u>1,627,823</u>	<u>(5,089,988)</u>	<u>2,859,537</u>

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

Livehire Ltd
Statement of cash flows
For the six months ended 31 December 2015

		For the 6 months ended 31 December 2015 \$	For the year ended 30 June 2015 \$
	Note		
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		232,663	42,147
Payments to suppliers and employees (inclusive of GST)		(1,340,134)	(1,401,034)
Receipts from grants		-	258,028
Proceeds from loans to related parties			323
Interest received		4,184	8,917
Interest paid		-	(42)
		<u> </u>	<u> </u>
Net cash used in operating activities	17	<u>(1,103,287)</u>	<u>(1,091,661)</u>
Cash flows from investing activities			
Payments for property, plant and equipment		<u>(10,625)</u>	<u>(5,673)</u>
Net cash from (used in) investing activities		<u>(10,625)</u>	<u>(5,673)</u>
Cash flows from financing activities			
Proceeds from issue of shares		<u>3,220,000</u>	<u>1,698,962</u>
Net cash from financing activities		<u>3,220,000</u>	<u>1,698,962</u>
Net increase/(decrease) in cash and cash equivalents		2,106,088	601,628
Cash and cash equivalents at the beginning of the financial period		<u>766,432</u>	<u>164,804</u>
Cash and cash equivalents at the end of the financial period	5	<u><u>2,872,520</u></u>	<u><u>766,432</u></u>

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

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

The company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

In the directors' opinion, the company is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of complying with the Corporations Act 2001 requirements to prepare and distribute financial statements to the owners of Livehire Ltd. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the owners of Livehire Ltd.

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the disclosure requirements of AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors', AASB 110 'Events After the End of the Reporting Period', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for for-profit oriented entities.

For the purposes of preparing the financial statements, the Company is a for-profit entity.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Rendering of services

Rendering of services revenue from business intelligence and data services is recognised by reference to the stage of completion of the contracts.

Stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract. Where the contract outcome cannot be reliably estimated, revenue is only recognised to the extent of the recoverable costs incurred to date.

Interest

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

Grant income

Grant income is recognised as income on a systematic basis over the period necessary to match them with the related costs for which they are intended to be compensation. Recognition as income is only permitted when there is reasonable assurance that the company will comply with the conditions attached to the grants and the grants will be received.

Note 1. Significant accounting policies (continued)

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

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

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any provision for impairment.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a diminishing value basis to write off the net cost of each item of property, plant and equipment using depreciation rates as follows:

Office furniture and equipment	20 – 66.67%
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The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 1. Significant accounting policies (continued)

Issued capital

Ordinary shares and Class A shares are classified as equity.

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

Share-based payment

The company shall recognise the goods or services received or acquired in a share-based payment transaction when it obtains the goods or as the services are received. The entity shall recognise a corresponding increase in equity if the goods or services were received in an equity-settled share-based payment transaction or a liability if the goods or services were acquired in a cash-settled share-based payment transaction. Share based payment reserve account is used when recording increase in equity arising from this type of transaction.

When the goods or services received or acquired in a share-based payment transaction do not qualify for recognition as assets, they shall be recognised as expenses.

For equity-settled share-based payment transactions, the entity shall measure the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless that fair value cannot be estimated reliably. If the entity cannot estimate reliably the fair value of the goods or services received, the entity shall measure their value, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted.

The fair value of those equity instruments shall be measured at grant date.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the six months period ended 31 December 2015. The company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial period are discussed below.

Provision for impairment of receivables

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, the ageing of receivables, historical collection rates and specific knowledge of the individual debtors financial position.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Estimation of fair value of share-based payment transactions

The company determines the estimated fair value of share-based payment transactions based on the fair value of the equity instruments granted.

Livehire Ltd
Notes to the financial statements
For the six months period ended 31 December 2015

Note 3. Revenue

	For the 6 months ended 31 December 2015 \$	For the year ended 30 June 2015 \$
<i>Revenue from continuing operations</i>		
Business intelligence and data services	33,621	101,856
Hosting fees	47,528	-
Implementation fees	6,240	-
Connection fees	6,552	-
Licence fees	14,132	-
Set up fees	27,497	-
	<u>135,570</u>	<u>101,856</u>
<i>Other income</i>		
Recoveries from employees	-	5,992
Interest received	4,184	8,917
Other income	986	-
	<u>5,170</u>	<u>14,909</u>
Revenue and other income	<u>140,740</u>	<u>116,765</u>

Note 4. Expenses

	For the 6 months ended 31 December 2015 \$	For the year ended 30 June 2015 \$
Loss before income tax includes the following specific expenses:		
<i>Employee benefits expenses</i>		
Salaries and wages – R&D	435,903	665,689
Salaries and wages	44,096	67,341
Superannuation contributions	45,557	6,827
Fringe benefit tax	-	2,125
Other	17,591	5,218
Total employee benefits expenses	<u>543,147</u>	<u>747,200</u>
<i>Depreciation and amortisation expenses</i>		
Office furniture and equipment depreciation	13,160	8,965
Formation costs	1,395	2,789
Total depreciation and amortisation	<u>14,555</u>	<u>11,754</u>

Livehire Ltd
Notes to the financial statements
For the six months period ended 31 December 2015

Note 4. Expenses (continued)

	For the 6 months ended 31 December 2015 \$	For the year ended 30 June 2015 \$
<i>Operating expenses</i>		
Accounting and bookkeeping expenses	30,882	30,850
Advertising and marketing expenses	48,372	2,428
Cloud servers hosting expenses	44,561	-
Computer expenses	-	13,881
Consultancy fees	62,129	41,611
Professional development expenses	9,823	-
Rent expenses	45,941	10,785
Research and development costs	122,343	602,159
Software expenses	29,609	-
Travel expenses	94,674	20,477
Other	12,217	6,972
Total operating expenses	<u>500,551</u>	<u>729,163</u>
<i>IPO related expenses</i>		
IPO legal expenses	33,168	-
IPO management expenses	102,486	-
Other IPO related expenses	9,458	-
Total IPO related expenses	<u>145,112</u>	<u>-</u>

Note 5. Current assets - cash and cash equivalents

	As at 31 December 2015 \$	As at 30 June 2015 \$
Cash on hand	240	240
Cash at bank	2,872,280	766,192
	<u>2,872,520</u>	<u>766,432</u>
<i>Reconciliation to cash and cash equivalents at the end of the financial year</i>		
The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows as follows:		
Balances as above	<u>2,872,520</u>	<u>766,432</u>
Balance as per statement of cash flows	<u>2,872,520</u>	<u>766,432</u>

Livehire Ltd
Notes to the financial statements
For the six months ended 31 December 2015

Note 6. Current assets – other current assets

	As at 31 December 2015 \$	As at 30 June 2015 \$
Undertaking security deposits	18,760	-
GST refundable	53,180	15,141
Other assets	1,395	2,789
	<u>73,335</u>	<u>17,930</u>

Note 7. Non-current assets - property, plant and equipment

	As at 31 December 2015 \$	As at 30 June 2015 \$
Office furniture and equipment - at cost	34,904	24,279
Less: Accumulated depreciation	<u>(30,523)</u>	<u>(17,363)</u>
	<u>4,381</u>	<u>6,916</u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Office furniture and equipment \$	Total \$
Balance at 1 July 2014	10,208	10,208
Additions	5,673	5,673
Depreciation expense	<u>(8,965)</u>	<u>(8,965)</u>
Balance at 30 June 2015	6,916	6,916
Additions	10,625	10,625
Depreciation expense	<u>(13,160)</u>	<u>(13,160)</u>
Balance at 31 December 2015	<u>4,381</u>	<u>4,381</u>

Livehire Ltd
Notes to the financial statements
For the six months ended 31 December 2015

Note 8. Current liabilities - trade and other payables

	As at 31 December 2015 \$	As at 30 June 2015 \$
Trade payables	-	7,770
Fringe benefit tax payable	2,125	2,125
Superannuation payables	27,242	28,599
PAYG payables	24,932	17,931
	<u>54,299</u>	<u>56,425</u>

Note 9. Current liabilities – other payables and accruals

	As at 31 December 2015 \$	As at 30 June 2015 \$
Accrued expenses	-	92,400
Deferred income	42,271	-
	<u>42,271</u>	<u>92,400</u>

Note 10. Equity - issued capital

	As at 31 December 2015 Shares	As at 30 June 2015 Shares	As at 31 December 2015 \$	As at 30 June 2015 \$
Ordinary shares - fully paid	150,000,000	60,000,000	6,321,702	502,740
A Class shares – partially paid	-	502,957	-	100,000
A Class shares – fully paid	-	22,384,316	-	2,498,961
	<u>150,000,000</u>	<u>82,887,273</u>	<u>6,321,702</u>	<u>3,101,702</u>

Livehire Ltd
Notes to the financial statements
For the six months ended 31 December 2015

Note 10. Equity - issued capital (continued)

Movements in ordinary share capital

Details	Date	No of shares	Issue price	\$
Balance	1 July 2014	<u>60,000,000</u>		<u>502,740</u>
Balance	30 June 2015	60,000,000		502,740
Conversion of A Class Shares into Ordinary Shares	21 December 2015	23,993,778		2,818,962
Issue of ordinary shares under employee loan agreement on the exercise of options	22 December 2015	9,447,404		-
Issue of shares to employees under loan purchases	22 December 2015	4,617,380		-
Conversion of preference shares into ordinary shares	22 December 2015	5,915,007		-
Share split – 1:1.25 ordinary shares	23 December 2015	26,026,431		-
Pre-IPO Capital Raising	24 December 2015	<u>20,000,000</u>	0.15000	<u>3,000,000</u>
Balance	31 December 2015	<u><u>150,000,000</u></u>		<u><u>6,321,702</u></u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Movements in A Class share capital

Details	Date	No of shares	Issue price	\$
Balance	1 July 2014	12,540,000		900,000
Issue of shares				
Issue of shares to purchase software	23 July 2014	2,243,500	0.07531	168,962
Issue of shares through capital raising	14 August 2014	660,005	0.07575	50,000
Issue of shares through capital raising	18 May 2015	<u>6,940,811</u>	0.19882	<u>1,380,000</u>
Balance	30 June 2015	22,384,316		2,498,962
Issue of shares				
Issue of shares for payment received in 2015 FY	16 September 2015	502,957	0.19882	100,000
Issues of shares through capital raising	16 September 2015	1,106,505	0.19882	320,000
Conversion of A Class shares into Ordinary Shares	22 December 2015	<u>(23,993,778)</u>		<u>(2,818,962)</u>
Balance	31 December 2015	<u><u>-</u></u>		<u><u>-</u></u>

A Class shares

A Class shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The A Class shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Livehire Ltd
Notes to the financial statements
For the six months ended 31 December 2015

Note 12. Equity – issued capital (continued)

A Class shares

A Class shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The A Class shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Note 11. Equity – accumulated losses

	As at 31 December 2015 \$	As at 30 June 2015 \$
Accumulated losses at the beginning of the financial year	(2,973,107)	(1,028,146)
Loss after income tax expense for the year	<u>(2,116,881)</u>	<u>(1,944,961)</u>
Accumulated losses at the end of the financial year	<u><u>(5,089,988)</u></u>	<u><u>(2,973,107)</u></u>

Note 12. Remuneration of auditors

	For the 6 months ended 31 December 2015 \$	For the year ended 30 June 2015 \$
Audit services – BDO Audit (WA) Pty Ltd:		
Audit of financial statements	5,000	5,000
Other services- BDO Corporate Finance (WA) Pty Ltd		
Preparation of IAR	<u>6,000</u>	<u>-</u>
	<u><u>11,000</u></u>	<u><u>5,000</u></u>

Note 13. Contingent assets

The company does not have contingent assets as at 31 December 2015 (30 June 2015: Nil).

Note 14. Contingent liabilities

The company does not have contingent liabilities as at 31 December 2015 (30 June 2015: Nil).

Note 15 Commitments

	As at 31 December 2015 \$	As at 30 June 2015 \$
<i>Lease commitments - operating</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	111,118	68,768
One to five years	239,401	-
More than five years	-	-
	<u>350,519</u>	<u>68,768</u>

Operating lease commitments includes contracted amounts for various retail outlets, warehouses, offices and plant and equipment under non-cancellable operating leases expiring within one to ten years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

Note 16. Events after the reporting period

All performance rights issued to Brett Stevenson were cancelled on 27th January 2016 following written agreement between Livehire and Brett Stevenson.

The company is currently in the process of an IPO which the Board anticipates will be completed in the coming months.

No matter or circumstance has arisen since 31 December 2015 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Note 17. Reconciliation of loss after income tax to net cash from operating activities

	For the 6 months ended 31 December 2015 \$	For the year ended 30 June 2015 \$
Loss after income tax expense for the year	(2,116,881)	(1,944,961)
Adjustments for:		
Depreciation and amortisation	14,555	11,754
Share based payment	1,054,256	573,567
Change in operating assets and liabilities:		
(Increase)/decrease in trade receivables	53,838	(59,709)
(Increase)/decrease in other current assets	(56,800)	253,900
Increase/(decrease) in trade and other payables	(2,126)	(18,935)
Proceeds from related parties		323
Increase/(decrease) in accrued expenses	<u>(50,129)</u>	<u>92,400</u>
Net cash used in operating activities	<u><u>(1,103,287)</u></u>	<u><u>(1,091,661)</u></u>

Note 18. Share-based payment reserves

	As at 31 December 2015 \$	As at 30 June 2015 \$
Share-based payment reserves at the beginning of the financial year	573,567	-
Share option expense for the period	1,054,256	573,567
Share-based payment reserves at the end of the period	<u>1,627,823</u>	<u>573,567</u>

On the 21st July 2014, 10,396,262 options were issued to Grant Gavin. The options vest 75% in year 1, 25% in year 2, and are exercisable at \$0.75760 and expire on 21 July 2021.

On the 31st July 2014, 7,546,153 options were issued to Alastair Schirmer, Adam Zorzi, James McQueen and Matt Ryan. Alastair's options vested immediately. The other options vest based on a service requirement and at the board's discretion. The options are exercisable at \$0.08 and expire on 30 July 2021.

144,483 performance rights were issued to Brett Stevenson on the 21st July 2014. The rights vest to an equal number of shares at the discretion of the board and once an IPO has occurred and the company's valuation is \$25 million higher.

379,406 performance rights were issued to Brett Stevenson on the 1st July 2015. The performance rights vest to an equal number of shares at the discretion of the board and once an IPO has occurred and the company's valuation is \$25 million higher.

On the 2nd December 2015, 4,617,380 shares were issued to employers and consultants of the company with an issue price of \$0.198824. The issue of shares was done through a non-recourse loan.

Summary of key loan terms:

Loan amount: \$0.198824 per share
Interest: 0%
Term of loan: 4 years

The loans are non-recourse except against the shares held by the participant to which the loan relates, the transaction has been accounted for as shared based payment.

On the 22nd December 2015, 15,362,411 shares were issued as an exercise of all options on issue that had vested. All remaining option unvested, lapsed on this date. The issue of shares was done through non-recourse loan.

Summary of key loan terms:

Loan amount: Exercise of option
Interest: 0%
Term of loan: 4 years

The loans are non-recourse except against the shares held by the participant to which the loan relates, the transaction has been accounted for as shared based payment.

Livehire Ltd
Directors' declaration
For the six months ended 31 December 2015

In the directors' opinion:

- the company is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in note 1 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the Corporations Act 2001 requirements to prepare and distribute financial statements to the owners of Livehire Ltd;
- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards as described in note 1 to the financial statements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 31 December 2015 and of its performance for the six months ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

DocuSigned by:

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Antonluigi Gozzi
Director

23 March 2016
Perth

INDEPENDENT AUDITOR'S REPORT

To the members of LiveHire Ltd

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report of Livehire Ltd which comprises the statement of financial position as at 31 December 2015, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members.

The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view 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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of LiveHire Ltd, would be in the same terms if given to the directors as at the time of this auditor's report.



Opinion

In our opinion the financial report of Livehire Ltd is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the company's financial position as at 31 December 2015 and of its performance for the period ended on that date; and
- (ii) complying with Australian Accounting Standards to the extent described in Note 1 and the *Corporations Regulations 2001*

Basis of accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the Corporations Act 2001. As a result, the financial report may not be suitable for another purpose.

BDO Audit (WA) Pty Ltd

A handwritten signature in blue ink, appearing to read 'Dean Just', is written over a faint, stylized 'BDO' logo.

Dean Just
Director

Perth, 23 March 2016