

LiveHire Limited

(ASX:LVH)

ABN: 59 153 266 605

FINANCIAL REPORT FOR THE FINANCIAL YEAR
ENDED 30 JUNE 2016

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LIVEHIRE LIMITED (ASX:LVH)

ABN: 59 153 266 605

Financial Report For The Year Ended 30 June 2016

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Operation's Review

Statutory Results Summary

CHANGES FROM PERIOD ENDED 30 JUNE

				2016		2015	
		%		\$		\$	
Revenue from ordinary activities	Up	204%	to	310,061	from	101,856	
Loss before tax	Down	89%	to	3,669,059	from	1,944,961	
Net loss after tax attributable to the members of LiveHire Limited	Down	89%	to	3,669,059	from	1,944,961	

Revenue for the year increased compared to the previous corresponding period predominantly due to the strong growth experienced by the Company in the second half of FY16, with client numbers more than doubling and growth in other key performance indicators. The Company completed the 18 months beta testing phase of the Talent Community product in December 2015, with 19 testing companies having generated significant ROI results and reduction in time and cost to hire, through the use of the LiveHire platform. In January 2016 the Company commenced expanding operations and marketing, commercializing the Talent Community product across Australia, experiencing strong take-up of the technology by leading Australian employers who integrated the LiveHire technology into their recruitment processes.

The revenue increase is due to the increased number of paid Talent Community Connections charged to LiveHire clients as monthly hosting fees and one off set up fees.

The Company's statutory loss after providing for income tax increased predominantly as a result of costs associated with staff and development of the LiveHire technology and IP.

Overview of Operating Performance and Significant Changes

The period ended 30 June 2016 was marked by a number of commercial and strategic achievements that have positioned the Company for strong long term growth and value creation, including:

- o IPO successfully completed and admission to the official list on the ASX on 10 June 2016;
- o \$12 million raised during the financial year with proceeds being applied (net of listing costs) to support growth, marketing, product and customer success;
- o Strong endorsements from leading corporates in Australia for the Talent Community product impact, highlighting time to hire reduced by up to 60%, cost to hire reduced by up to 40% and ROI of x5;
- o Exponential growth in adoption by customers and users, across most industries and employment sectors, resulting in significant growth in paid Talent Community Connections and hosting fees;
- o New product pillars, functionalities, integrations and APIs being added to the cloud based platform;
- o Continued growth of subscriptions from new Cornerstone clients and large corporates.

LiveHire maintains a strong pipeline of on-boarding clients and expects growth in underlying talent community connections, revenue, customers and average price (yield) per connection.

Net Tangible Asset per Security

	2016	2015
Total number of shares on issue	200,000,000	82,384,316
Net tangible assets per share	\$0.055	\$0.085

Earnings per Share

	2016	2015
Earnings per share	-\$0.033	-\$0.026

Directors' Report

The Directors submit their report on the consolidated entity consisting of LiveHire Limited (the Company) and the entities it controlled at the end of, or during the year ended, June 30 2016.

DIRECTORS

The names and details of the Company's directors in office during the financial year and until the date of this report are as follows.

Geoffrey Morgan AM	Non-Executive Chairman	(Appointed 27 November 2015)
Antonluigi Gozzi	Managing Director	
Michael Haywood	Executive Director	
Grant Galvin	Executive Director	
Adam Zorzi	Independent Non-Executive Director	

All of the Directors have been in office for the entire period unless otherwise stated.

Information on Directors

Mr Geoffrey Morgan AM

With over 30 years in the industry, Geoff is one of Australia's leading recruitment and human resources executives. He is also a very active philanthropist.

Geoff co-founded recruitment firm Morgan & Banks in 1985, building the company into one of the Asia Pacific's most prominent recruitment companies. Geoff floated Morgan & Banks on the ASX in 1994, and grew the company to over \$700 million in revenues before its acquisition by TMP Worldwide, a US company listed on the NASDAQ, for \$380 million.

Geoff then co-founded talent management firm Talent2, building it into a leading recruitment HR outsourcing firm and listing it on the ASX in 2004. Talent2 was privatized in 2012, before the company was sold to leading US private talent management firm Allegis Group in 2014.

Geoff has co-authored several books on recruiting, and is an experienced investor in human resources technology. In 2004, Geoff was the recipient of the "Ernst & Young Master Entrepreneur of the Year Award" given for sustained success in business. Geoff was recognized as Member of the Order of Australia in 2015, and is also member of the Australian Institute of Company Directors.

Geoff is currently a non-executive director of ASX listed company Reffind.

Interests in Shares and Options

Interests in shares: 3,492,505 ordinary shares
Interests in options: 2,000,000

Mr Adam Zorzi – Non-Executive Director

Adam is an independent Non-Executive Director of LiveHire.

Adam joined the LiveHire board in April 2012, having been a foundational investor in the LiveHire business and served as Chairman prior to the appointment of Geoff Morgan.

As an experienced executive, Adam has over 15 years of corporate board experience. Adam is Executive Director of Australian Development Capital, a private fund manager specialising in the acquisition and management of property investment and development assets.

Adam also sits on the boards of a number of non-profits and charitable organisations, including Starlight Children's Foundation Australia (WA) and FORM – Building a State of Creativity.

Adam holds a Bachelor of Commerce from Curtin University of Technology with Double Majors in Property and Finance.

Interests in Shares and Options

Interests in shares: 4,023,145 ordinary shares
Interests in options: 1,000,000

Mr Antonluigi Gozzi – Managing Director, Product and Data

Antonluigi is Founder and Managing Director of LiveHire.

As Managing Director, Antonluigi has overall responsibility for the strategy and operation of the LiveHire business. Antonluigi also leads the development team, and has managed the in-house development of LiveHire's technology platform and proprietary intellectual property since incorporation of the Company.

Antonluigi's passions are technology, big data and network analytics, and businesses that use technology to improve the quality of life of their users and make society more efficient and transparent for all.

Prior to founding LiveHire in 2011, Antonluigi worked in management consulting and delivered projects for some of Australia's largest corporates, including BHP Billiton, Leighton and Fairfax, both in Australia and overseas.

Antonluigi has a Masters of Engineering from the University of Parma, Italy, and is a member of the Australian Institute of Company Directors.

Interests in Shares and Options

Interests in shares: 26,865,101 ordinary shares
Interests in options: 3,600,000

Mr Michael Haywood – Executive Director, Growth and Commercial

Michael is Founder and Executive Director of LiveHire.

As Executive Director, Michael has responsibility for growth, new business development, brand, marketing, and strategic partnerships.

Prior to founding LiveHire, Michael launched successful engineering technology startups, each leveraging pioneering proprietary technologies developed in-house by Michael and his respective co-founders.

Michael is passionate about scaling businesses in fast-paced, competitive industries, solutions that deliver real positive value in people's lives and technology that helps us evolve to a more humanised and connected world. Mr Haywood has completed a PhD in Engineering and a Bachelor of Commerce and Engineering, both from the University of Western Australia.

Interests in Shares and Options

Interests in shares: 25,743,222 ordinary shares

Interests in options: 3,000,000

Mr Patrick Grant Galvin – Executive Director, Operations

Grant is an Executive Director of LiveHire, having joined the board in April 2014.

As Executive Director, Grant leads all aspects of commercial execution, driving growth in Talent Community Connections and revenue by working with customers on unlocking significant sourcing and recruitment efficiencies through the Platform.

Grant has over 20 years of commercial leadership experience with large global corporates including EY Global, The Coca-Cola Company, Deloitte Consulting, and American Express in Australia, USA, UK and Ireland.

Grant is passionate about the transformative power of new technology in traditional businesses, leading high performance teams that drive sustainable high growth and delivering real customer value.

Grant holds an MBA from UCD Smurfit Graduate Business School, a Bachelor in Economics from the University College Dublin and Graduate Diploma in Applied Finance and Investment from the Australian Securities Institute. Grant is also member of the Australian Institute of Company Directors.

Interests in Shares and Options

Interests in shares: 12,870,800 ordinary shares

Interests in options: 3,000,000

Charly Duffy - Company Secretary

Charly Duffy (LLB) has held the role of Company Secretary since 16th February 2016. Charly is a principal and director of SecPlus Corporate Services Pty Ltd and Coghlan, Duffy & Co Lawyers. Charly also acts as company secretary for TopBetta Holdings Limited (ASX: TBH) and Plukka Limited (ASX: PKA). Charly is also a non-executive Director of Plukka Limited and Zyber Holdings Limited.

Prior to Charly's appointment, Mike Haywood acted as Company Secretary of the Company.

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2016, and the number of meetings attended by each director were:

	Full board		Nomination & Remuneration Committee		Audit and Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
Michael Haywood	11	11	2	2	-	-
Adam Paul Zorzi	11	11	2	2	2	2
Patrick Grant Galvin	11	11	-	-	2	2
Antonluigi Gozzi	11	11	-	-	-	-
Geoffrey Keith Morgan	7	7	2	2	2	2

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

Committee Membership

As at the date of this report the Company has an Audit & Risk Management Committee and a Remuneration & Nomination Committee of the Board of Directors.

Members of the **Audit & Risk Committee** during the period were:

Adam Zorzi (Chairman), Geoff Morgan, Patrick Grant Galvin

Members of the **Remuneration & Nomination Committee** during the period were:

Adam Zorzi (Chairman), Geoff Morgan, Michael Haywood

Principal Activities

During the financial year the principal continuing activities of the company consisted of:

- Expansion of the Company's sales and marketing capabilities in Australia;
- Support Cornerstone client's implementations and successful adoption of the LiveHire technology;
- Initiation of sale of the Talent Community product to distribution channels through Recruitment Process Outsourcing (RPO) global companies;
- Ongoing development of Talent Community product, an innovative cloud-based online human resources productivity platform for sourcing and recruitment teams that delivers talent-on-demand for companies of all sizes;
- Expand and develop the Company's technology integrations with upstream and downstream technology software;
- Development of advanced algorithms for human capital analytics, reporting and automation.

Dividends

No dividends were paid or declared in the financial year to June 30, 2016. (2015: NIL)

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the company, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. The company has determined that only directors are key management personnel.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the company's reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns reward with the achievement of strategic objectives and the creation of value for shareholders, and conforms to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Board is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the company depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The Board has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the consolidated entity.

Alignment to shareholders' interests:

- has economic profit as a core component of plan design
- focuses on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracts and retains high calibre executives

Alignment to program participants' interests:

- rewards capability and experience
- reflects competitive reward for contribution to growth in shareholder wealth
- provides a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive directors and executive remunerations are separate.

Non-executive director's remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Board. The Board may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration.

ASX listing rules require the aggregate non-executive director's remuneration be determined periodically by a general meeting. The company will seek approval of non-executive remuneration at the first shareholder meeting to be held in October 2016.

Executive remuneration

The company aims to reward executives with a level and mix of remuneration based on their position and responsibility, which has both fixed and variable components.

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Board, based on individual and business unit performance, the overall performance of the company and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the company and provides additional value to the executive.

The short-term incentives ('STI') program is designed to align the targets of the business units with the targets of those executives responsible for meeting those targets. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI's') being achieved. KPI's include profit contribution, customer satisfaction, leadership contribution and product management. No KPI's were set for the current financial year and therefore no short-term cash incentives were paid in the year ended 30 June 2016.

The long-term incentives ('LTI') include long service leave and share-based payments. Options were awarded to executives as part of listing on the ASX.

Use of remuneration consultants

The Company did not employ the services of remuneration consultants during the financial year.

Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

The key management personnel of the company consisted of the directors of LiveHire Limited:

- Geoff Keith Morgan - Non-Executive Chairman (appointed 29/11/2015)
- Adam Paul Zorzi - Non-Executive Director
- Antonluigi Gozzi - Managing Director
- Michael Haywood - Executive Director
- Patrick Grant Galvin - Executive Director

	Short-term benefits		Post-employment benefits	Total Cash & Super \$	Long-term benefits Annual leave \$	Share-based payments Value of Options(1) \$	Share-based payments Loan Back Shares(2) \$	Total Cash & Non Cash Total \$
	Cash salary and fees \$	Cash bonus \$	Super-annuation \$					
2016								
<i>Non-Executive Directors:</i>								
Geoff Morgan (Chairman)	71,747	-	3,253	75,000	-	37,749	-	112,749
Adam Paul Zorzi	30,000	-	2,850	32,850	-	25,185	-	58,035
<i>Executive Directors:</i>								
Antonluigi Gozzi	133,366	-	12,584	145,950	17,828	67,949	-	231,727
Michael Haywood	123,364	-	11,634	134,998	11,730	56,624	-	203,352
Patrick Grant Galvin	116,197	-	10,953	127,150	11,538	160,586	302,317	601,591
	474,674	-	41,274	515,948	41,096	348,093	302,317	1,207,454

No short term cash bonuses were contracted or paid and as such no compensation was forfeited by key management personnel. No non-monetary benefits were incurred by the company during the period.

(1) Options

Further information can be found in Note 18. The value of options are expensed over the vesting period are a non-cash accounting expense. The value is determined by an independent valuation using Black-Scholes option pricing methodology.

(2) Shares/Loan Back Shares:

Further information can be found in Note 18. The issue of shares as a result of the options being exercised funded under employee share scheme non-recourse loans was treated as a modification of the original share based payment. Due to the reassessment of fair value following the modification being greater than the fair value of the original value an additional share based payment expense (non-cash) has been booked in the current period.

	Short-term benefits		Post-employment benefits	Total Cash & Super \$	Long-term benefits	Share-based payments	Share-based payments	Total Cash & Non Cash Total \$
	Cash salary and fees	Cash bonus	Super-annuation		Cash Annual leave	Value of Options(1)	Loan Back Shares(2)	
2015	\$	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>								
Geoff Morgan (Chairman)	-	-	-	-	-	-	-	-
Adam Paul Zorzi	-	-	-	-	-	12,044	-	12,044
<i>Executive Directors:</i>								
Antonluigi Gozzi	94,931	-	9,018	103,949	4,600	-	-	108,549
Michael Haywood	94,929	-	9,018	103,947	2,714	-	-	106,661
Patrick Grant Galvin	43,607	-	4,143	47,750	3,100	311,888	-	362,738
	233,467	-	22,179	255,646	10,414	323,932	-	589,992

No short term cash bonuses were contracted or paid and as such no compensation was forfeited by key management personnel. No non-monetary benefits were incurred by the company during the period.

(1) Options

Further information can be found in Note 18. The value of options are expensed over the vesting period are a non-cash accounting expense. The value is determined by an independent valuation using Black-Scholes option pricing methodology.

(2) Shares/Loan Back Shares:

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Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Geoffrey Keith Morgan
Title:	Non-Executive Director & Chairman
Agreement commenced:	1 January 2016
Details:	Fee from 1 January 2016 of \$150,000 including superannuation, to be reviewed by the Board annually and effective from 1 July each year. 2,000,000 Options issued on 8 April 2016 and expiring 8 April 2020 with an exercise price of 25 cents (1,000,000 options vest on 8 April 2017 and 1,000,000 vest on 8 April 2018)
Name:	Adam Paul Zorzi
Title:	Non-Executive Director
Agreement commenced:	1 January 2016
Details:	Fee from 1 January 2016 of \$60,000 exclusive of superannuation, to be reviewed by the Board annually and effective from 1 July each year. Additional Chair fee of \$10,000 per committee inclusive of superannuation for Audit & Risk Committee and Nomination & Remuneration Committee. 1,000,000 Options issued on 8 April 2016 and expiring 8 April 2020 with an exercise price of 25 cents (500,000 options vest on 8 April 2017 and 500,000 vest on 8 April 2018)
Name:	Antonlugi Gozzi
Title:	Managing Director
Agreement commenced:	1 January 2016
Term of agreement:	Ongoing subject to termination provisions only
Details:	Base salary from 1 January 2016 of \$170,000 plus superannuation, to be reviewed by the Board annually and effective from 1 July each year. No termination by the Executive in the first 12 months otherwise 6 months. Termination by the Company 3 months. non-solicitation and non-compete clauses. The company make a payment in lieu of notice of termination. 3,600,000 Options issued on 8 April 2016 and expiring 8 April 2020 with an exercise price of 25 cents (1,800,000 options vest on 8 April 2017 and 1,800,000 vest on 8 April 2018)

Name: Michael Haywood
 Title: Executive Director
 Agreement commenced: 1 January 2016
 Term of agreement: Ongoing subject to termination provisions only
 Details: Base salary from 1 January 2016 of \$150,000 plus superannuation, to be reviewed by the Board annually and effective from 1 July each year. No termination by the Executive in the first 12 months otherwise 6 months. Termination by the Company 3 months. non-solicitation and non-compete clauses. The company make a payment in lieu of notice of termination.
 3,000,000 Options issued on 8 April 2016 and expiring 8 April 2020 with an exercise price of 25 cents (1,500,000 options vest on 8 April 2017 and 1,500,000 vest on 8 April 2018)

Name: Patrick Grant Galvin
 Title: Executive Director
 Agreement commenced: 1 January 2016
 Term of agreement: Ongoing subject to termination provisions only
 Details: Base salary from 1 January 2016 of \$150,000 plus superannuation, to be reviewed by the Board annually and effective from 1 July each year. No termination by the Executive in the first 12 months otherwise 6 months. Termination by the Company 3 months. non-solicitation and non-compete clauses. The company make a payment in lieu of notice of termination.
 3,000,000 Options issued on 8 April 2016 and expiring 8 April 2020 with an exercise price of 25 cents (1,500,000 options vest on 8 April 2017 and 1,500,000 vest on 8 April 2018)

Contracts for Antonluigi Gozzi, Michael Haywood and Patrick Grant Galvin allow for short term incentive payments linked to KPI's however no such short term incentive cash payments have been approved by the Board for the first year or other relevant periods. No KPI's were set for the current financial year.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Grant date	Vesting date and exercisable date	No. of Options	Expiry date	Exercise price	Fair value per option at grant date
08/04/2016	08/04/2017	6,300,000	08/04/2020	\$0.25	\$0.109
08/04/2016	08/04/2018	6,300,000	08/04/2020	\$0.25	\$0.109
Total		<u>12,600,000</u>			

These options are subject to service conditions and vest over 2 years from issue, 50% on 12-month anniversary and 50% on 24-month anniversary. There is no link to performance, other than service conditions. (Refer to Note 18 for valuation inputs.)

Options granted carry no dividend or voting rights.

The number of options over ordinary shares granted to and vested by directors and other key management personnel as part of compensation during the year ended 30 June 2016 are set out below:

Name	Number of options granted during the year 2016	Number of options granted during the year 2015	Number of options vested during the year 2016	Number of options vested during the year 2015
Geoffrey Keith Morgan	2,000,000	-	-	-
Adam Paul Zorzi	1,000,000	424,324	311,159	-
Antonluigi Gozzi	3,600,000	-	-	-
Michael Haywood	3,000,000	-	-	-
Patrick Grant Galvin	3,000,000	10,396,262	9,447,404	-

Values of options over ordinary shares granted, exercised and lapsed for directors and other key management personnel as part of compensation during the year ended 30 June 2016 are set out below:

Name	Value of options granted during the Year 2016 \$	Value of options exercised during the Year 2016 \$	Value of options lapsed during the Year 2016 \$
Geoffrey Keith Morgan	218,309	-	-
Adam Paul Zorzi	109,155	18,355	6,675
Antonluigi Gozzi	392,957	-	-
Michael Haywood	327,464	-	-
Patrick Grant Galvin	327,464	382,404	34,359

Pinnacle Listed Comprehensive Limited

Directors' report

30 June 2015

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
Geoffrey Keith Morgan	2,525,838	-	966,667	-	3,492,505
Adam Paul Zorzi	3,000,763	-	1,022,382	-	4,023,145
Antonluigi Gozzi	26,631,768	-	233,333	-	26,865,101
Michael Haywood	26,631,768	-	150,000	(1,018,546)	25,763,222
Patrick Grant Galvin	825,210	-	12,045,590	-	12,870,800
	<u>59,615,347</u>	<u>-</u>	<u>14,417,972</u>	<u>(1,018,546)</u>	<u>73,014,773</u>

¹ Conversion of options

Option holding

The number of options over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Options over ordinary shares					
Geoffrey Keith Morgan	-	2,000,000	-	-	2,000,000
Adam Paul Zorzi	424,324	1,000,000	(311,159)	(113,165)	1,000,000
Antonluigi Gozzi	-	3,600,000	-	-	3,600,000
Michael Haywood	-	3,000,000	-	-	3,000,000
Patrick Grant Galvin	<u>10,396,262</u>	<u>3,000,000</u>	<u>(9,447,404)</u>	<u>(948,858)</u>	<u>3,000,000</u>
	<u>10,820,586</u>	<u>12,600,000</u>	<u>(9,758,563)</u>	<u>(1,062,023)</u>	<u>12,600,000</u>

Loan instruments to Key Management Personnel

The following tables show the non-recourse loan balances provided to Key Management Personnel that are linked to shares issued as part of its Employee and Executive Share Plan:

	Balance at the start of the year	Loans provided during the year	Paid back by employee	Interest paid and payable for the year	Interest not charged	Total
2015	\$	\$	\$	\$	\$	\$
Adam Paul Zorzi	-	-	-	-	-	-
Patrick Grant Galvin	-	117,120	-	-	-	117,120
	-	117,120	-	-	-	117,120
	Balance at the start of the year	Loans provided during the year	Paid back by employee	Interest paid and payable for the year	Interest not charged	Total
2016	\$	\$	\$	\$	\$	\$
Adam Paul Zorzi	-	39,296	-	-	-	39,296
Patrick Grant Galvin	117,120	598,615	-	-	-	715,735
	117,120	637,911	117,120	-	-	755,032

Other transactions with key management personnel and their related parties

During the financial year, no other transactions were made with key management personnel and their related parties.

This concludes the remuneration report, which has been audited.

Matters subsequent to the end of financial year

Scott Horton has been appointed as Head of Commercial Operations.

Scott will receive a maximum 2,500,000 options over a two-year period.

The options will vest as follows:

500,000 on the 19th July 2016

250,000 on the date that the aggregate number of Qualifying Talent Community Connections (TCC's) exceed 50,000

250,000 on the date that the aggregate number of Qualifying TCC's exceeds 100,000

500,000 on the date that the aggregate number of Qualifying TCC's exceeds 200,000

500,000 on the date that the aggregate number of Qualifying TCC's exceeds 300,000 and

500,000 on the date that the aggregate number of Qualifying TCC's exceeds 400,000

No matter or circumstance has arisen since 30 June 2016 that has significantly affected, or may significantly affect the company's operations, the results of these operations, or the company's state of affairs in future financial years.

Share Option Plan

Unissued shares

As at the date of this report, the unissued ordinary shares of LiveHire Limited under option are as follows:

Grant Date	Date of expiry	Exercise price	Number under option
08/04/2016	08/04/2020	\$ 0.25	16,600,000
19/07/2016	18/07/2020	\$ 0.15	2,500,000
			<u>19,100,000</u>

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

Details of the option plan are disclosed in Note 18 to the Financial Statements and the Remuneration Report

Shares issued on the exercise of options

The following ordinary shares of LiveHire Limited were issued during the year ended 30 June 2016 and up to the date of this report on the exercise of options granted:

Date options granted	Exercise price	Number of shares issued
21/07/2014	0.07576	9,447,404
31/07/2014	0.1263	7,546,153

Environmental regulation

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

Likely developments and expected results of operations

The business continues to invest in business development, sales and marketing in accordance to our long term business strategy. Distribution channels will be developed to increase sales and adoption. The product will continued to be improved and optimised based on customer feedback, competitive insights and growth partnerships.

All material updates will be disclosed as per continuous disclosure requirements.

Insurance of Directors and 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 financial year, 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. In accordance with normal commercial practice, the nature of the liabilities insured against and the amount of the premiums are confidential.

Indemnity and insurance of auditor

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

During the financial year, 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 sought to bring proceedings on behalf of the Company, and the Company is not a party to any proceedings, for the purpose of taking responsibility on behalf of the Company for such proceedings, or for a particular step in any such proceedings.

Corporate Governance Statement

The Board of Directors of the Company are responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and accountable.

The Board continuously reviews its governance practices to ensure they remain consistent with the needs of the Company.

The Company has detailed the extent to which it complies with each of the recommendations set out in the Australian Securities Exchange Corporate Governance Council's Corporate Governance Principles and Recommendations 3rd Edition ("the ASX Principles") in its Corporate Governance Statement.

The Corporate Governance Statement and the Appendix 4G Statement have been released to the ASX and can be found on the Company's website at www.livehire.com/investors.

Non-audit services

The following fees were paid or payable to BDO for non-audit services provided during the year ended 30 June 2016:

	\$
Taxation Services	1,500
Due Diligence Services	7,000
	<hr/>
	8,500

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

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



Antonluigi Gozzi
Director

30 September 2016
Melbourne

DECLARATION OF INDEPENDENCE BY PHILLIP MURDOCH TO THE DIRECTORS OF LIVEHIRE LIMITED

As lead auditor of Livehire Limited for the year ended 30 June 2016, 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.



Phillip Murdoch

Director

BDO Audit (WA) Pty Ltd

Perth, 30 September 2016

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LIVEHIRE LIMITED ABN: 59 153 266 605
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
Revenue			
Revenue from continuing operations	3	310,061	101,856
Other income and revenue	3	575,107	14,909
		885,168	116,765
Expenses			
Employee benefits expense	4	(1,354,202)	(747,200)
IPO related expenses	4	(412,475)	-
Operating expenses	4	(1,311,767)	(729,163)
Share based payment expense	18	(1,401,979)	(573,567)
Finance costs		-	(42)
Depreciation and amortisation expense	4	(73,804)	(11,754)
		(3,669,059)	(1,944,961)
Loss before income tax expense		(3,669,059)	(1,944,961)
Income tax expense	15	-	-
Net Loss for the year		(3,669,059)	(1,944,961)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income (loss) for the year		(3,669,059)	(1,944,961)
Earnings per share	14	(0.033)	(0.026)

The accompanying notes form part of these financial statements.

LIVEHIRE LIMITED ABN: 59 153 266 605
STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	7	10,442,619	766,432
Trade and other receivables		123,832	74,850
Other assets		-	2,789
TOTAL CURRENT ASSETS		10,566,451	844,071
NON-CURRENT ASSETS			
Property, plant and equipment		18,635	6,916
Intangible assets	8	1,231,711	-
TOTAL NON-CURRENT ASSETS		1,250,346	6,916
TOTAL ASSETS		11,816,797	850,987
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	9	596,069	148,825
Provisions	10	267,339	-
Other financial liabilities		34,451	-
TOTAL CURRENT LIABILITIES		897,859	148,825
TOTAL LIABILITIES		897,859	148,825
NET ASSETS		10,918,938	702,162
EQUITY			
Issued capital	11	15,148,940	3,101,702
Reserves	12	2,412,164	573,567
Accumulated Losses	13	(6,642,166)	(2,973,107)
TOTAL EQUITY		10,918,938	702,162

The accompanying notes form part of these financial statements.

LIVEHIRE LIMITED ABN: 59 153 266 605
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2016

	Note	Issued Capital	Share based payment reserve	Accumulated losses	Total equity
		\$	\$	\$	\$
Balance at 1 July 2014		1,402,740	-	(1,028,146)	374,594
Comprehensive income					
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 for the year		-	-	(1,944,961)	(1,944,961)
Transactions with owners, in their capacity as owners:					
Contributions of equity, net of transaction costs		1,698,962	-	-	1,698,962
Share option expense		-	573,567	-	573,567
Total transactions with owners and other transfers		1,698,962	573,567	-	2,272,529
Balance at 30 June 2015		3,101,702	573,567	(2,973,107)	702,162
Balance at 1 July 2015		3,101,702	573,567	(2,973,107)	702,162
Comprehensive income					
Loss after income tax expense for the year		-	-	(3,669,059)	(3,669,059)
Other comprehensive income for the year, net of tax		-	-	-	-
Total comprehensive loss for the year		-	-	(3,669,059)	(3,669,059)
Transactions with owners, in their capacity as					
Contributions of equity, net of transaction costs		12,047,238	436,618	-	12,483,856
Share option expense	18	-	1,401,979	-	1,401,979
Total transactions with owners and other transfers		12,047,238	1,838,597	-	13,885,835
Balance at 30 June 2016		15,148,940	2,412,164	(6,642,166)	10,918,938

LIVEHIRE LIMITED ABN: 59 153 266 605
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016	2015
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		298,666	42,147
Payments to suppliers and employees		(2,366,995)	(1,401,034)
Interest received		24,863	9,240
Interest paid		-	(42)
Receipts from grants		550,244	258,028
Net cash provided by/(used in) operating activities	17a	<u>(1,493,222)</u>	<u>(1,091,661)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Software development costs		(1,296,539)	-
Purchase of property, plant and equipment		(17,907)	(5,673)
Net cash provided by/(used in) investing activities		<u>(1,314,446)</u>	<u>(5,673)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		13,220,000	1,698,962
Related transaction costs		(736,145)	-
Net cash provided by/(used in) financing activities		<u>12,483,855</u>	<u>1,698,962</u>
Net increase/(decrease) in cash held		<u>9,676,187</u>	<u>601,628</u>
Cash and cash equivalents at beginning of financial year		766,432	164,804
Cash and cash equivalents at end of financial year	7	<u>10,442,619</u>	<u>766,432</u>

The accompanying notes form part of these financial statements.

LIVEHIRE LIMITED ABN: 59 153 266 605
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

Note 1 Corporate Information

The financial statements of LiveHire Limited for the year ended 30 June 2016 were authorised for issue in accordance with a resolution of the directors on 30th September 2016 and covers LiveHire Limited as an entity as required by the Corporations Act 2001. LiveHire Limited is a for-profit entity for the purpose of preparing these financial statements.

The financial statements are presented in Australian dollars.

LiveHire Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange (listed on ASX on 8 June 2016).

The address of the registered office and principal place of business is Level 13, 114 William Street, Melbourne VIC 3000.

Note 2 Summary of 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.

Basis of Preparation

This financial report is a general purpose financial report, prepared by a 'for profit' entity, in accordance with the requirements of the Australian Corporations Act 2001, Accounting Standards applicable in Australia and other authoritative pronouncements of the Australian Accounting Standards Board (AASB). It also complies with International Financial Reporting Standards (IFRS) and Interpretations published by the International Accounting Standards Board (IASB).

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

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 entity'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 (I).

The accounts have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

New, revised or amending Accounting Standards and Interpretations adopted

The company has adopted all of the new, revised or amended Accounting Standards that are mandatory for the current accounting period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the entity.

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

The following significant accounting policies have been adopted in the preparation and presentation of the financial statements.

(a) Development asset - Software

Research costs are expenses in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the entity is able to use or sell the asset; the entity has sufficient resources; and intent to complete the development and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

(b) Employee Benefits

Short-term employee benefits

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

The company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position. The company's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees.

Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The company's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

(c) Cash and Cash Equivalents

Cash and cash equivalents include 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.

(d) Revenue and Other Income

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent that is probable that the economic benefits to flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

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LIVEHIRE LIMITED ABN: 59 153 266 605
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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.

Government grants/ research and development grants

Grants from the government (such as research and development tax incentives) are recognised at their fair value where there is reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

All revenue is stated net of the amount of goods and services tax.

(e) 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.

(f) Trade and Other Payables

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

(g) Goods and Services Tax (GST)

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

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

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

(h) Issued Capital

Ordinary shares are classified as equity.

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

(i) Share-based payment

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

(k) Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

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

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

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit and loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurements also reflect the manner in which management expects to recover or settle that carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

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

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

(j) Segment Information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director.

(k) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the financial year.

(i) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(l) Critical Accounting Estimates and Judgements

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.

(i) Definite life intangible assets

If events or changes in circumstances indicate that the intangible assets may be impaired, the entity will carry out an impairment test on the asset to determine if a portion should be expensed to the statement of profit or loss and other comprehensive income.

(ii) Estimation of useful lives of assets

The company determines the estimated useful lives and related amortisation charges for its software development asset. 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.

(iii) 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. Key assumptions are disclosed at Note 18.

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LIVEHIRE LIMITED ABN: 59 153 266 605
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

Note 3 Revenue and other income

(a) Revenue from continuing operations	2016 \$	2015 \$
Hosting fees	237,385	101,856
Set up fees	72,676	-
	<u>310,061</u>	<u>101,856</u>
Other income and revenue		
— recoveries from employees	-	5,992
— interest received	24,863	8,917
— research and development grant	550,244	-
Total other income and revenue	<u>575,107</u>	<u>14,909</u>
Total revenue and other income	885,168	116,765

Note 4 Expenses

Note	2016 \$	2015 \$
Loss before income tax includes the following specific expenses		
<i>Employee benefits expense:</i>		
— Salaries and wages	1,050,507	733,030
— Superannuation contributions	92,193	6,827
— Fringe benefits tax	4,320	2,125
— Employee tools	14,252	-
— Employee entitlement accrual	173,745	-
— Other	19,185	5,218
	<u>1,354,202</u>	<u>747,200</u>
<i>Depreciation and amortisation expenses</i>		
— Depreciation of fixed assets	8,977	8,965
— Amortisation of software development asset	64,827	2,789
	<u>73,804</u>	<u>11,754</u>
<i>IPO Related Expenses</i>		
— IPO accounting expenses	33,656	-
— IPO legal expenses	227,603	-
— IPO management expenses	90,498	-
— IPO marketing and travel costs	60,718	-
	<u>412,475</u>	<u>-</u>
<i>Operating expenses</i>		
— Accounting and bookkeeping	111,214	30,850
— Advertising and marketing	300,775	2,428
— Cloud server hosting expenses	116,825	-
— Computer expenses	-	13,881
— Consultancy fees	6,453	41,611
— Insurance	30,562	-
— Legal fees	81,033	-
— Office expenses	7,246	-
— Rent expenses	136,775	10,785
— Recruitment fees	23,625	-
— Research and development costs	122,343	602,159
— Software expense	41,286	-
— Training and development	9,823	-
— Travel expenses	225,906	20,477
— Other	97,901	6,972
	<u>1,311,767</u>	<u>729,163</u>

Note 5 Key Management Personnel Compensation

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Company's key management personnel (KMP) for the year ended 30 June 2016.

The totals of remuneration paid to KMP of the company and the Company during the year are as follows:

	2016	2015
	\$	\$
Short-term employee benefits	474,674	233,467
Post-employment benefits	41,274	22,179
Long-term employee benefits	41,096	10,414
Share-based payments	650,410	323,932
Total KMP compensation	1,207,454	589,992

Short-term employee benefits

these amounts include fees and benefits paid to the non-executive chair and non-executive directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to executive directors and other key management personnel.

Post-employment benefits

these amounts are the current year's estimated costs of providing for the company's defined benefits scheme post-retirement, superannuation contributions made during the year and post-employment life insurance benefits.

Share-based payments

these amounts represent the expense related to the participation of KMP in equity-settled benefit schemes as measured by the fair value of the options, rights and shares granted on grant date.

Further information in relation to KMP remuneration can be found in the Director's Remuneration Report.

Note 6 Auditor's Remuneration

	2016	2015
	\$	\$
Remuneration of the auditor, BDO Audit (WA) Pty Ltd, for:		
— auditing or reviewing the financial report	44,000	5,000
Remuneration of BDO Tax (WA) Pty Ltd for:		
— taxation services	7,000	-
Remuneration of BDO Corporate Finance (WA) Pty Ltd for:		
— taxation services provided by related practice of auditor	1,500	-
	52,500	5,000

Note 7 Cash and Cash Equivalents

	2016	2015
	\$	\$
Cash on hand	240	240
Cash at bank	10,442,379	766,192
	10,442,619	766,432

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents	10,442,619	766,432
	10,442,619	766,432

No restrictions are in place on cash on hand and cash at bank

Note 8 Intangible Assets

	2016	2015
	\$	\$
Software development		
Cost	1,296,538	-
Accumulated amortisation	(64,827)	-
Net carrying amount	1,231,711	-
Total intangibles	1,231,711	-

Software consists of capitalised development costs being an internally generated intangible asset (Refer Note 2 (a) and 2 (l)(ii)).

	Software development
	\$
Balance at the beginning of year	-
Additions	1,296,538
Disposals	-
Amortisation charge	(64,827)
Closing value at 30 June 2016	1,231,711

LIVEHIRE LIMITED ABN: 59 153 266 605
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

Note 9 Trade and Other Payables

	Note	2016 \$	2015 \$
CURRENT			
Unsecured liabilities			
Trade payables		124,540	7,770
Trade payables - IPO related		213,407	-
Sundry payables and accrued expenses		46,547	92,400
Other payables		211,575	48,655
		<u>596,069</u>	<u>148,825</u>

Note 10 Provisions

	2016	2015
CURRENT		
Employee Benefits		
Opening balance at beginning of year	-	-
Additional provisions raised during year	<u>267,339</u>	-
Balance at end of the year	<u>267,339</u>	-
Total	<u>267,339</u>	-

Analysis of Total Provisions

	2016 \$	2015 \$
Current	267,339	-
Non-Current	<u>-</u>	<u>-</u>
	<u>267,339</u>	-

Provision for Employee Benefits

Provision for employee benefits represents amounts accrued for annual leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements. Based on past experience, the Company does not expect the full amount of annual leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

Note 11 Issued Capital

	2016 \$	2015 \$
Ordinary Shares - fully paid	15,148,940	502,740
A Class shares - fully paid	-	2,498,962
A Class shares – to be issued	-	100,000
	15,148,940	3,101,702

(a) Ordinary Shares

	2016 No.	2016 \$	2015 No.	2015 \$
At the beginning of the reporting period:	60,000,000	502,740	60,000,000	502,740
Shares issued during year				
— Conversion of A class shares into ordinary shares 21/12/2015	23,993,778	2,818,962	-	-
— Issue of ordinary shares under employee loan agreement on the exercise of options (Note 18 (ii)) 22/12/2015	9,447,404	-	-	-
— Issue of shares to employees under loan purchases (Note 18 (ii)) 22/12/2015	4,617,380	-	-	-
— Conversion of options into ordinary shares under employee share scheme (Note 18 (ii)) 22/12/2015	5,915,007	-	-	-
— Share split - 1:1.25 ordinary shares 23/12/2015	26,026,431	-	-	-
— Pre-IPO Capital Raising 24/12/2015	20,000,000	3,000,000	-	-
— Issue of shares through capital raising 23/05/2016	50,000,000	10,000,000	-	-
Transaction Costs				
— Capital raising costs	-	(736,145)	-	-
— Capital raising costs- share options issued to brokers (note 18 (ii))	-	(436,617)	-	-
At the end of the reporting period	200,000,000	15,148,940	60,000,000	502,740

(b) A Class Shares

	2016 No.	2016 \$	2015 No.	2015 \$
At the beginning of the reporting period:	22,384,316	2,498,962	12,540,000	900,000
Shares issued during year				
— Issue of shares to purchase software 23/07/2014	-	-	2,243,500	168,962
— Issue of shares through capital raising 14/08/2014	-	-	660,005	50,000
— Issue of shares through capital raising 18/05/2015	-	-	6,940,811	1,380,000
— Issue of shares for payment received 2015 16/09/2015	502,957	100,000	-	-
— Issue of shares through capital raising 16/09/2015	1,106,505	220,000	-	-
Conversion of A Class Shares into Ordinary shares				
— 22/12/2015	(23,993,778)	(2,818,962)	-	-
At the end of the reporting period	-	-	22,384,316	2,498,962

Ordinary shareholders participate in dividends and the proceeds on winding-up of the entity in proportion to the number of shares held.

At the shareholder's meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

(d) Capital Management

Management controls the capital of the company in order to maintain a sustainable debt to equity ratio, generate long-term shareholder value and ensure that the company can fund its operations and continue as a going concern.

The Company's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

The Company is not subject to any externally imposed capital requirements.

Management effectively manage the Company's capital by assessing the Company's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

Note 12 Reserves

The option reserve is used to accumulate amounts received on the issue of options and records items recognised as expenses on valuation of incentive based share options.

<i>Movement in option reserve:</i>	2016	2015
	\$	\$
Balance at the beginning of the year	573,567	573,567
Total options issued	1,838,597	-
Balance at the end of the year	<u>2,412,164</u>	<u>573,567</u>

Note 13 Accumulated Losses

	2016	2015
	\$	\$
Balance at the beginning of the year	(2,973,107)	(1,028,146)
Total comprehensive loss for the year	(3,669,059)	(1,944,961)
Balance at the end of the year	<u>(6,642,166)</u>	<u>(2,973,107)</u>

Note 14 Earnings per Share (EPS)

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	2016	2015
Earnings attributed to the owners of LiveHire Limited used to calculate EPS	\$	\$
Loss from continuing activities	(3,669,059)	(1,944,961)
Loss for the year	<u>(3,669,059)</u>	<u>(1,944,961)</u>

	2016	2015
Weighted average number of ordinary shares used in the calculation of EPS & dilute EPS	No.	No.
Weighted average number of ordinary shares used as the denominator in the calculating basic EPS and diluted EPS	111,479,452	76,038,448
Number of potential ordinary shares outstanding that are not dilutive and hence note included in the calculation of dilute EPS	16,600,000	18,466,304
As the company is in a loss position diluted EPS is equal to EPS	(0.033)	(0.026)

Note 15 Income Tax

	2016	2015
(a) Income Tax Expense	\$	\$
Loss before income tax expense	<u>(3,669,059)</u>	<u>(1,944,961)</u>
Tax at the Australian tax rate of 30%	(1,100,718)	(583,488)
Tax effect of amounts not deductible (taxable) in calculating taxable income	420,594	172,070
Deferred tax asset not brought to account on temporary differences & tax losses	680,124	411,418
Income tax effect	<u>-</u>	<u>-</u>

(b) Unrecognised Deferred Tax Assets

	2016	2015
	\$	\$
Timing differences		
Tax losses - revenue	<u>1,162,825</u>	<u>482,701</u>
Tax losses - capital	<u>-</u>	<u>-</u>
Offset against deferred tax liabilities recognised	<u>-</u>	<u>-</u>
Deferred tax assets not brought to account	<u>1,162,825</u>	<u>482,701</u>

Note 16 Capital and Leasing Commitments

	2016 \$	2015 \$
(a) Operating Lease Commitments		
Committed at the reporting date but not recognised as liabilities, payable:		
— not later than 12 months	62,327	68,768
— between 12 months and 5 years	9,383	-
— later than 5 years	-	-
	<u>71,710</u>	<u>68,768</u>

Operating lease relates to rental premises in Subiaco

Note 17 Cash Flow Information

	2016 \$	2015 \$
(a) Reconciliation of Cash Flows from Operating Activities with Loss after Income Tax		
Loss after income tax	(3,669,059)	(1,944,961)
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
Amortisation & Depreciation	73,804	11,754
Employee entitlements	267,339	-
Share based payments	1,401,979	573,567
Other expenses	(317)	-
Changes in assets and liabilities		
(Increase)/decrease in trade and term receivables	10,700	(59,709)
(Increase)/decrease in other current assets		253,900
Proceeds from related parties		323
Increase/(decrease) in trade payables and accruals	330,178	(18,935)
Increase/(decrease) in accrued expenses	117,038	92,400
Increase/(decrease) in tax liabilities	(59,366)	-
Increase/(decrease) in deferred income	34,482	-
Cash flows used in operating activities	<u>(1,493,222)</u>	<u>(1,091,661)</u>
Non-cash financing & investing activities	\$436,617	
Options issued to brokers	Refer to note 18(i)	

Note 18 Share-based Payments

	2016 \$	2015 \$
Share-based payment expense recognised during the financial year		
Options issued to KMPs, employees and consultants	434,451	568,134
Shares issued under employee share scheme	920,051	-
Performance rights issued to consultants	<u>47,477</u>	<u>5,433</u>
	<u>1,401,979</u>	<u>573,567</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

(i) Options granted to key management personnel are as follows:

These options vest over two years from issue, 50% on 12-month anniversary and 50% on 24-month anniversary. Further details of these options are provided in the director's report. The options hold no voting or dividend rights but have been listed. The options lapse when a director ceases their employment with the entity. The fair at grant date was determined by an independent valuation using Black-Scholes option pricing model using the following inputs:

Date	Number	Expiry Date	Exercise Price	Share Price at Grant Date	Volatility	Expected dividend yield rate	Risk free rate	Total Fair Value	Total Amount Expensed
8/04/2016	12,600,000	8/04/2020	\$0.25	\$0.20	80%	0%	1.99%	\$1,375,348	\$237,821

Options granted to corporate advisers are as follows:

These options vest immediately. The options hold no voting or dividend rights but have been listed. The fair value of services provided could not be reliably measured. Therefore, the fair value at grant date was determined by an independent valuation using Black-Scholes option pricing model using the following inputs:

Date	Number	Expiry Date	Exercise Price	Share Price at Grant Date	Volatility	Expected dividend yield rate	Risk free rate	Total Fair Value	Total Share raising costs capitalised
8/04/2016	4,000,000	8/04/2020	\$0.25	\$0.20	80%	0%	1.99%	\$436,617	\$436,617

Options granted to key management personnel and employees during the previous financial year are as follows:

On the 21st July 2014 10,396,262 options were issued, 75% vest after 12 months the remainder vest after 24 months. On the 31st July 2014 7,546,153 options were issued; 1,345,767 options issued vested immediately, the remaining options vest based on service requirements and at the board's discretion. The fair at grant date was determined by an independent valuation using Black-Scholes option pricing model using the following inputs:

Date	Number	Expiry Date	Exercise Price	Share Price at Grant Date	Volatility	Expected dividend yield rate	Risk free rate	Total Fair Value	Total Amount Expensed
21/07/2014	10,396,262	20/07/2016	\$0.07576	0.08	90%	0%	3.10%	\$415,850	\$92,667
31/07/2014	7,546,153	30/07/2021	\$0.12630	0.08	90%	0%	3.10%	\$348,913	\$103,963

Details of options outstanding during the financial year are as follows:

2016	Grant date	Expiry date	Exercise price	Balance at beginning of year	Granted during the year	Exercised during the year	Expired/lapsed during the year	Balance at end of year	Exercisable at end of year
	21/07/2014	20/07/2016	0.07576	10,396,262	-	9,447,404	948,858	-	-
	31/07/2014	30/07/2016	0.1263	7,546,153	-	5,915,007	1,631,146	-	-
	8/04/2016	8/04/2020	0.25	-	6,300,000	-	-	6,300,000	-
	8/04/2016	8/04/2020	0.25	-	6,300,000	-	-	6,300,000	-
	8/04/2016	8/04/2020	0.25	-	4,000,000	-	-	4,000,000	4,000,000
Total				17,942,415	16,600,000	15,362,411	2,580,004	16,600,000	4,000,000

Weighted average exercise price 0.10 0.25 0.10 0.11 0.25 0.25

LIVEHIRE LIMITED ABN: 59 153 266 605
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

2015	Grant date	Expiry date	Exercise price	Balance at beginning of year	Granted during the year	Exercised during the year	Expired/lapsed during the year	Balance at end of year	Exercisable at end of year
	21/07/201	20/07/2016	0.07576	-	10,396,262	-	-	10,396,262	-
	31/07/201	30/07/2016	0.1263	-	7,546,153	-	-	7,546,153	-
				-				-	-
Total				-	17,942,415	-	-	17,942,415	-

Weighted average exercise price 0.10 0.10

The weighted average share price at date of exercise for the year ended 30 June 2016 was \$0.0966

The weighted average remaining contractual life of share options outstanding at 30 June 2016 was 3.8 years (2015: 1.1 years)

(ii) Shares issued under employee share scheme

On the 22nd of December 2015, 4,617,380 shares were issued to employees with an issue price of \$0.198824 and corresponding non-recourse loan.

Summary of key loan terms:

Loan amount: \$0.198824

Interest rate: 0%

Term of loan: 4 years

The loans are non-recourse except against the Share held by the participant to which the loan relates.

The fair at grant date was determined by an independent valuation using Black-Scholes option pricing model using the following inputs:

Exercise Price	Share Price at Grant Date	Expected volatility	Expected dividend yield	Risk free rate	Total Fair Value	Total Amount Expensed
0.198824	0.2	90%	0%	2.10%	\$617,734	\$617,734

On the 22nd of December 2015, 5,915,007 shares were issued as a result of the exercise of some options on issue with an issue price of \$0.12629, a corresponding non-recourse loan was issued.

Loan amount: \$0.12629

Interest rate: 0%

Term of loan: 4 years

The loans are non-recourse except against the Share held by the participant to which the loan relates.

The fair at grant date was determined by an independent valuation using Black-Scholes option pricing model using the following inputs:

Exercise Price	Share Price at Grant Date	Expected volatility	Expected dividend yield	Risk free rate	Total Fair Value	Total Amount Expensed
0.12629	0.2	90%	0%	2.10%	-	-

The issue of shares as a result of the options being exercised funded under employee share scheme non-recourse loans was treated as a modification of the original share based payment. Due to the reassessment of fair value following the modification being less than the fair value of the original value stated above (refer to note 18 (i)) no additional share based payment expense has been booked in the current period.

On the 22nd of December 2015, 9,447,404 shares were issued as a result of the exercise of some options with an issue price of \$0.07576, a corresponding non-recourse loan was issued.

Loan amount: \$0.07576

Interest rate: 0%

Term of loan: 4 years

The loans are non-recourse except against the Share held by the participant to which the loan relates.

The fair at grant date was determined by an independent valuation using Black-Scholes option pricing model using the following inputs:

Exercise Price	Share Price at Grant Date	Expected volatility	Expected dividend yield	Risk free rate	Total Fair Value	Total Amount Expensed
0.07576	0.2	90%	0%	2.10%	\$302,317	\$302,317

(lii) Performance shares issued company's advisors

During July 2014 523,889 performance rights were issued to the company's advisor. The rights vest to an equal number of shares at the discretion of the board and once an IPO has occurred and company's valuation is greater \$25M. All performance rights were cancelled on the 27th January 2016 as agreed between the consultant and the company.

Total Fair Value	Total Amount Expensed
\$54,837	\$47,477

Note 19 Operating Segments

Activities in the operating segments are identified by management based on the manner in which resources are allocated, the nature of the resources provided and the identity of service line manager and area of income and expenditure. Discrete financial information about each of these areas is reported to the executive management team on a monthly basis.

Management has determined that the entity has one operating segment being the business intelligence and data services segment. This segment meets aggregating criteria and are aggregated into one reporting sector. This internal reporting framework is the most relevant to assist the Board with making decisions regarding the company and its ongoing activities.

	2016	2015
	\$	\$
Revenue from external sources	310,061	101,856
Reportable segment	(3,669,059)	(1,944,961)
Reportable segment	11,816,797	850,987
Reportable segment liabilities	897,890	148,825
Reconciliation of reportable segment loss		
Reportable segment	(3,669,059)	(1,944,961)

Note 20 Financial instruments**Financial risk management objectives**

The entity's activities expose it to a variety of financial risks: market risk (being interest rate risk), credit risk and liquidity risk. The entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the entity. The entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks. Finance reports to the Board on a regular basis.

Market risk*Price risk*

The entity is not exposed to any significant price risk.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the entity. The entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The entity does not hold any collateral.

Interest rate risk

Interest rate risk consists of cash flow interest rate risk (the risk that future cash flows of a financial instrument will vary due to changes in market interest rates) and fair value interest rate risk (the risk that the value of the financial instrument will vary due to changes in market interest rates).

Interest rate risk is the risk of financial loss and/ or increased costs due to adverse movements in the values of the financial assets and liabilities as a result of changes in interest rates.

Sensitivity Analysis - Interest rate risk

The Company performed a sensitivity analysis relating to its exposure to interest rate at the reporting date. This sensitivity analysis demonstrates the effect on the current period results and equity which could result from a change in the interest rates.

30-Jun 2016
\$

Change in loss:

Increase by 1%

36,690

Decrease by 1%

(36,690)

Liquidity risk

Vigilant liquidity risk management requires the entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

The following tables detail the entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

2016				
	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Remaining contractual maturities
	\$'000	\$'000	\$'000	\$'000
Non-derivatives <i>Non-interest bearing</i>				
Trade payables	384,494	-	-	384,494
Other payables	211,575	-	-	211,575
Total non-derivatives	596,069	-	-	596,069

2015				
	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Remaining contractual maturities
	\$'000	\$'000	\$'000	\$'000
Non-derivatives <i>Non-interest bearing</i>				
Trade payables	100,170	-	-	100,170
Other payables	48,655	-	-	48,655
Total non-derivatives	148,825	-	-	148,825

**Note 21 Related Party
 Transactions**

Key Management Personnel

Disclosures relating to key management personnel are set out in the remuneration report of the director's report.

Transactions with Related Parties

No other transactions existed during the year and as at reporting date between the Company and with key management personnel than those disclosed in the remuneration report of the director's report.

**Note 22 Contingent Liabilities and Contingent
 Assets**

There are no contingent assets or contingent liabilities as at 30 June 2016 (30 June 2015: Nil).

Note 23 Events After the Reporting Period

Scott Horton has been appointed as Head of Commercial Operations.

Scott will receive a maximum 2,500,000 options over a two-year period.

The options will vest as follows:

500,000 on the 19th July 2016

250,000 on the date that the aggregate number of Qualifying Talent Community Connections (TCC's) exceed 50,000

250,000 on the date that the aggregate number of Qualifying TCC's exceeds 100,000

500,000 on the date that the aggregate number of Qualifying TCC's exceeds 200,000

500,000 on the date that the aggregate number of Qualifying TCC's exceeds 300,000 and

500,000 on the date that the aggregate number of Qualifying TCC's exceeds 400,000

There are no matters or circumstances that have arisen since 30 June 2016 that have or may significantly affect the operations, results, or state of affairs of the entity in future financial periods.

Note 24 Company Details

The registered office of the company is:

LiveHire Limited

Level 13

114 William Street

MELBOURNE VIC 3000

The principal place of business is:

LiveHire Limited

Level 13

114 William Street

MELBOURNE VIC 3000

LIVEHIRE LIMITED ABN: 59 153 266 605
DIRECTORS' DECLARATION

In accordance with a resolution of the directors of LiveHire Limited, the directors of the company declare that:

1. the financial statements and notes, as set out on pages 17 to 36, are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards; and
 - (b) give a true and fair view of the financial position as at 30 June 2016 and of the performance for the year ended on that date of the company;
2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;
3. the directors have been given the declarations required by section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer.

Director



Antonluigi Gozzi

Dated this 30th day of September 2016

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INDEPENDENT AUDITOR'S REPORT

To the members of Livehire Limited

Report on the Financial Report

We have audited the accompanying financial report of Livehire Limited, which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year 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 in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

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 Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

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Opinion

In our opinion:

- (a) the financial report of Livehire Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 6 to 13 of the directors' report for the year ended 30 June 2016. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Livehire Limited for the year ended 30 June 2016 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

BDO



Phillip Murdoch

Director

Perth, 30 September 2016

LIVEHIRE LIMITED ABN: 59 153 266 605
ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

The following information is current as at 14 September 2016

1. **Shareholding**

a. **Distribution of Shareholders**

Category (size of holding)	Number	
	Holders	Shares
1 – 1,000	4	303
1,001 – 5,000	14	46,231
5,001 – 10,000	63	580,856
10,001 – 100,000	439	20,409,865
100,001 – and over	175	178,962,745
	695	200,000,000

b. The number of shareholdings held in less than marketable parcels is 5.

c. The names of the substantial shareholders listed in the holding company's register are:

Shareholder	Number	
	Ordinary	%
MR ANTONLUIGI GOZZI <VOYAGER A/C>	26,765,101	13.38
MR MICHAEL HAYWOOD <HAYWOOD FAMILY A/C>	25,746,555	12.87
MR PATRICK GRANT GALVIN	12,637,467	6.32

d. **Voting Rights**

The voting rights attached to each class of equity security are as follows:

Ordinary shares

- Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

Redeemable and converting preference shares

- NA

LIVEHIRE LIMITED ABN: 59 153 266 605
ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

e. 20 Largest Shareholders — Ordinary Shares

Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1. MR ANTONLUIGI GOZZI <VOYAGER A/C>	26,765,101	13.38%
2. MR MICHAEL HAYWOOD <HAYWOOD FAMILY A/C>	25,746,555	12.87%
3. MR PATRICK GRANT GALVIN	12,637,467	6.32%
4. NATIONAL NOMINEES LIMITED	4,869,303	2.44%
5. AVAPPLE NOMINEES PTY LTD <AVAPPLE A/C>	4,757,896	2.38%
6. MR MATT RYAN	4,640,796	2.32%
7. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	3,185,137	1.59%
8. CS FOURTH NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 11 A/C>	3,075,874	1.54%
9. NOW HIRING PTY LTD	3,000,763	1.50%
10. APZ NOMINEES PTY LIMITED <APZ A/C>	3,000,763	1.50%
11. MR BENJAMIN DAVID HAWTER <HAWTER INVESTMENTS A/C>	2,906,845	1.45%
12. MR ALASTAIR IAN SCHIRMER	2,739,954	1.37%
13. HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 3	2,494,482	1.25%
14. J P MORGAN NOMINEES AUSTRALIA LIMITED	2,347,940	1.17%
15. MR JAMES ANDREW MC QUEEN <JAMES MCQUEEN FAMILY A/C>	1,877,634	0.94%
16. KAWAII INVESTMENTS PTY LTD <KAWAII WIPFLI FAMILY A/C>	1,800,381	0.90%
17. ANDREW MCQUEEN PTY LTD <ANDREW MCQUEEN STAFF S/F A/C>	1,767,048	0.88%
18. G K MORGAN INVESTMENTS PTY LTD	1,724,380	0.86%
19. MR JOHN TOLL <TOLL FAM DISC A/C>	1,675,413	0.84%
20. BERNE NO 132 NOMINEES PTY LTD <599694 A/C>	1,666,667	0.83%
	112,680,399	56.34%

2. The name of the company secretary is Charly Athalie Duffy

LIVEHIRE LIMITED ABN: 59 153 266 605
ADDITIONAL INFORMATION FOR LISTED PUBLIC COMPANIES

- 3. The address of the principal registered office in Australia is Level 13, 114 William Street Melbourne VIC 3000. Telephone 03 90784485

- 4. Registers of securities are held at the following addresses
 Boardroom Limited
 Level 12
 225 George Street
 Sydney NSW 2000
- 5. 1300 737 760

6. **Stock Exchange Listing** Quotation has been granted for all the ordinary shares of the company on all Member Exchanges of the Australian Securities Exchange Limited.

Unquoted Securities	Restricted securities	Expiry date	Number of shares
	Ordinary shares subject to escrow	10-Jun-18	78,031,022
	Ordinary shares subject to escrow	29-Dec-16	4,679,170

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