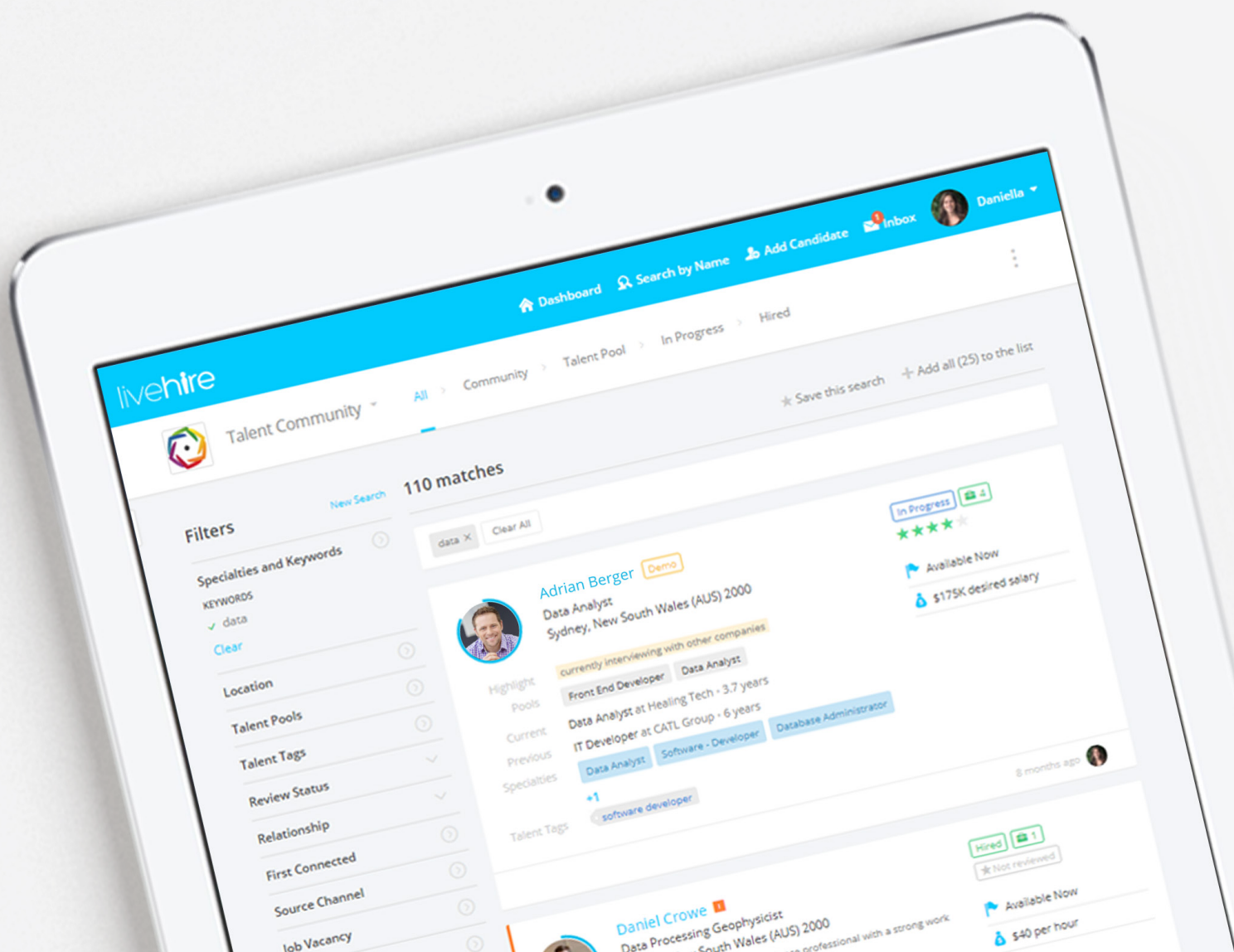


# livehire

a world that works

ANNUAL REPORT | For The Year Ended 30 June 2017



# CONTENTS

Corporate Directory	3
Chairman's Address	4
Managing Director's Address	5
Directors' Report	10
Auditor's Independence Declaration	27
Statement of Profit or Loss and Other Comprehensive Income	28
Balance Sheet	29
Statement of Changes in Equity	30
Statement of Cash Flows	31
Notes to the Financial Statements	32
Directors' Declaration	54
Independent Auditor's Report	55
Shareholder Information	59

# CORPORATE DIRECTORY

## DIRECTORS AND OFFICERS

Geoffrey Morgan AM	Non-Executive Chairman
Antonluigi Gozzi	Managing Director
Michael Haywood	Executive Director
Grant Galvin	Executive Director
Adam Zorzi	Independent Non-Executive Director
Ben Malone	Chief Financial Officer
Charly Duffy	Company Secretary

## PRINCIPAL REGISTERED OFFICE

Level 13, 114 William Street  
Melbourne VIC 3000  
T: +61 (03) 9021 0657  
[www.LiveHire.com](http://www.LiveHire.com)

## DOMICILE AND COUNTRY OF INCORPORATION

Australia

## AUSTRALIAN BUSINESS NUMBER

ABN 59 153 266 605

## AUDITORS

BDO Audit (WA) Pty Ltd  
38 Station Street  
Subiaco WA 6008  
Website: [www.bdo.com.au](http://www.bdo.com.au)

## SHARE REGISTRY

Boardroom Limited  
Level 12, 7225 George Street  
Sydney NSW 2000  
[www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)

## SECURITIES EXCHANGE

Australian Securities  
Exchange Limited (ASX)  
ASX Code - LVH (Ordinary Shares)

# CHAIRMAN'S ADDRESS

LIVEHIRE

ANNUAL REPORT 2017

On behalf of the Board of Directors it gives me great pleasure to write to you - our shareholders - as Chairman of LiveHire. This Annual Report marks our first full year of being a listed company and as a Board, we are incredibly pleased to have delivered strongly on the Company's vision.

Our two founders, Antonluigi Gozzi and Mike Haywood, and the entire LiveHire team, have spent the past six years working to execute on our purpose to "empower the flow of the world's talent and to create a more agile, open and awesome working world". I believe, having spent the past 40 years working in the human capital space, that we have seen the LiveHire purpose become a reality with the achievements of the Company in this Financial Year.

We have achieved considerable scale in key industries such as healthcare, aged care, mining, technology, retail and government. I am proud of the Company's strong initiatives in the Women in Tech portal, which I am a strong advocate for. Through this initiative, we have seen fantastic outcomes resulting from engagement with global and Australian brands such as Australia Post, Commonwealth Bank, Uber, Dropbox.

LiveHire's Talent Ecosystem is blossoming. Candidates are connecting privately with Live Talent Communities, addressing the age old problem of the time, cost and quality of hiring employees for companies of all sizes. These Talent Communities provide dynamic and sustainable pools of talent across various roles within a company. LiveHire is building a powerful productivity platform that allows businesses to transform the effectiveness and efficiency of their sourcing and hiring processes. Simultaneously, LiveHire helps candidates 'live the career they love' by providing access to new opportunities, enabling them to take a proactive approach to managing their careers in industries and organisations of their choosing.

My strong personal belief remains that LiveHire's technology, vision and management is now transforming how the best organisations hire and manage talent, thereby turning the recruitment process from being reactive to proactive. This allows significant time and cost savings whilst ensuring the candidate experience is a positive one.

As a business, we are well capitalised with more than \$17 million in the bank and an opportunity to impact one of the largest and most important industries: human capital.

I congratulate the entire LiveHire team on their clear vision and passion as they continue to build an extremely exciting business delivering positive experiences in the world of work through the delivery of a world class productivity and engagement platform.



Geoff Keith Morgan AM  
Chairman, LiveHire Limited



# MANAGING DIRECTOR'S ADDRESS

ANNUAL REPORT 2017

LIVEHIRE

To our Shareholders,

LiveHire completed an extraordinary year in 2017. Paid Talent Community Connections has grown by 28% quarter on quarter (QoQ), Revenue from continuing operations has grown by 26% QoQ, and Usage and Adoption activities has grown by an impressive 56% QoQ.

This exponential growth points straight to the core of our proprietary Live Talent Community software platform, and is the result of our strategic focus on three key objectives: to reach critical mass; to be the global market leader; and to deliver 10x ROI for all customers. We focus on those objectives in our decision-making processes every day and we know that they will continue to guide our growth in the years to come. On an operational level, we will continue to be agile by adapting to the rapid changes in the technology landscape, seizing major opportunities when they present, and continuing to invest heavily in our platform to meet ever changing customer priorities and behaviours.

*We are focused on the biggest industry in the world*

LiveHire has the incredible opportunity to focus on a problem that is universal and, most importantly, is largely unresolved by any major technology company: finding the right employees for each business, and finding the right job opportunity for each person. In short, LiveHire is leading the world in re-defining what is, in our view, [the largest industry in the world: Employment](#).

When you consider that everyone needs employment, that people are changing jobs ever more frequently, that all businesses need new skills to compete, and that our own employment status is linked to most of the things we care very deeply about - our well-being and financial stability, mental health and lifestyle, social cohesion and economic opportunity - then you can understand that LiveHire is onto something unique and of global applicability.

Despite 25 years of new talent sourcing and applicant processing technology investments, the time to hire a suitable candidate has gone backwards in Australia in the last six years, increasing from 28 days to 68 days. The individual recruiter productivity fared even worse, having declined - or at best not improved - in the last 30 to 40 years. This complex recruitment problem represents today a huge cost to companies, impacting bottom line profitability, employee productivity and business competitiveness, bringing this issue to the top of global CEO's agendas.

McKinsey has recently evaluated this industry potential, estimating that online talent platforms could add US\$2.7 trillion, or 2.0 percent, to global GDP by 2025, while increasing employment by 72 million full-time-equivalent positions (McKinsey: Connecting Opportunity with Talent in the Digital Age).

We have long held the view that creating a [technology that clearly puts the candidate at the centre](#) of the hiring process is critical to achieving a much more productive and fluid recruitment process. This is a unique approach that differentiates LiveHire from any other recruitment technology and is at the core of our Live Talent Ecosystem.



This is why LiveHire's purpose is 'to empower the flow of the world's talent into organisations, to create a more agile, open and awesome working world'.

## *We have successfully reimagined enterprise recruitment from 'reactive' to 'proactive'*

In our view, the root cause of the problem in employment is that most enterprises recruit reactively, commencing to search for suitable candidates at the time when a position becomes vacant, relying on last minute applications from low-quality, high-volume source channels (highly inefficient), or high-quality, low-volume third parties (very expensive). This recruitment process is problematic, as it is destined to deliver a suboptimal result from the very beginning. Technologies have tried to improve this by either seeking to increase volume of applicants or investing in complex procurement-style application systems, with the net outcome of making the problem even worse for recruiters, and more frustrating for candidates.

LiveHire's [Talent Community software platform](#) allows companies to instead build what is an ever evolving 'reserve army of talent', who are interested, pre-qualified, and responsive to working for a particular company. [Automated Talent Pools](#) are available for each role in the business and can be called upon at any given time. We believe this defines best practice in 'proactive recruitment'.

Our enterprise clients who implement this proactive approach to recruitment, by using the LiveHire Talent Community software, have all experienced a significant step change in recruitment outcomes, halving their time to hire and saving millions in recruitment costs. To date, the LiveHire platform has delivered [5-10x ROI returns to clients in most industries](#), demonstrating how the technology and its proactive methodology is applicable to any industry and any professional group – from Health care to Aged care, Education to Retail, Professional Services to Government and Public services.

We believe there is no better example of this than leading retailer General Pants & Co. Since adopting the LiveHire Talent Community platform, General Pants has had direct access to tens of thousands of live candidate profiles, communicating directly through to their mobile phone. In the nine months since launching their Talent Community, 71% of all General Pants' hires came through their Talent Community; 62% of candidates heard back from the company within 24 hours; and 81% of candidates responded to the company's talent team requests within 24 hours. After just 3 months of using the Talent Community software, across their 520 hires, the average time to fill a role was decreased to 26 days, less than half the time it took the previous year. Furthermore, General Pants' time to hire continued to steadily reduce over time: from 26 days to 16 days in February, 9 days in March and only 2 days in April 2. This highlights the power and efficiencies of the Live Talent Pooling functionality. These are incredible results for General Pants and all its candidates.

In terms of productivity gains for General Pants, their recruitment team has been able to achieve these results with half the resources available, in half the time and incurring minimal costs for recruitment marketing and other recruitment activities. We have seen these results consistently reached across our portfolio of customers, and we have invested in a dedicated Customer Success team, which helps each customer achieve maximum results in the fastest possible time.



## *Live Talent Communities are a productivity platform*

Ultimately, the large-scale adoption of the Talent Community software relies on being a successful productivity platform for sourcing and recruitment teams, consistently delivering a better recruitment outcome at a fraction of the cost of any comparable technology or service. Building a productivity platform requires us to put our [customers at the centre of everything we do, every day](#). As Jeff Bezos from Amazon said, "Obsess over customers."

Our customers, and each single user within our customer teams, really matter to us. When they need something, we prioritise it above everything else. When they want our time, we give it to them. When they are unsure, we help them discover what works best. When they raise an issue, we listen. We are not protective or defensive of our customers, instead we encourage them to try new technologies or services, and when they discover something that meets their needs, we work hard to integrate it into their Live Talent Community solution.

We routinely run surveys and analyse our customer usage patterns and we physically observe on a daily basis their recruitment activities, [on and off the platform](#). We want the Live Talent Community to be a pleasure to use, especially for those recruiters who spend up to 80% of their day on it. We are responsible for making sure their day is successful and their recruitment efforts are productive every single step of the way.

## *Making recruitment human again!*

In today's world of 'technology anywhere, anytime', candidates expect the best user experience and the latest technology at their fingertips. Candidates do not have the patience to go through multiple stage-gated online job applications over and over again, through systems that are not even mobile responsive. Uniquely, LiveHire addresses this problem by providing all candidates with [a unified Live Profile that is shared across infinite private Talent Communities](#). This private candidate profile can be used to join any other Talent Community with one click, acting like a digital passport for employment opportunities. By re-using a unique centralised profile, candidates can easily share new updates on their CV. Through one single update from any device, candidates can express their availability and preferences across multiple employers, or communicate directly and immediately with each recruiter or hiring manager.

LiveHire also understands that when online, candidates behave more like consumers. They desire a more [humanised experience](#). More specifically, they look for: an ongoing connection with the brands they want to work for; positive memorable experiences; on-demand opportunity; anywhere, real-time access; and personalised engagement. To achieve this LiveHire has built a technology which is 'built differently from the ground up', putting the candidate at the centre of the ecosystem and changing what was a 'rejection' experience into one that is empowering and motivating for candidates.

We believe that technologies which truly bring humans closer together, often lead to redefining entire industries by creating major global tech-enabled 'Ecosystems', which usually reach rapid scale through continued exponential growth (e.g. AirBnB, Social Networks, Salesforce).

### *Three pillars to LiveHire's growth strategy*

At the time of listing in June 2016, we made it clear to shareholders that we were focused on scaling the Ecosystem of Live Talent Communities through three key growth pillars: Cornerstone Clients, Technology Partnerships, and Recruitment Processing Outsource (RPO) service providers. We are very pleased to report that results across each pillar have exceeded our expectations.

The first pillar of our growth strategy: signing up [cornerstone clients](#). These are industry leading employers with strong brand reputations who are significant contributors of hiring and nurturing talent in their industry. These clients create very large Talent Communities, which quickly spread the adoption of the LiveHire Profile and Talent Community platform across their industries. During the year we signed up industry leading brands including: Bupa, Alfred Health, Queensland Health, Japara Healthcare, General Pants & Co, Reece, Michael Hill, Telstra Health, Laureate Universities International, TAFE Queensland, Radisson Blu, and more. We continue to sign up larger and more advanced cornerstone clients at an increased pace, as our technology capabilities expand and the size of the ecosystem reaches critical mass in each industry.

LiveHire grows in client adoption [by integrating with upstream sourcing](#) technologies (such as job boards, social media, career websites, job aggregators) [and downstream Human Capital Management](#) (HCM) technologies (such as SAP SuccessFactors). These integrations lower the barrier of adoption for future clients, and provide a seamless solution for both candidates and employers. The integration partnerships that were formed throughout the year are absolutely critical for the LiveHire ecosystem to attract and serve the largest companies globally.

The distribution channel of [partnering with Recruitment Process Outsourcing \(RPO\) companies](#) was a key focus throughout the year for LiveHire. RPO's replace part or all of the recruitment teams inside large corporates, with RPO's being used by 40% of large corporates globally. LiveHire has made significant progress already, signing a partnership with Randstad Sourceright (RSR), one of the world's largest RPO companies. The LiveHire Talent Community System is also part of many large tenders in Australia with three other global RPOs waiting on final customer consideration.

### *Our best asset is our Employees, each and every one of them*

It is without a shadow of a doubt that most of the credit for the growth of the Live Talent Ecosystem goes to my colleagues. I am humbled every day by the experience of working with such a team of talented, creative and undeterred people, who have a deep personal connection to our purpose and vision. We know that we are building something that is of immense value for the community at large. This sense of purpose guides us to drive ourselves harder every day.

What we are doing is in new, uncharted territory. We are defining a new product category in enterprise software that is gaining national and international recognition among the industry leaders, many major enterprise customers, and software providers of Human Capital Management (HCM) solutions.

A great deal of praise and encouragement should go to the LiveHire employees who make incredible things happen every day in product development and infrastructure, enterprise sales and marketing, customer success, partnership and customer solutions, finance and accounting, strategy and operations.



### *Focus on speed and scalability*

LiveHire has always run its operations from a lean start-up ethos, making every dollar of investment count. Now, with a [strong product market fit and platform usage growing exponentially](#), we are focusing on speed of adoption and the scalability of the business and its platform.

LiveHire has the first mover advantage. We are incredibly determined to accelerate domestically and internationally, to capture this huge global opportunity. An opportunity such as this does not present to every company, every employee or every founder! There is no time to lose.

During 2017 we have worked hard to expand our services and technology, increasing staff from 28 full-time employees to approximately 40. In 2018, we will scale the team up to 50 people, focusing in particular on growing a best-in-class enterprise software sales team to 11 people (from a very small team of 3 in 2017), under the leadership of our seasoned global enterprise software Sales Director.

In summary, we believe that by focusing 100% of our efforts on our customers, our clients will focus 100% of their efforts on their candidates, and in turn candidates will prefer employers who use Live Talent Communities, thus driving an extremely powerful network effect in the LiveHire Ecosystem. We see this already, from the feedback we get from candidates and customers every day.

We thank our customers for their industry leadership and feedback, our shareholders large and small for their support and continuous drive, our Morgans advisors for their integrity and professionalism, our detractors for teaching us how to overcome obstacles, our technology partners for their open APIs, and our employees for the long days and long weeks of hard work. It's worth it.



Antonluigi Gozzi  
Founder and Managing Director  
LiveHire Ltd

The Directors submit their report of LiveHire Limited ('LiveHire' or 'the Company') for the financial year ended 30 June 2017 ('Financial Year').

## 1. INFORMATION ON THE BOARD OF DIRECTORS

The Directors of the Company at any time during or since the end of the financial year are as follows:



**Mr Geoffrey Morgan AM**  
Independent Non-Executive Director & Chairman

With over 40 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 a Member of the Order of Australia in 2015, and is also a member of the Australian Institute of Company Directors.

During the past three years, Geoff held the following directorships in other ASX listed companies:

- Non-Executive Director of Reffind Limited (resigned 23 November 2016).

Board Committee Membership:

- Chairman of the Board
- Member of the Audit & Risk Committee
- Member of the Nomination & Remuneration Committee

# DIRECTORS' REPORT

ANNUAL REPORT 2017

LIVEHIRE



**Mr Antonluigi Gozzi**  
Managing Director, Chief Product Officer

Antonluigi is Founder, Managing Director and Chief Product Officer of LiveHire.

As Managing Director, Antonluigi has overall responsibility for the strategy and operation of the LiveHire business. Antonluigi also leads the product team, and has led 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.

During the past three years, Antonluigi has not held directorships in any other ASX listed companies.



**Dr Michael Haywood**  
Executive Director, Growth

Michael is Founder and Executive Director of LiveHire.

As Executive Director, Michael has responsibility for investor relations, brand, and strategic relationships.

Prior to founding LiveHire, Michael launched successful engineering technology start-ups, 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. Dr Haywood has completed a PhD in Engineering and a Bachelor of Commerce and Engineering, both from the University of Western Australia.

During the past three years, Michael has not held directorships in any other ASX listed companies.

Board Committee Membership:

- Member of the Nomination & Remuneration Committee



**Mr Patrick Grant Galvin**  
Executive Director, Commercial Execution

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 cloud-based online human resources productivity platform (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 a graduate of the Australian Institute of Company Directors.

During the past three years, Grant has not held directorships in any other ASX listed companies.

Board Committee Membership:

- Member of the Audit & Risk Committee



**Mr Adam Zorzi**  
Independent 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 board 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.

During the past three years, Adam has not held directorships in any other ASX listed companies.

Board Committee Membership:

- Chair of the Audit & Risk Committee
- Chair of the Nomination & Remuneration Committee

## 2. INFORMATION ON OFFICERS OF THE COMPANY



**Mr Ben Malone**  
Chief Financial Officer

---

(appointed 13 January 2017)

Ben Malone has held the role of Chief Financial Officer since 13 February 2017.

Ben has extensive experience from previous roles in building and leading finance teams in leading national and international organisations, including REA Group, APN Property Group, Australian Unity, Deloitte and Ernst & Young. Ben's experience at these organisations includes large business acquisitions and integrations, international expansion and structuring, and scaling finance teams through high growth phases.

Ben is a member of the Australian Institute of Chartered Accountants, and holds a Bachelor of Commerce (Honours) and Executive MBA from Monash University.



**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.

## 3. 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 of Cornerstone Clients' implementations and successful adoption of the LiveHire technology;
- Establishment and growth of the Talent Community product distribution channel 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;
- Expansion and development the Company's technology integrations with upstream and downstream technology software; and
- Development of advanced algorithms for human capital analytics, reporting and automation.

## 4. REVIEW OF OPERATIONS

LiveHire's purpose is to empower the flow of the world's talent into organisations globally, to create a more agile, open and awesome working world.

LiveHire is a productivity and collaboration platform that makes managing the flow of talent, into and through a business, seamless. The platform delivers a proactive sourcing and internal mobility solution called Live Talent Communities; providing ongoing connection to interested, available, and quality talent-on-demand, reducing time and cost to hire new talent, or mobilise existing talent across the whole of an organisation with an unrivalled candidate experience.

To potential candidates, LiveHire is their private career profile in the world's largest talent ecosystem, connecting them directly with the hiring managers of Live Talent Communities of the best brands, helping them to live the career they love.

The highlights and significant changes in state of affairs during the financial year include:

- **Talent Community Connections (TCCs)** grew by 166% compared to the previous financial year, with 362,130 connections amongst existing clients and new significant cornerstone clients at 30 June 2017 compared to 136,290 at 30 June 2016.
- **Revenue for the financial year increased 150% to \$775,845** with no material increase in resource allocation required (cost increase 25%).
- **Cash receipts for the financial year increased 211% to \$927,428.**
- **Successfully raised \$12.5m** in March 2017 via a heavily oversubscribed placement of 28.5m ordinary shares at \$0.44 per share. The capital allows LiveHire to accelerate growth across three strategic pillars, being large enterprise sales opportunities and Recruitment Process Outsourcer (RPO) partnerships, major HR technology integrations, and deepening the artificial intelligence and machine learning capabilities of the LiveHire platform to further improve productivity and fluidity
- Strong financial position at the end of the period, **debt free with \$17.7m cash at bank.**
- **Established Recruitment Process Outsourcer (RPO) Channel Partnership** with leading recruitment process Outsourcer (RPO) provider Randstad Sourceright, the leading global RPO provider, which manages end-to-end hiring for more than 180 corporate clients globally.
- **Launched Cornerstone Clients** including Telstra Health, General Pants Co., Laureate Universities International and TAFE Queensland, as well as the launch of talent communities for Japara Healthcare, Amana, Reece and Barwon Health.



# DIRECTORS' REPORT

ANNUAL REPORT 2017

LIVEHIRE

- Extended the use of the LiveHire Talent Community platform across **Bupa** to encompass its Information Technology division. Bupa is now using LiveHire's Talent Community platform across its Clinical, Aged Care, Digital, and IT divisions, representing a significant proportion of the organisation.
- First customer-led technology integration commenced with leading global Human Capital Management Suite **SAP SuccessFactors**, which serves more than 6,000 clients.
- Continued to sign clients and expand market share in Health Care, Aged Care, Media and Communications, Retail and Professional Services industry verticals.
- Launched a partnership with key customer **Australian Human Resource Institute (AHRI)**, the peak national body for HR professionals, endorsing and marketing the Live Talent Community platform to more than 14,000 members nationally.
- Released **Live Talent Analytics** and **Live Talent Pooling** to help clients shift from reactive to 100% proactive recruitment.
- Integrated the **FlareHR** candidate on-boarding technology into the LiveHire ecosystem, along with **Sonru**, the global leader in automated video interviewing technology, with more than 5,000 video interviews completed in the first month of the implementation.
- Completed the API Integration with the world's largest job site, **Indeed**, which has more than 200 million active visitors. The integration increases ongoing candidate flow from Indeed into Talent Communities, and improves customer and candidate experience.
- Launch of the **Women in Tech** portal with **CEB Australia (CEB)**, aiming to bring together 1,000 organisations to collectively attract 100,000 females to join the Australian tech sector. Foundation companies of the portal include Amazon Web Services, Dropbox, CBA, Salesforce and Australia Post
- Appointed Paul Bridgewater on 5 July 2016 to its senior leadership team as **Head of Recruitment Solutions**.
- Appointed Ben Malone on 13 January 2017 to its senior leadership team as **Chief Financial Officer**.

## 5. DIRECTORS' SHARE AND OPTION HOLDINGS

The following table sets out each current Director's relevant interest in shares and options to acquire shares of the Company or a related body corporate as at the date of this report.

DIRECTORS	FULLY PAID ORDINARY SHARES	UNLISTED OPTIONS
Geoffrey Morgan AM	3,592,505	2,000,000
Antonluigi Gozzi	26,865,101	3,600,000
Michael Haywood	25,763,222	3,000,000
Grant Galvin	12,870,800	3,000,000
Adam Zorzi	4,073,145	1,000,000

# DIRECTORS' REPORT

LIVEHIRE

ANNUAL REPORT 2017

## 6. DIRECTORS' MEETINGS

The number of Directors' meetings held during the financial year and the number of meetings attended by each Director during the time the Director held office are:

DIRECTORS	FULL BOARD		REMUNERATION & NOMINATION COMMITTEE		AUDIT & RISK MANAGEMENT COMMITTEE	
	NUMBER ELIGIBLE TO ATTEND	NUMBER ATTENDED	NUMBER ELIGIBLE TO ATTEND	NUMBER ATTENDED	NUMBER ELIGIBLE TO ATTEND	NUMBER ATTENDED
Geoffrey Morgan AM	11	11	0	0	4	4
Antonluigi Gozzi	11	11	-	-	-	-
Michael Haywood	11	11	0	0	-	-
Patrick Grant Galvin	11	11	-	-	4	4
Adam Zorzi	11	11	0	0	4	4

During the reporting period ending 30 June 2017, the nature and timing of the remuneration and nomination matters that arose did not warrant the Nomination and Remuneration Committee formally meeting. Notwithstanding the foregoing, the Committee members liaised informally on numerous occasions as required. The Nomination and Remuneration Committee has subsequently met formally since the end of the reporting period.

### Committee Membership

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

Members of the **Remuneration & Nomination Committee** during the financial year were:

Adam Zorzi (Chairman), Geoff Morgan, Michael Haywood

Members of the **Audit & Risk Management Committee** during the financial year were:

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

## 7. FINANCIAL PERFORMANCE

The financial results of the Company for the year ended 30 June 2017 are:

	30-JUN-17	30-JUN-16	% CHANGE
Revenue from continuing operations (\$)	775,845	310,061	150%
Net loss after tax (\$)	(4,652,153)	(3,669,057)	(11%)
Loss per share (\$)	(0.022)	(0.033)	41%

As detailed in Note 2 to the Financial Statements, the Statement of Profit or Loss and Other Comprehensive Income has been prepared on an accruals basis, and will therefore vary from the ASX Quarterly Cash Flow Reports (Appendix 4C). The variance of \$151,583 is attributed to an increase in deferred revenue, and GST that is reported as a cash receipt but not revenue, partially offset by a net increase in trade debtors.

## 8. REMUNERATION REPORT (AUDITED)

This report for the year ended 30 June 2017 outlines the remuneration arrangements of the company, in accordance with the requirements of the Corporations Act 2001 ('the Act') and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report details the remuneration arrangements for key management personnel ('KMP') who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the company.

### Individual KMP disclosure

Details of KMP of the Company who held office during the year are as follows:

DIRECTORS	POSITION	APPOINTED
Geoffrey Morgan AM	Non-Executive Director & Chairman	Appointed 26 November 2015
Antonluigi Gozzi	Managing Director	Appointed 16 September 2011
Michael Haywood	Executive Director	Appointed 16 September 2011
Grant Galvin	Executive Director	Appointed 28 April 2014
Adam Zorzi	Independent Non-Executive Director	Appointed 5 April 2012

OTHER KMP	POSITION	APPOINTED
Ben Malone	Chief Financial Officer	Appointed 13 January 2017

There have been no other changes after reporting date and up to the date that the annual report was authorised for issue.

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

- A Remuneration Philosophy
- B Remuneration Governance, Structure and Approvals
- C Remuneration and Performance
- D Details of Remuneration
- E Contractual Arrangements
- F Share-based Compensation
- G Equity Instruments Issued on Exercise of Remuneration Options
- H Voting and comments made at the Company's 2016 Annual General Meeting
- I Loan instruments to KMP
- J Other transactions with KMP

## A. REMUNERATION PHILOSOPHY

KMP have authority and responsibility for planning, directing and controlling the activities of the Company. KMP of LiveHire comprise the Board of Directors and the CFO.

The performance of the Company depends upon the quality of its KMP. To prosper the Company must attract, motivate and retain appropriately skilled Directors and Executives.

The Company's broad remuneration policy is to ensure the remuneration package properly reflects the person's duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people of the highest quality.

No remuneration consultants were employed during the financial year.

## B. REMUNERATION GOVERNANCE, STRUCTURE AND APPROVALS

The Board has established a separate Remuneration & Nomination Committee, which comprises Adam Zorzi (Chairman), Geoff Morgan and Michael Haywood.

The Remuneration & Nomination Committee is primarily responsible for:

- The over-arching executive remuneration framework;
- Operation of the incentive plans which apply to executive directors and senior executives (the executive team), including key performance indicators and performance hurdles;
- Remuneration levels of executives, and
- Non-executive director fees.

Their objective is to ensure that remuneration policies and structures are fair and competitive and aligned with the long-term interests of the Company.

### Non-Executive Director Remuneration Structure

The remuneration of Non-Executive Directors consists of Directors' fees, payable in arrears. The Board, in accordance with the Company's Constitution and the ASX listing rules specify that the Non-Executive Directors fee pool shall be determined from time to time by a general meeting. The Board did not seek any increase for the Non-Executive Director pool at the 2016 AGM. Accordingly, as set out in section 5.3(e) of the Company's Replacement Prospectus lodged with the ASX on 23 May 2016, the Non-Executive Director fee pool is an aggregate of A\$600,000 per annum. The Board will not seek any increase for the Non-Executive Director pool at the 2017 AGM.

Remuneration of Non-Executive Directors is based on fees approved by the Board of Directors and is set at levels to reflect market conditions and encourage the continued services of the Directors. Non-Executive Directors do not receive retirement benefits but are able to participate in share-based incentive programmes in accordance with Company policy.

The remuneration of Non-Executive Directors is detailed in Section D - Table 1a and Table 1b, and their contractual arrangements are disclosed in "Section E – Contractual Arrangements".

### Non-Executive Director Remuneration Approvals

The Board, in accordance with the Company's Constitution, sets the aggregate remuneration of Non-Executive Directors, subject to shareholder approval. Within this pre-approved aggregate remuneration pool, fees paid to Non-Executive Directors are approved by the Remuneration Committee and are set at levels to reflect market conditions and encourage the continued services of the Directors. Remuneration may also include an invitation to participate in share-based incentive programmes in accordance with Company policy.

The nature and amount of remuneration is collectively considered by the Board of Directors with reference to relevant employment conditions and fees commensurate to a company of similar size and level of activity, with the overall objective of ensuring maximum shareholder benefit from the retention of high performing Directors.

## Executive Remuneration Structure

The nature and amount of remuneration of executives are assessed on a periodic basis with the overall objective of ensuring maximum shareholder benefit from the retention of high performing Executives.

The main objectives sought when reviewing executive remuneration is that the Company has:

- Coherent remuneration policies and practices to attract and retain Executives;
- Executives who will create value for shareholder;
- Competitive remuneration offered benchmarked against the external market; and
- Fair and responsible rewards to Executives having regard to the performance of the Company, the performance of the Executives and the general pay environment.

The remuneration of Executives is detailed in Section D - Table 1a and Table 1b, and their contractual arrangements are disclosed in "Section E – Contractual Arrangements".

## Executive Remuneration Approvals

The Company aims to reward Executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company and aligned with market practice. Executive contracts are reviewed annually by the Remuneration Committee, for their approval. The process consists of a review of company, business unit and individual performance, relevant comparative remuneration internally and externally and, where appropriate, external advice independent of management.

Executive remuneration and incentive policies and practices must be aligned with the Company's vision, values and overall business objectives. Executive remuneration and incentive policies and practices must be designed to motivate management to pursue the Company's long-term growth and success and demonstrate a clear relationship between the Company's overall performance and the performance of executives.

## C. REMUNERATION AND PERFORMANCE

The following table shows the gross revenue, losses and share price of the Company as at 30 June for the last five financial years:

	30-JUN-17	30-JUN-16	30-JUN-15	30-JUN-14	30-JUN-13
Revenue (\$)	775,845	310,061	101,856	30,425	11,056
Net loss after tax (\$)	(4,652,153)	(3,669,059)	(1,944,961)	(319,675)	(447,049)
Share Price (\$)	0.60	0.18	N/A	N/A	N/A

## Long Term Incentive Package

### Options:

The Board is of the opinion that the expiry date and exercise price of the options currently on issue to the Directors, other KMP and its Executives has been a sufficient long term incentive to reward Executives in a manner which aligns the element of remuneration with the creation of shareholder wealth. Work is ongoing in relation to continuing to remunerate Directors, KMP, and Executives with Long Term Incentive Packages that continue to align to the aforementioned Company Remuneration Structure and Philosophy.

For further details of each long-term incentive package, refer to note 16 Share-based payments.

# DIRECTORS' REPORT

LIVEHIRE

ANNUAL REPORT 2017

## D. DETAILS OF REMUNERATION

During the financial year ended 30 June 2017 and 30 June 2016 KMP received short-term employee benefits, post-employment benefits, long-term employee benefits and share-based payments.

Table 1a: Remuneration of KMP of the Company for the year ended 30 June 2017 is set out below:

	SHORT-TERM EMPLOYEE BENEFITS		POST-EMPLOYMENT BENEFITS	LONG-TERM EMPLOYEE BENEFITS	SHARE-BASED PAYMENTS		TOTAL
	Salary & fees	Non-monetary	Super-annuation	Annual leave & long service leave	Options (1)	Loan back Shares	
30-JUN-17	\$	\$	\$	\$	\$	\$	\$
<b>Non-Executive Directors</b>							
Geoffrey Morgan AM	136,986	-	13,014	-	138,566	-	288,566
Adam Zorzi	82,831	-	7,869	-	69,283	-	159,983
<b>Sub-total</b>	<b>219,817</b>	<b>-</b>	<b>20,883</b>	<b>-</b>	<b>207,849</b>	<b>-</b>	<b>448,549</b>
<b>Executive Directors</b>							
Antonluigi Gozzi	171,200	-	16,150	15,910	249,418	-	452,678
Michael Haywood	151,200	-	14,250	14,038	207,849	-	387,337
Grant Galvin	151,200	-	14,250	14,038	207,849	-	387,337
<b>Sub-total</b>	<b>473,600</b>	<b>-</b>	<b>44,650</b>	<b>43,986</b>	<b>665,116</b>	<b>-</b>	<b>1,227,352</b>
<b>Other KMP</b>							
Ben Malone*	58,074	-	5,470	5,399	138,529	-	207,472
<b>Sub-total</b>	<b>58,074</b>	<b>-</b>	<b>5,470</b>	<b>5,399</b>	<b>138,529</b>	<b>-</b>	<b>207,472</b>
<b>Total</b>	<b>751,491</b>	<b>-</b>	<b>71,003</b>	<b>49,385</b>	<b>1,011,494</b>	<b>-</b>	<b>1,883,373</b>

\*Ben Malone commenced 13 Feb 2017 (appointed 13 January 2017)

### (1) Options

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. Further information can be found in Note 16.

Table 1b: Remuneration of KMP of the Company for the year ended 30 June 2016 is set out below:

	SHORT-TERM EMPLOYEE BENEFITS		POST-EMPLOYMENT BENEFITS	LONG-TERM EMPLOYEE BENEFITS	SHARE-BASED PAYMENTS		TOTAL
	Salary & fees	Non-monetary	Super-annuation	Annual leave & long service leave	Options (2)	Loan back Shares (3)	
30-JUN-16	\$	\$	\$	\$	\$	\$	\$
<b>Non-Executive Directors</b>							
Geoffrey Morgan AM	71,747	-	3,253	-	37,749	-	112,749
Adam Zorzi	30,000	-	2,850	-	18,875	6,310	58,035
<b>Sub-total</b>	<b>101,747</b>	<b>-</b>	<b>6,103</b>	<b>-</b>	<b>56,624</b>	<b>6,310</b>	<b>170,784</b>
<b>Executive Directors</b>							
Antonluigi Gozzi	133,366	-	12,584	17,828	67,949	-	231,727
Michael Haywood	123,364	-	11,634	11,730	56,624	-	203,352
Grant Galvin	116,197	-	10,953	11,538	160,586	302,317	601,591
<b>Sub-total</b>	<b>372,927</b>	<b>-</b>	<b>35,171</b>	<b>41,096</b>	<b>285,159</b>	<b>302,317</b>	<b>1,036,670</b>
<b>Total</b>	<b>474,674</b>	<b>-</b>	<b>41,274</b>	<b>41,096</b>	<b>341,783</b>	<b>308,627</b>	<b>1,207,454</b>



# DIRECTORS' REPORT

ANNUAL REPORT 2017

LIVEHIRE

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 financial year.

## (2) Options

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. Further information can be found in Note 16.

## (3) Shares / Loan Back Shares:

Further information can be found in Note 16. The issue of shares in FY16 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) was booked in the prior period.

The relative proportions of remuneration that are linked to performance and those that are fixed are as follows:

	FIXED REMUNERATION		AT RISK - STI (%)		AT RISK - LTI (%)	
30-JUN-17	2017	2016	2017	2016	2017	2016
<b>Non-Executive Directors</b>						
Geoffrey Morgan AM	52%	67%	-	-	48%	33%
Adam Zorzi	57%	57%	-	-	43%	43%
<b>Executive Directors</b>						
Antonluigi Gozzi	45%	71%	-	-	55%	29%
Michael Haywood	46%	72%	-	-	54%	28%
Grant Galvin	46%	23%	-	-	54%	77%
<b>Other KMP</b>						
Ben Malone	33%	-	-	-	67%	-

## Shareholdings of KMP (Direct and Indirect Holdings)

30-JUN-16	BALANCE AT 1/07/2016	GRANTED AS REMUNERATION	ON EXERCISE OF OPTIONS	PURCHASED ON MARKET	BALANCE AT 30/06/2017
<b>Non-Executive Directors</b>					
Geoffrey Morgan AM	3,492,505	-	-	100,000	3,592,505
Adam Zorzi	4,023,145	-	-	50,000	4,073,145
<b>Sub-total</b>	<b>7,515,650</b>	<b>-</b>	<b>-</b>	<b>150,000</b>	<b>7,665,650</b>
<b>Executive Directors</b>					
Antonluigi Gozzi	26,865,101	-	-	-	26,865,101
Michael Haywood	25,763,222	-	-	-	25,763,222
Grant Galvin	12,870,800	-	-	-	12,870,800
<b>Sub-total</b>	<b>65,499,123</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>65,499,123</b>
<b>Other KMP</b>					
Ben Malone	-	-	-	22,727	22,727
<b>Sub-total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,727</b>	<b>22,727</b>
<b>Total</b>	<b>73,014,773</b>	<b>-</b>	<b>-</b>	<b>172,727</b>	<b>73,187,500</b>

# DIRECTORS' REPORT

LIVEHIRE

ANNUAL REPORT 2017

Shareholdings of KMP (Direct and Indirect Holdings)

30-JUN-17	BALANCE AT 1/07/2016	GRANTED AS REMUNERATION	EXPIRED	VESTED & EXERCISABLE	BALANCE AT 30/06/2017
<b>Non-Executive Directors</b>					
Geoffrey Morgan AM	2,000,000	-	-	1,000,000	2,000,000
Adam Zorzi	1,000,000	-	-	500,000	1,000,000
<b>Sub-total</b>	<b>3,000,000</b>	<b>-</b>	<b>-</b>	<b>1,500,000</b>	<b>3,000,000</b>
<b>Executive Directors</b>					
Antonluigi Gozzi	3,600,000	-	-	1,800,000	3,600,000
Michael Haywood	3,000,000	-	-	1,500,000	3,000,000
Grant Galvin	3,000,000	-	-	1,500,000	3,000,000
<b>Sub-total</b>	<b>9,600,000</b>	<b>-</b>	<b>-</b>	<b>4,800,000</b>	<b>9,600,000</b>
<b>Other KMP</b>					
Ben Malone	-	1,000,000	-	-	1,000,000
<b>Sub-total</b>	<b>-</b>	<b>1,000,000</b>	<b>-</b>	<b>-</b>	<b>1,000,000</b>
<b>Total</b>	<b>12,600,000</b>	<b>1,000,000</b>	<b>-</b>	<b>6,300,000</b>	<b>13,600,000</b>

## E. CONTRACTUAL ARRANGEMENTS

### Contractual arrangements with executive KMPs

COMPONENT	EXECUTIVE DIRECTOR DESCRIPTION	CFO DESCRIPTION
Fixed remuneration	Range between \$150,000 and \$170,000	\$150,000
Contract duration	Ongoing contract	Ongoing contract
Notice by the individual/company	6 months / 3 months	3 months / 3 months
Termination benefits	Unvested Options will lapse. Vested and unexercised Options can be exercised within a period of 120 days from termination. The Company has the discretion to call in repayment of any non-recourse loans attached to any Loan Back Shares on issue under the Employee Incentive Plan.	

Contracts for Executive KMPs allow for short term incentive payments linked to KPI's however no such short-term incentive cash payments were approved by the Board during the financial year. No KPI's were set for the current financial year.

Different contractual terms apply to the following individuals:

- Executive Director's may exercise Options that were due to vest within 3 months of the termination date despite the fact that a Vesting Date may not have been reached (does not apply to termination of employment with cause, or termination of employment by resignation).
- Mr B Malone's contract includes a \$50,000 increase to fixed remuneration at the later of:
  - 13 February 2018; or
  - the date of completion of the first capital raising by the Company in excess of \$10,000,000 after the Commencement Date (13 February 2017).

# DIRECTORS' REPORT

ANNUAL REPORT 2017

LIVEHIRE

## Contractual arrangements with non-executive directors

Non-executive directors receive a board fee and fees for chairing or participating on board committees, see table below. They do not receive performance-based pay or retirement allowances. The fees are inclusive of superannuation.

The chairman does not receive additional fees for participating in or chairing committees.

COMPONENT	GEOFF MORGAN (CHAIR)	ADAM ZORZI
Base Fee	\$150,000	\$65,700
Audit & risk committee Chair	-	\$10,000
Nomination & remuneration committee Chair	-	\$10,000
Term	Ongoing subject to termination provisions and re-election by shareholders as and when required by the Listing Rules of ASX	

## F. SHARE-BASED COMPENSATION

The Company rewards Directors and senior management for their performance and aligns their remuneration with the creation of shareholder wealth by issuing share options and or shares. Share-based compensation is at the discretion of the Board and no individual has a contractual right to participate in any share-based plan or to receive any guaranteed benefits.

### Options

During the current financial year, 1,000,000 options were issued as remuneration to Directors or other KMP. The terms and conditions of these options are as follows:

CLASS	GRANT DATE	VESTING DATE	DATE OF EXPIRY	EXERCISE PRICE	VALUE PER OPTION AT GRANT DATE	PERCENTAGE VESTED	NUMBER OF OPTIONS
Unlisted Options	12/01/2017	13/08/2017	12/01/2021	\$0.38	\$0.25	0%	500,000
Unlisted Options	12/01/2017	13/02/2018	12/01/2021	\$0.38	\$0.25	0%	250,000
Unlisted Options	12/01/2017	13/02/2019	12/01/2021	\$0.38	\$0.25	0%	250,000
							1,000,000

These options are subject to service conditions and vest over 2 years from issue, 50% on 6-month anniversary 25% on 12-month anniversary, and 25% on 24-month anniversary. There is no link to performance, other than service conditions. (Refer to Note 16 for valuation inputs.)

During the 2016 financial year, 12,600,000 options were issued as remuneration to Directors or other KMP. The terms and conditions of these options are as follows:

CLASS	GRANT DATE	VESTING DATE	DATE OF EXPIRY	EXERCISE PRICE	VALUE PER OPTION AT GRANT DATE	PERCENTAGE VESTED	NUMBER OF OPTIONS
Unlisted Options	8/04/2016	8/04/2017	1/06/2020	\$0.25	\$0.11	100%	6,300,000
Unlisted Options	8/04/2016	8/04/2018	1/06/2020	\$0.25	\$0.11	0%	6,300,000
							12,600,000

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 16 for valuation inputs.)

At the date of this report, the unissued ordinary shares of LiveHire under option carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share of the Company.

# DIRECTORS' REPORT

LIVEHIRE

ANNUAL REPORT 2017

## G. EQUITY INSTRUMENTS ISSUED ON EXERCISE OF REMUNERATION OPTIONS

No remuneration options were exercised during the financial year.

## H. VOTING AND COMMENTS MADE AT THE COMPANY'S 2016 ANNUAL GENERAL MEETING

The adoption of the Remuneration Report for the financial year ended 30 June 2016 was put to the shareholders of the Company at the AGM held 23 November 2016. The resolution was passed without amendment, on a show of hands. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

## I. LOAN INSTRUMENTS TO KMP

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

30-JUN-17	BALANCE AT 1/07/2016	LOANS PROVIDED DURING YEAR	PAID BACK BY EMPLOYEE	INTEREST PAID & PAYABLE FOR THE YEAR	INTEREST NOT CHARGED	BALANCE AT 30/06/2017
<b>Non-Executive Directors</b>						
Geoffrey Morgan AM	-	-	-	-	-	-
Antonluigi Gozzi	-	-	-	-	-	-
Michael Haywood	-	-	-	-	-	-
Grant Galvin	715,735	-	-	-	-	715,735
Adam Zorzi	39,296	-	-	-	-	39,296
<b>Sub-total</b>	<b>755,031</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>755,031</b>
<b>Other KMP</b>						
Ben Malone	-	-	-	-	-	-
<b>Sub-total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>755,031</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>755,031</b>

30-JUN-16	BALANCE AT 1/07/2015	LOANS PROVIDED DURING YEAR	PAID BACK BY EMPLOYEE	INTEREST PAID & PAYABLE FOR THE YEAR	INTEREST NOT CHARGED	BALANCE AT 30/06/2017
<b>Directors</b>						
Geoffrey Morgan AM	-	-	-	-	-	-
Antonluigi Gozzi	-	-	-	-	-	-
Michael Haywood	-	-	-	-	-	-
Grant Galvin	117,120	598,615	-	-	-	715,735
Adam Zorzi	-	39,296	-	-	-	39,296
<b>Total</b>	<b>117,120</b>	<b>637,911</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>755,031</b>

## J. OTHER TRANSACTIONS WITH KMP

There are no other transactions with KMP during the financial year ended 30 June 2017 (2016: nil).

End of Audited Remuneration Report

# DIRECTORS' REPORT

ANNUAL REPORT 2017

LIVEHIRE

## 9. OPTIONS

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

CLASS	DATE OF ISSUE	DATE OF EXPIRY	EXERCISE PRICE	NUMBER OF OPTIONS
Unlisted Options	08/04/2016	01/06/2020	\$0.25	16,600,000
Unlisted Options	18/07/2016	18/07/2020	\$0.15	2,000,000
Unlisted Options	14/10/2016	14/10/2020	\$0.188446	3,000,000
Unlisted Options	12/01/2017	12/01/2021	\$0.3814	1,000,000
				<b>22,600,000</b>

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

The following ordinary shares were issued during the financial year on exercise of options:

CLASS	DATE OF ISSUE	DATE OF EXPIRY	EXERCISE PRICE	NUMBER OF OPTIONS
Unlisted Options	18/07/2016	18/07/2020	\$0.15	500,000
				<b>500,000</b>

## 10. PROCEEDINGS ON BEHALF OF THE COMPANY

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

## 11. INDEMNIFYING OFFICERS

During the financial year, the Company paid a premium in respect of a contract insuring all its Directors and current and former executive officers against a liability incurred as such a Director or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the Company against a liability incurred as such an officer or auditor.

## 12. LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

LiveHire will continue to focus on driving significant Talent Community Connection growth and market share via:

- Launch of Live Talent Communities with increasingly larger clients nationally to drive significant new talent profile registrations.
- Continue to launch Talent Communities to clusters of companies in the same industry to drive further Talent Community Connection growth and network effect.
- Implement with Recruitment Process Outsourcing partners globally to drive international scale.
- Continue to build out the Technology Partner Ecosystem to increase the functionality and offering to clients globally.
- Integrate with major global Human Capital Management System vendors to service the largest enterprises.
- Continually develop and evolve the Live Talent Community product to maintain first mover advantage and client advocacy.
- Investing in Client Success to help Talent Community customers implement and grow their Talent Communities fast to realise productivity gains and Return on Investment.

## 13. CORPORATE GOVERNANCE STATEMENT

LiveHire Limited and the Board are committed to achieving and demonstrating the highest standards of corporate governance. The Board is responsible for ensuring that the Company has an appropriate corporate governance framework to protect and enhance company performance and build sustainable value for shareholders.

The Company has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (3rd edition) published by the ASX Corporate Governance Council. The Corporate Governance Statement is available on the company's website at [www.livehire.com/investors](http://www.livehire.com/investors).

## 14. EVENTS SINCE THE END OF THE FINANCIAL YEAR

No matters or circumstance has arisen since 30 June 2017 that has significantly affected the group's operations, results or state of affairs, or may do so in future years.

## 15. NON-AUDIT SERVICES

During the year the following fees were paid or payable for non-audit services provided by the external auditor (BDO).

	30-JUN-17 \$	30-JUN-16 \$
Taxation Services	4,000	1,500
Due Diligence Services	-	7,000
	4,000	8,500

The board of directors has considered the position and, in accordance with advice received from the audit committee, is satisfied that the provision of the non-audit services is compatible with the general standard for independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the provision of non-audit services by the auditor, as set out above, did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- All non-audit services have been reviewed by the Audit, Risk and Compliance Committee, in line with the Committee Charter, to ensure they do not impact the impartiality 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.

## 16. AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Independence Declaration by the lead auditor under Section 307C is included on the following page to this Annual Report.

Signed in accordance with a resolution of the Board of Directors.



Antonluigi Gozzi  
Director  
Melbourne, 29 August 2017



# AUDITOR'S INDEPENDENCE DECLARATION

ANNUAL REPORT 2017

LIVEHIRE



Tel: +61 8 6382 4600  
Fax: +61 8 6382 4601  
www.bdo.com.au

38 Station Street  
Subiaco, WA 6008  
PO Box 700 West Perth WA 6872  
Australia

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

As lead auditor of LiveHire Limited for the year ended 30 June 2017, 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.

A handwritten signature in black ink, appearing to read 'P. Murdoch', is written over a horizontal line.

**Phillip Murdoch**

Director

**BDO Audit (WA) Pty Ltd**

Perth, 29 August 2017

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation, other than for the acts or omissions of financial services licensees.

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

LIVEHIRE

ANNUAL REPORT 2017

	NOTES	30-JUN-17	30-JUN-16
		\$	\$
Revenue from continuing operations	6	775,845	310,061
Other Income	6	522,602	550,244
<b>Total revenue and other income</b>		<b>1,298,447</b>	<b>860,305</b>
Employee benefits expense	7	(1,823,187)	(1,398,656)
IPO related expenses		(32,446)	(412,475)
Operating expenses		(2,032,826)	(1,267,313)
Share based payment expense	16	(1,710,316)	(1,401,979)
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>		<b>(4,300,328)</b>	<b>(3,620,118)</b>
Depreciation and amortisation expense	7	(560,838)	(73,804)
<b>Loss before interest and tax (EBIT)</b>		<b>(4,861,166)</b>	<b>(3,693,922)</b>
Net finance income / (expense)	7	209,013	24,863
<b>Loss before income tax</b>		<b>(4,652,153)</b>	<b>(3,669,059)</b>
Income tax credit / (expense)	8	-	-
<b>Loss from continuing operations</b>		<b>(4,652,153)</b>	<b>(3,669,059)</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive loss for the year</b>		<b>(4,652,153)</b>	<b>(3,669,059)</b>
<b>Loss per share attributable to ordinary equity holders</b>			
- Basic loss per share	17	(0.022)	(0.033)
- Diluted loss per share	17	(0.022)	(0.033)

The Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the accompanying notes.

# BALANCE SHEET

ANNUAL REPORT 2017

LIVEHIRE

	NOTES	30-JUN-17	30-JUN-16
		\$	\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	9	17,748,476	10,442,619
Trade and other receivables	10	263,652	123,832
<b>Total current assets</b>		<b>18,012,128</b>	<b>10,566,451</b>
<b>Non-current assets</b>			
Plant and equipment		3,209	18,635
Intangible assets	11	2,825,302	1,231,711
<b>Total non-current assets</b>		<b>2,828,511</b>	<b>1,250,346</b>
<b>Total assets</b>		<b>20,840,639</b>	<b>11,816,797</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	12	334,380	596,069
Provisions	13	193,562	267,339
Deferred revenue		178,681	34,451
<b>Total current liabilities</b>		<b>706,623</b>	<b>897,859</b>
<b>Non-current liabilities</b>			
Provisions	13	58,630	-
<b>Total non-current liabilities</b>		<b>58,630</b>	<b>-</b>
<b>Total liabilities</b>		<b>765,253</b>	<b>897,859</b>
<b>Net assets</b>		<b>20,075,386</b>	<b>10,918,938</b>
<b>EQUITY</b>			
Issued capital	14	27,247,225	15,148,940
Reserves	15	4,122,480	2,412,164
Accumulated losses		(11,294,319)	(6,642,166)
<b>Total equity</b>		<b>20,075,386</b>	<b>10,918,938</b>

The Balance Sheet is to be read in conjunction with the accompanying notes.

# STATEMENT OF CHANGES IN EQUITY

LIVEHIRE

ANNUAL REPORT 2017

	ISSUED CAPITAL	SHARE-BASED PAYMENT RESERVE	ACCUMULATED LOSSES	TOTAL EQUITY
	\$	\$	\$	\$
At 1 July 2016	15,148,940	2,412,164	(6,642,166)	10,918,938
<b>Comprehensive income:</b>				
Loss for the year	-	-	(4,652,153)	(4,652,153)
Other comprehensive income	-	-	-	-
<b>Total comprehensive loss for the year</b>	-	-	(4,652,153)	(4,652,153)
<b>Transactions with owners in their capacity as owners:</b>				
Contributions of equity, net of costs	12,098,285		-	12,098,285
Share option expense	-	1,710,316	-	1,710,316
At 30 June 2017	27,247,225	4,122,480	(11,294,319)	20,075,386

	ISSUED CAPITAL	SHARE-BASED PAYMENT RESERVE	ACCUMULATED LOSSES	TOTAL EQUITY
	\$	\$	\$	\$
<b>AT 1 JULY 2015</b>				
At 1 July 2015	3,101,702	573,567	(2,973,107)	702,162
<b>Comprehensive income:</b>				
Loss for the year	-	-	(3,669,059)	(3,669,059)
Other comprehensive income	-	-	-	-
<b>Total comprehensive loss for the year</b>	-	-	(3,669,059)	(3,669,059)
<b>Transactions with owners in their capacity as owners:</b>				
			-	-
Contributions of equity, net of costs	12,047,238	436,618		-
Share option expense	-	1,401,979	-	1,401,979
At 30 June 2016	15,148,940	2,412,164	(6,642,166)	10,918,938

The statement of changes in equity is to be read in conjunction with the accompanying notes

# STATEMENT OF CASH FLOWS

ANNUAL REPORT 2017

LIVEHIRE

	NOTES	30-JUN-17	30-JUN-16
		\$	\$
<b>Cash flows from operating activities</b>			
Receipts from customers		927,428	298,666
Payment to suppliers and employees		(3,987,225)	(2,366,995)
Interest received		147,591	24,863
Receipt of Research & Development Tax Incentive		522,602	550,244
<b>Net cash outflow from operating activities</b>		<b>(2,389,604)</b>	<b>(1,493,222)</b>
<b>Cash flows from investing activities</b>			
Receipt of Research & Development Tax Incentive		583,442	-
Software development costs		(2,759,415)	(1,296,539)
Payment for plant and equipment		(3,051)	(17,907)
<b>Net cash outflow from investing activities</b>		<b>(2,179,024)</b>	<b>(1,314,446)</b>
<b>Cash flows from financing activities</b>			
Proceeds from the issue of shares		12,779,293	13,220,000
Related transaction costs		(904,808)	(736,145)
<b>Net cash inflow from financing activities</b>		<b>11,874,485</b>	<b>12,483,855</b>
<b>Net increase in cash and cash equivalents</b>		<b>7,305,857</b>	<b>9,676,187</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>10,442,619</b>	<b>766,432</b>
<b>Cash and cash equivalents at the end of the year</b>	9	<b>17,748,476</b>	<b>10,442,619</b>

The statement of cash flows is to be read in conjunction with the accompanying notes.

# NOTES TO THE FINANCIAL STATEMENTS

## 1. CORPORATE INFORMATION

The financial statements of LiveHire Limited (referred to as 'LiveHire' or the 'Company') for the financial year ended 30 June 2017 (the 'Financial Year') were authorised for issue in accordance with a resolution of the directors on 29 August 2017 and covers LiveHire as an entity as required by the Corporations Act 2001. LiveHire is a for-profit entity for the purpose of preparing these financial statements.

The financial statements are presented in Australian dollars.

LiveHire 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.

## 2. BASIS OF PREPARATION

This annual report is a general purpose annual 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 Annual 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 Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

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.

## 3. KEY JUDGEMENTS AND ESTIMATES

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. Judgements and estimates which are material to the annual report are found in the following notes:

- Note 11 – Intangible Assets
- Note 16 – Share-Based Payments

## 4. OTHER ACCOUNTING POLICIES

Significant and other accounting policies that summarise the measurement basis used and are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements.



# NOTES TO THE FINANCIAL STATEMENTS

ANNUAL REPORT 2017

LIVEHIRE

## 5. 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.

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 Company 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.

## 6. REVENUE AND OTHER INCOME

	30-JUN-17	30-JUN-16
	\$	\$
<b>Revenue from continuing operations</b>		
- Talent Community Software Fees	775,845	310,061
<b>Other Income</b>		
- Research & Development Tax Incentive	522,602	550,244
<b>Total revenue and other income</b>	<b>1,298,447</b>	<b>860,305</b>

As detailed in Note 2 to the Financial Statements, the Income Statement has been prepared on an accruals basis, and will therefore vary from the ASX Quarterly Cash Flow Reports (Appendix 4C). The variance between Revenue from Continuing Operations and Receipts from Customers of \$151,583 is attributed to an increase in deferred revenue, and GST that is reported as a cash receipt but not revenue, partially offset by a net increase in trade debtors.

## RECOGNITION AND MEASUREMENT

### Revenue

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

### 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 tax incentive

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the Company will comply with all attached conditions. When the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. When the grant relates to an asset, it is deducted from the asset to which it relates, the net value of which is amortised over its expected useful life. The Company is treating the receipt of the R&D Tax Incentive refund as a government grant.

### Interest Income

Interest income is recognised when the Company gains control of the right to receive the interest payment. All revenue is stated net of the amount of goods and services tax

# NOTES TO THE FINANCIAL STATEMENTS

## 7. EXPENSES

	30-JUN-17	30-JUN-16
	\$	\$
<b>Loss before income tax includes the following specific expenses</b>		
<b>Employee benefits expense</b>		
- Salaries and wages	1,293,838	1,056,189
- Superannuation contributions	336,077	92,193
- Payroll tax	200,783	70,555
- Employee entitlement accrual	(7,511)	179,719
	<u>1,823,187</u>	<u>1,398,656</u>
<b>Depreciation and amortisation expenses</b>		
- Depreciation of fixed assets	18,476	8,977
- Amortisation of software development asset	542,362	64,827
	<u>560,838</u>	<u>73,804</u>
<b>Finance (income) / expense</b>		
- Interest (Income)	(209,047)	(24,863)
- Interest expense	34	-
	<u>(209,013)</u>	<u>(24,863)</u>

# NOTES TO THE FINANCIAL STATEMENTS

ANNUAL REPORT 2017

LIVEHIRE

## 8. INCOME TAX EXPENSE

	30-JUN-17	30-JUN-16
	\$	\$
<b>(a) Income Tax Expense</b>		
Reconciliation of income tax expense to prima facie tax payable:		
Loss before income tax expense	(4,652,153)	(3,669,059)
Prima facie income tax at 30%	(1,395,646)	(1,100,718)
Tax effect of amounts not deductible (taxable) in calculating taxable income	370,635	420,594
Deferred tax asset not brought to account on temporary differences & tax losses	1,025,011	680,124
Income tax expense / (benefit)	-	-
<b>(b) Deferred tax assets not recognised</b>		
Timing differences	257,408	-
Tax losses - revenue	1,287,971	1,162,825
	1,545,379	1,162,825
Offset against deferred tax liabilities recognised	(864,314)	-
	681,065	1,162,825
Amounts in equity	163,442	-
Deferred tax assets not brought to account	844,507	1,162,825
<b>(c) Deferred tax liability</b>		
Timing differences	(864,314)	-
Offset against deferred tax assets recognised	864,314	-
	-	-

## RECOGNITION AND MEASUREMENT

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

### Current taxes

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 taxes

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.

# NOTES TO THE FINANCIAL STATEMENTS

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.

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.

# NOTES TO THE FINANCIAL STATEMENTS

ANNUAL REPORT 2017

LIVEHIRE

## 9. CASH AND CASH EQUIVALENTS

### (a) Reconciliation to cash at the end of the year

	30-JUN-17	30-JUN-16
	\$	\$
Cash on hand	240	240
Cash at bank	3,748,236	10,442,379
Term deposit	14,000,000	-
	17,748,476	10,442,619

### (b) Reconciliation of net cash flows from operating activities

	30-JUN-17	30-JUN-16
	\$	\$
Loss for the financial year	(4,652,153)	(3,669,059)
Adjustments for:		
Amortisation and depreciation	560,838	73,804
Employee entitlements	(7,511)	267,339
Share based payments	1,710,316	1,401,979
Other expenses	32,446	(317)
Changes in assets and liabilities		
(Increase)/decrease in trade and term receivables	(79,964)	10,700
Increase/(decrease) in trade payables and accruals	(87,309)	330,178
Increase/(decrease) in accrued expenses	(10,466)	117,038
Increase/(decrease) in tax liabilities	-	(59,366)
Increase/(decrease) in deferred income	144,199	34,482
Cash flows used in operating activities	(2,389,604)	(1,493,222)

### (c) Non-cash financing and investing activities

	30-JUN-17	30-JUN-16
	\$	\$
Options issued to brokers	-	436,617

# NOTES TO THE FINANCIAL STATEMENTS

LIVEHIRE

ANNUAL REPORT 2017

## RECOGNITION AND MEASUREMENT

### Cash at bank and on deposit

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.

## 10. TRADE AND OTHER RECEIVABLES

	30-JUN-17	30-JUN-16
	\$	\$
Trade receivables	128,002	50,939
GST receivable	49,514	72,893
Accrued interest	61,456	-
Other receivables	24,680	-
<b>Total trade and other receivables</b>	<b>263,652</b>	<b>123,832</b>

## RECOGNITION AND MEASUREMENT

### Trade 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 14 days.

### Impairment of trade receivables

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.

### 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.

### Other receivables

Other receivables are recognised at amortised cost, less any provision for impairment. Other receivables do not contain impaired assets and are not past due. Based on the credit history, it is expected that these other balances will be received when due.

# NOTES TO THE FINANCIAL STATEMENTS

ANNUAL REPORT 2017

LIVEHIRE

## 11. INTANGIBLE ASSETS

	30-JUN-17	30-JUN-16
	\$	\$
<b>Software development</b>		
Cost	4,015,933	1,296,538
Research & Development Tax Incentive	(583,442)	-
Accumulated amortisation	(607,189)	(64,827)
Net carrying amount	2,825,302	1,231,711
Total intangible assets	2,825,302	1,231,711

### Movement

Net carrying amount at the beginning of the year	1,231,711	-
Additions	2,719,395	1,296,538
Research & Development Tax Incentive	(583,442)	-
Amortisation for the year	(542,362)	(64,827)
Impairment charge	-	-
Net carrying amount at the end of the year	2,825,302	1,231,711

## RECOGNITION AND MEASUREMENT

### Software development

Software consists of capitalised developments costs being an internally generated intangible asset.

Research costs are expensed in the year 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 Company is able to use or sell the asset; the Company 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 5 years. During the period, management re assessed the useful life of the software development asset from 10 years to 5 years, as they believe it is more reflective of the useful life. The impact on the current period was an additional \$64,827 amortisation expense. The impact on future periods has not been disclosed as it is impractical to determine.

A summary of the useful lives of intangible assets is as follows:

INTANGIBLE ASSET	USEFUL LIFE
Software	5 years

### Key estimate: Impairment of intangible assets

If events or changes in circumstances indicate that the intangible assets may be impaired, the Company 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.

### Key judgement: Useful lives of intangible 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.

# NOTES TO THE FINANCIAL STATEMENTS

LIVEHIRE

ANNUAL REPORT 2017

## 12. TRADE AND OTHER PAYABLES

	30-JUN-17	30-JUN-16
	\$	\$
<b>CURRENT</b>		
<b>Unsecured liabilities</b>		
Trade payables	65,195	124,540
Trade payables - IPO related	-	213,407
Sundry payables and accrued expenses	63,463	46,577
Payroll tax payable	24,000	70,555
PAYG payable	93,121	69,519
Superannuation payable	88,601	71,471
	<b>334,380</b>	<b>596,069</b>

## RECOGNITION AND MEASUREMENT

### Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the Company 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.

## 13. PROVISIONS

	30-JUN-17	30-JUN-16
	\$	\$
<b>CURRENT</b>		
<b>Employee benefits</b>		
Balance at the beginning of the year	267,339	-
Provisions raised / (used) during the year	(73,777)	267,339
Balance at the end of the year	<b>193,562</b>	<b>267,339</b>

## RECOGNITION AND MEASUREMENT

### Provisions are recognised when:

- the Company has a present obligation (legal or constructive) as a result of a past event;
- it is probably that resources will be expended to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

## 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 and salaries 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.



# NOTES TO THE FINANCIAL STATEMENTS

ANNUAL REPORT 2017

LIVEHIRE

	30-JUN-17	30-JUN-16
	\$	\$
<b>NON-CURRENT</b>		
<b>Employee benefits</b>		
Balance at the beginning of the year	-	-
Provisions raised during the year	58,630	-
Balance at the end of the year	58,630	

## 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 re-measurements 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.

## 14. ISSUED CAPITAL

### (a) Issued and fully paid

	30-JUN-17		30-JUN-16	
	\$	No.	\$	No.
Ordinary shares	27,247,225	231,992,077	15,148,940	200,000,000
	27,247,225	231,992,077	15,148,940	200,000,000

### Ordinary shares

Ordinary shares are fully-paid and have no par value. They carry one vote per share. They bear no special terms or conditions affecting income or capital entitlements of the shareholders and 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.

# NOTES TO THE FINANCIAL STATEMENTS

LIVEHIRE

ANNUAL REPORT 2017

## (b) Movement Reconciliation

	DATE	QUANTITY	ISSUE PRICE	\$
<b>Balance 30 June 2015</b>		<b>60,000,000</b>		<b>502,740</b>
- Conversion of A class shares into ordinary shares	21/12/2015	23,993,778	0.12	2,818,962
- Issue of ordinary shares under employee loan agreement on the exercise of options (Note 16(ii))	21/12/2015	9,447,404	-	-
- Issue of shares to employees under loan purchases (Note 16(ii))	21/12/2015	4,617,380	-	-
- Conversion of options into ordinary shares under employee share scheme (Note 16(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	0.15	3,000,000
- Issue of shares through capital raising	23/05/2016	50,000,000	0.20	10,000,000
- Transaction costs		-	-	(736,145)
- Transaction costs share options issued to brokers		-	-	(436,617)
<b>Balance 30 June 2016</b>		<b>200,000,000</b>		<b>15,148,940</b>
- Issue of shares to employees under loan purchases (Note 16(ii))	14/10/2016	2,992,077	0.19	-
- Exercise of options	13/02/2017	500,000	0.15	75,000
- Issue of shares through capital raising	3/04/2017	28,500,000	0.44	12,540,000
- Transaction costs	-	-	-	(681,008)
- Loan back shares repayments	-	-	-	164,293
<b>Balance 30 June 2017</b>		<b>231,992,077</b>		<b>27,247,225</b>

## 15. RESERVES

	30-JUN-17	30-JUN-16
	\$	\$
<b>Movement reconciliation</b>		
<b>Share-based payment reserve</b>		
Balance at the beginning of the year	2,412,164	573,567
Options issued (refer Note 16)	1,710,316	1,838,597
<b>Balance at the end of the year</b>	<b>4,122,480</b>	<b>2,412,164</b>

### Share-based payments reserve

The share-based payments reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 16 for further details of these plans.

# NOTES TO THE FINANCIAL STATEMENTS

ANNUAL REPORT 2017

LIVEHIRE

## 16. SHARE-BASED PAYMENTS

	30-JUN-17	30-JUN-16
	\$	\$
<b>Share-based payments expense:</b>		
Options issued to employees and consultants (i)	1,187,596	434,451
Shares issued under employee share scheme (ii)	365,033	920,051
	1,552,629	1,354,502
Performance rights issued to employees (iii)	157,687	47,477
	1,710,316	1,401,979

### (i) Options granted to employees:

#### 30 June 2017 Financial Year

- (a) On 18 July 2016 the Company issued 2,500,000 options to an employee with a strike price of \$0.15/share. The options vest as follows:
- 500,000 on 19 July 2016;
  - 250,000 on the date that the aggregate number of Qualifying Talent Community Connection's (TCC's) exceeds 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.
- (b) On 14 October 2016 the Company issued 3,000,000 unlisted options to senior sales and technology executives as follows:
- 1,000,000 Unlisted Options exercisable at \$0.19 and 4 years expiry for the Chief Technology Officer, of which 500,000 vest at 30 June 2017 and the remaining 500,000 vest at 30 June 2018;
  - 1,000,000 Unlisted Options exercisable at \$0.19 and 4 years expiry for the Head of Talent Solutions Sales; of which 500,000 vest if Qualifying Talent community connections exceed 100,000 and the remaining 500,000 vest if Qualifying Talent community connections exceed 200,000; and
  - 1,000,000 Unlisted Options exercisable at \$0.19 and 4 years expiry for the Head of RPO Solutions, of which 500,000 vest if Qualifying Talent community connections exceed 100,000 and the remaining 500,000 vest if Qualifying Talent community connections exceed 200,000.
- (c) On 12 January 2017, the Company issued 1,000,000 unlisted options to its CFO with a strike price of \$0.38/share. The options vest as follows:
- 500,000 on 13 August 2017;
  - 250,000 on 13 February 2018; and
  - 250,000 on 13 February 2019.

#### 30 June 2016 Financial Year

- (d) On 8 April 2016, the Company issued 12,600,000 options to key management personnel which vested over two years from issue, 50% on 12-month anniversary and 50% on 24-month anniversary. The options hold no voting or dividend rights but have been listed. The options lapse when a director ceases their employment with the Company.

# NOTES TO THE FINANCIAL STATEMENTS

LIVEHIRE

ANNUAL REPORT 2017

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

FAIR VALUE OF OPTIONS	(a)	(b)	(c)	(d)
Date of Grant	18-Jul-16	14-Oct-16	12-Jan-17	8-Apr-16
Number of Options	2,500,000	3,000,000	1,000,000	12,600,000
Date of Expiry	19-Jul-20	14-Oct-20	12-Jan-21	8-Apr-20
Exercise Price	\$0.15	\$0.188	\$0.3814	\$0.25
Share Price at Grant Date	\$0.15	\$0.195	\$0.395	\$0.20
Volatility	85%	85%	85%	80%
Expected dividend yield rate	0%	0%	0%	0%
Risk free rate	1.60%	1.87%	2.16%	1.99%
Probability	20%	100%	100%	100%
<b>Fair Value of Options</b>	<b>\$232,500</b>	<b>\$366,000</b>	<b>\$248,000</b>	<b>\$1,375,348</b>

## 30 June 2017

Value recognised at 30 June 2017:	\$46,500	\$129,604	\$138,529	\$872,964
Value recognised in future years:	-	\$236,396	\$109,471	\$264,563

## 30 June 2016

Value recognised at 30 June 2016:	-	-	-	\$237,821
Value recognised in future years:	-	-	-	\$1,137,527

Details of options outstanding at 30 June 2017 are as follows:

GRANT DATE	EXPIRY DATE	EXERCISE PRICE	BALANCE AT BEGINNING OF YEAR	GRANTED DURING YEAR	EXERCISED DURING YEAR	BALANCE AT END OF YEAR	EXERCISABLE AT END OF YEAR
8-Apr-16	8-Apr-20	0.25	6,300,000	-	-	6,300,000	6,300,000
8-Apr-16	8-Apr-20	0.25	6,300,000	-	-	6,300,000	-
8-Apr-16	8-Apr-20	0.25	4,000,000	-	-	4,000,000	4,000,000
19-Jul-16	19-Jul-20	0.15	-	2,500,000	(500,000)	2,000,000	-
14-Oct-16	14-Oct-20	0.188446	-	3,000,000	-	3,000,000	-
12-Jan-17	12-Jan-21	0.3814	-	1,000,000	-	1,000,000	-
<b>Total</b>			<b>16,600,000</b>	<b>6,500,000</b>	<b>(500,000)</b>	<b>22,600,000</b>	<b>10,300,000</b>
Weighted average exercise price			0.25	0.20	0.15	0.24	0.25

# NOTES TO THE FINANCIAL STATEMENTS

ANNUAL REPORT 2017

LIVEHIRE

Details of options outstanding at 30 June 2016 are as follows:

GRANT DATE	EXPIRY DATE	EXERCISE PRICE	BALANCE AT BEGINNING OF YEAR	GRANTED DURING YEAR	EXERCISED DURING YEAR	EXPIRED DURING YEAR	BALANCE AT END OF YEAR	EXERCISABLE AT END OF YEAR
21-Jul-14	20-Jul-16	0.07576	10,396,262	-	(9,447,404)	(948,858)	-	-
31-Jul-14	30-Jul-16	0.1263	7,546,153	-	(5,915,007)	(1,631,146)	-	-
8-Apr-16	8-Apr-20	0.25	-	6,300,000	-	-	6,300,000	-
8-Apr-16	8-Apr-20	0.25	-	6,300,000	-	-	6,300,000	-
8-Apr-16	8-Apr-20	0.25	-	4,000,000	-	-	4,000,000	4,000,000
<b>Total</b>			<b>17,942,415</b>	<b>16,600,000</b>	<b>(15,362,411)</b>	<b>(2,580,004)</b>	<b>16,600,000</b>	<b>4,000,000</b>
Weighted average exercise price			0.10	0.25	0.10	0.11	0.25	0.25

The weighted average contractual life of options at the end of the financial year was 2.9 years (2016: 3.8 years).

## (ii) Shares issued under employee share scheme:

### 30 June 2017 Financial Year

- (a) On 14 October 2016, the company issued 2,992,077 Loan Back Shares, which are ordinary shares subject to loan arrangements under the Employee Incentive Plan, with a strike price of \$0.188446 (5-day VWAP).

### 30 June 2016 Financial Year

- (b) On 22 December 2015, the company issued 9,447,404 Loan Back Shares, which are ordinary shares subject to loan arrangements under the Employee Incentive Plan, with a strike price of \$0.07576 (5-day VWAP).
- (c) On 22 December 2015, the company issued 4,617,380 Loan Back Shares, which are ordinary shares subject to loan arrangements under the Employee Incentive Plan, with a strike price of \$0.198824 (5-day VWAP).
- (d) On 22 December 2015, the company issued 5,915,007 Loan Back Shares, which are ordinary shares subject to loan arrangements under the Employee Incentive Plan, with a strike price of \$0.12629 (5-day VWAP).

The loans relating to the Loan Back Shares must be repaid in accordance with the terms of the Employee Incentive Plan and in any event, within 4 years of the date of issue, below is a summary of the key terms.

Summary of key loan terms	(a)	(b)	(c)	(d)
Loan amount	\$0.188446	\$0.07576	\$0.198824	\$0.12629
Interest rate	0%	0%	0%	0%
Term of loan	4 years	4 years	4 years	4 years

# NOTES TO THE FINANCIAL STATEMENTS

LIVEHIRE

ANNUAL REPORT 2017

The loans are non-recourse except against the Shares held by the participant to which the loan relates. The fair value at grant date was determined by an independent valuation using Black-Scholes option pricing model using the following inputs:

Fair Value of Employee Shares	(a)	(b)	(c)	(d)
Date of Grant	14-Oct-16	22-Dec-15	22-Dec-15	22-Dec-15
Number of Loan Back Shares	2,992,077	9,447,404	4,617,380	5,915,007
Date of Expiry	14-Oct-20	22-Dec-19	22-Dec-19	22-Dec-19
Exercise Price	\$0.188446	\$0.07576	\$0.198824	\$0.12629
Share Price at Grant Date	\$0.195	\$0.20	\$0.20	\$0.20
Volatility	85%	90%	90%	90%
Expected dividend yield rate	0%	0%	0%	0%
Risk free rate	1.87%	2.1%	2.1%	2.10%
<b>Fair Value of Employee Shares</b>	<b>\$365,033</b>	<b>\$302,317</b>	<b>\$617,734</b>	<b>-</b>

## (iii) Performance rights issued to employees:

### 30 June 2017 Financial Year

On 14 October 2016 the company issued 808,649 Performance Rights to employees and advisors. Each right will be convertible into one ordinary share on the satisfaction of certain time based criteria, ranging from 1 to 6 months between individuals. The fair value at grant date was determined by an independent valuation using Black-Scholes option pricing model using the following inputs:

Fair Value of Performance Rights	
Date of Grant	14-Oct-16
Number of Rights	808,649
Date of Expiry	14-Oct-20
Exercise Price	-
Share Price at Grant Date	\$0.195
Volatility	85%
Expected dividend yield rate	0%
Risk free rate	1.87%
<b>Fair Value of Performance Rights</b>	<b>\$157,687</b>
Number of Performance Rights vested	808,649
Number of Performance Rights exercised	-
Number of Performance Rights forfeited	-

### 30 June 2016 Financial Year

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.

# NOTES TO THE FINANCIAL STATEMENTS

ANNUAL REPORT 2017

LIVEHIRE

## RECOGNITION AND MEASUREMENT

### Share-based payments expense

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 Company 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 Company or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Company 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.

### Key estimate: 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. For non-market conditions the company assigns a probability to meeting the vesting conditions and estimates the vesting period in which the share-based payment expense is recognised over.

# NOTES TO THE FINANCIAL STATEMENTS

LIVEHIRE

ANNUAL REPORT 2017

## 17. EARNINGS PER SHARE

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

	30-JUN-17	30-JUN-16
Net loss attributable to the ordinary equity holders of the Company (\$)	(4,652,153)	(3,669,057)
Weighted average number of ordinary shares for basis per share (No)	209,207,275	112,186,211
Continuing operations		
- Basic loss per share (\$)	(0.022)	(0.033)
- Diluted loss per share (\$)	(0.022)	(0.033)

## 18. AUDITORS' REMUNERATION

	30-JUN-17	30-JUN-16
	\$	\$
<b>Remuneration of the auditor, BDO Audit (WA) Pty Ltd, for:</b>		
- Auditing or reviewing the annual report	33,000	44,000
- Technical advice on impact of future accounting standards	2,000	-
<b>Remuneration of BDO Tax (NT) Pty Ltd, for:</b>		
- Taxation services	4,000	-
<b>Remuneration of BDO Tax (WA) Pty Ltd, for:</b>		
- Taxation services	-	7,000
<b>Remuneration of BDO Corporate Finance (WA) Pty Ltd, for:</b>		
- Taxation services provided by related practice of auditor	-	1,500
	<b>39,000</b>	<b>52,500</b>

## 19. RELATED PARTY TRANSACTIONS

### *Key Management Personnel Compensation*

Disclosures relating to KMP are set out in the remuneration report of the director's report.

The total remuneration paid to KMP of the company during the year are as follows:

	30-JUN-17	30-JUN-16
	\$	\$
Short-term employee benefits	751,491	474,674
Post-employment benefits	71,003	41,274
Long-term employee benefits	49,385	41,096
Share-based payments	1,011,494	650,410
	<b>1,883,373</b>	<b>1,207,454</b>

### *Transactions with Related Parties*

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



# NOTES TO THE FINANCIAL STATEMENTS

ANNUAL REPORT 2017

LIVEHIRE

## 20. FINANCIAL RISK MANAGEMENT

### Financial risk management objectives

The Company's activities expose it to a variety of financial risks: market risk (being interest rate risk), credit risk and liquidity risk. The Company'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 Company. The Company 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 Company 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 Company 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 Company. The Company has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The Company 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 Company does not hold any collateral.

No trade receivables were considered impaired at 30 June 2017.

As at 30 June 2017 trade receivables of \$31,432 (2016 - \$14,133) were past due but not considered impaired. The ageing analysis of these trade receivables is as follows:

	30-JUN-17	30-JUN-16
	\$	\$
Up to 3 months	31,316	13,585
3 to 6 months	116	548
	31,432	14,133

### 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 on the average 12 month cash reserves:

# NOTES TO THE FINANCIAL STATEMENTS

LIVEHIRE

ANNUAL REPORT 2017

	30-JUN-17	30-JUN-16
	\$	\$
Change in loss from continuing operations:		
Increase by 1%	112,673	29,758
Decrease by 1%	(112,673)	(29,758)

## Liquidity risk

Vigilant liquidity risk management requires the Company 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 Company 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 Company'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.

30-JUN-17	1 YEAR OR LESS	BETWEEN 1 & 2 YEARS	BETWEEN 2 & 5 YEARS	REMAINING CONTRACTUAL MATURITIES
<b>Non-derivatives</b>	\$	\$	\$	\$
<b>Non-interest bearing</b>				
Trade payables	128,658	-	-	128,658
Other payables	205,722	-	-	205,722
<b>Total non-derivatives</b>	<b>334,380</b>	<b>-</b>	<b>-</b>	<b>334,380</b>

30-JUN-16	1 YEAR OR LESS	BETWEEN 1 & 2 YEARS	BETWEEN 2 & 5 YEARS	REMAINING CONTRACTUAL MATURITIES
<b>Non-derivatives</b>	\$	\$	\$	\$
<b>Non-interest bearing</b>				
Trade payables	384,494	-	-	384,494
Other payables	211,575	-	-	211,575
<b>Total non-derivatives</b>	<b>596,069</b>	<b>-</b>	<b>-</b>	<b>596,069</b>

## 21. DIVIDENDS

No dividends have been paid or declared since the start of the financial year, and none are recommended.

# NOTES TO THE FINANCIAL STATEMENTS

ANNUAL REPORT 2017

LIVEHIRE

## 22. COMMITMENTS

	30-JUN-17	30-JUN-16
	\$	\$
Committed at the reporting date but not recognised as liabilities, payable:		
- not later than 12 months	18,783	62,327
- between 12 months and 5 years	-	9,383
- later than 5 years	-	-
	18,783	71,710

## 23. CONTINGENCIES

There are no contingent assets or contingent liabilities as at 30 June 2017 (30 June 2016: Nil).

## 24. SUBSEQUENT EVENTS

There have not been any significant events that have arisen since 30 June 2017 and up to the date of this report that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

## 25. OTHER ACCOUNTING POLICIES

### [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 Company.

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

The following table summarises the expected impact of new Accounting Standards that are not yet mandatory and have not been early adopted:

# NOTES TO THE FINANCIAL STATEMENTS

LIVEHIRE

ANNUAL REPORT 2017

## AASB 15: Revenue from Contracts with Customers (issued December 2014)

NATURE OF CHANGE	APPLICATION DATE	IMPACT ON INITIAL APPLICATION
<p>An entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This means that revenue will be recognised when control of goods or services is transferred, rather than on transfer of risks and rewards as is currently the case under AASB 118 Revenue.</p>	<p>Annual reporting periods beginning on or after 1 January 2018.</p>	<p>Management is currently assessing the effects of applying the new standard on the Company's revenue recognition policies and resulting effects on its financial statements. It has identified that the following areas could be affected, but more areas may be identified when the assessment has been completed:</p> <ul style="list-style-type: none"> <li>Implementation Fees – the application of AASB 15 may result in some deferral of some revenue on our balance sheet, in contrast to the upfront revenue recognition currently adopted under AASB 118.</li> </ul> <p>At this stage the Company is not able to estimate the effects of any required changes to revenue recognition policies on the Company's financial statements. The Company will conduct a more detailed assessment over the next 12 months.</p>

## Aasb 16: leases (issued February 2016)

NATURE OF CHANGE	APPLICATION DATE	IMPACT ON INITIAL APPLICATION
<p>AASB 16 eliminates the operating and finance lease classifications for lessees currently accounted for under AASB 117 Leases. It instead requires an entity to bring most leases into its statement of financial position in a similar way to how existing finance leases are treated under AASB 117. An entity will be required to recognise a lease liability and a right of use asset in its statement of financial position for most leases.</p> <p>There are some optional exemptions for leases with a period of 12 months or less and for low value leases.</p> <p>Lessor accounting remains largely unchanged from AASB 117.</p>	<p>Annual reporting periods beginning on or after 1 January 2019.</p>	<p>The Company is yet to undertake a detailed assessment of the impact of AASB 16. However, based on the Company's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2020.</p>

# NOTES TO THE FINANCIAL STATEMENTS

ANNUAL REPORT 2017

LIVEHIRE

AASB 9: Financial Instruments (issued February 2016)		
NATURE OF CHANGE	APPLICATION DATE	IMPACT ON INITIAL APPLICATION
<p>AASB 9 introduces a new expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis.</p> <p>AASB 9 includes the new hedge accounting requirements, including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged and disclosures.</p> <p>AASB 9 includes requirements for a simpler approach for classification and measurement of financial assets compared with the requirements of AASB 139. AASB 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognised in profit or loss.</p>	Annual reporting periods beginning on or after 1 January 2018.	No impact expected

# DIRECTORS' DECLARATION

LIVEHIRE

ANNUAL REPORT 2017

The Directors of the Company declare that:

- a. The financial statements and notes of the Company are in accordance with the Corporations Act 2001, and:
  - (i) give a true and fair view of the Company's financial position as at 30 June 2017 and its performance for the year ended on that date; and
  - (ii) comply with Accounting Standard, Corporations Regulations 2001 and other mandatory professional reporting requirements.
- b. 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.
- c. The Company has included in the notes to the financial statements an explicit and unreserved statement of compliance with international Annual reporting Standards.
- d. The Directors have been given the declarations by the Managing Director, acting in the capacity of Chief Executive Officer and the Chief Financial Officer required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors and is signed on behalf of the Directors by:



Antonluigi Gozzi  
Director  
Melbourne, 29 August 2017



Tel: +61 8 6382 4600  
Fax: +61 8 6382 4601  
www.bdo.com.au

38 Station Street  
Subiaco, WA 6008  
PO Box 700 West Perth WA 6872  
Australia

## INDEPENDENT AUDITOR'S REPORT

To the members of LiveHire Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of LiveHire Limited (the Company), which comprises the balance sheet as at 30 June 2017, 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, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying 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 2017 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

#### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation, other than for the acts or omissions of financial services licensees.



## Capitalisation of Software Development Costs

Key audit matter	How the matter was addressed in our audit
<p>As disclosed in Note 11, the Company had software development assets of \$2.83 million on the Balance Sheet as at 30 June 2017 (2016: \$1.23 million).</p> <p>The capitalisation of development costs was a key audit matter due to the significance of the balance and the judgement involved in assessing whether the criteria set out in AASB 138 <i>Intangible Assets</i> required for capitalisation of such costs have been met and the useful life of the asset is reasonable.</p> <p>The Company's judgements also included whether capitalised costs were of a developmental rather than research nature (which would result in the costs being expensed when incurred rather than capitalised), and whether costs, including payroll costs, were directly attributable to relevant projects.</p>	<p>Our procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"> <li>Evaluating the key assumptions made in capitalising development costs, including an assessment of whether capitalised costs related to the development phase of the project and the generation of probable future economic benefits;</li> <li>On a sample basis, agreeing payroll costs capitalised to supporting payroll records and assessing the determination as to whether the capitalised payroll costs relate to development activities;</li> <li>Evaluating the Company's assessment of the useful life of the software development assets. This included comparing to external market information; and</li> <li>Assessing the adequacy of the disclosures in Note 11.</li> </ul>

## Accounting for Share-based Payments

Key audit matter	How the matter was addressed in our audit
<p>As disclosed in Note 16, the Company has recognised a share based payment expense of \$1.71 million in the Statement of Profit and Loss and Other Comprehensive Income as at 30 June 2017 due to the issue of a number of equity instruments.</p> <p>Share based payments is a key audit matter as the accounting can be complex and requires judgement and the use of assumptions regarding their recognition and measurement.</p>	<p>Our procedures included, but were not limited to the following:</p> <ul style="list-style-type: none"> <li>Recalculating the estimated fair value of the options, Loan-back shares and performance rights using relevant valuation methodologies, and assessing the valuation inputs using internal specialists where appropriate;</li> <li>Checking the share based payment expense had been recognised over the expected vesting periods according to the vesting conditions; and</li> <li>Assessing the adequacy of the disclosures in Note 16.</li> </ul>



**Other information**

The directors are responsible for the other information. The other information comprises the information in the Company's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the directors 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 preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

[http://www.auasb.gov.au/auditors\\_responsibilities/ar2.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf)

This description forms part of our auditor's report.



### **Report on the Remuneration Report**

#### **Opinion on the Remuneration Report**

We have audited the Remuneration Report included on pages 17 to 24 of the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of LiveHire Limited, for the year ended 30 June 2017, complies with section 300A of the *Corporations Act 2001*.

#### **Responsibilities**

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.

**BDO Audit (WA) Pty Ltd**

BDO

A handwritten signature in black ink, appearing to read 'Philip Murdoch', is written over a horizontal line.

**Philip Murdoch**

**Director**

Perth, 29 August 2017

# SHAREHOLDER INFORMATION

ANNUAL REPORT 2017

LIVEHIRE

The following additional information was applicable as at 20 July 2017.

## 1. Fully paid ordinary shares

- There are a total of 231,992,077 ordinary fully paid shares on issue.
- The number of holders of fully paid ordinary shares is 1,635.
- Holders of fully paid ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company.
- There are no preference shares on issue.

## 2. Distribution of fully paid ordinary shareholders is as follows:

SPREAD OF HOLDINGS	HOLDERS	SECURITIES	% OF ISSUED CAPITAL
1 - 1,000	39	19,747	0.009
1,001 - 5,000	178	536,721	0.231
5,001 - 10,000	244	2,092,591	0.902
10,001 - 100,000	949	35,401,028	15.260
100,001 - 9,999,999,999	225	193,941,990	83.599
<b>Totals</b>	<b>1,635</b>	<b>231,992,077</b>	<b>100.000</b>

## 3. Holders of non-marketable parcels

- Based on the closing price of shares on 20 July 2017 of \$0.57, holders of non-marketable parcels are deemed to be those who shareholding is valued at less than \$500.
- There are 23 shareholders who hold less than a marketable parcel of shares.

## 4. Substantial shareholders of ordinary fully paid shares

The Substantial Shareholders of the Company are:

RANK	HOLDER NAME	SECURITIES	% OF ISSUED
1	Mr Antonluigi Gozzi < Voyager A/C >	26,765,101	11.537%
2	Mr Michael Haywood < Haywood Family A/C >	25,746,555	11.098%
3	Mr Patrick Grant Galvin	12,637,467	5.447%

## 5. Restricted securities

The following shares are subject to mandatory escrow restrictions under ASX Listing Rules Chapter 9:

CLASS	DATE OF EXPIRY	NUMBERS OF SHARES
Ordinary shares subject to escrow	10/06/2018	78,031,021
		<b>78,031,021</b>

There are no shares subject to voluntary escrow restrictions.

# SHAREHOLDER INFORMATION

## 6. Share buy-backs

There is no current on-market buy-back scheme.

## 7. Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes at general meetings of shareholders or classes of shareholders:

- a. each shareholder is entitled to vote and may vote in person or by proxy, attorney or representative;
- b. on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and
- c. on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid share held, or in respect of which he/she has appointed a proxy, attorney or representative, is entitled to one vote per share held.

## 8. Top 20 Shareholders of ordinary fully paid shares

The top 20 largest fully paid ordinary shareholders together hold 52.376% of the securities in this class and are listed below:

RANK	HOLDER NAME	SECURITIES	%
1	Mr Antonluigi Gozzi < Voyager A/C >	26,765,101	11.537%
2	Mr Michael Haywood < Haywood Family A/C >	25,746,555	11.098%
3	Mr Patrick Grant Galvin	12,637,467	5.447%
4	J P Morgan Nominees Australia Limited	8,612,341	3.712%
5	Avapple Nominees Pty Ltd <Avapple A/C>	4,757,896	2.051%
6	HSBC Custody Nominees (Australia) Limited - A/C 2	4,542,692	1.958%
7	One Managed Investment Funds Limited <Lakehouse Small Companies A/C>	4,523,825	1.950%
8	Mr Matt Ryan	4,220,796	1.819%
9	HSBC Custody Nominees (Australia) Limited	3,706,537	1.598%
10	UBS Nominees Pty Ltd	3,409,091	1.469%
11	Now Hiring Pty Ltd	3,000,763	1.293%
12	APZ Nominees Pty Ltd <APZ A/C>	3,000,763	1.293%
13	Mr Benjamin David Hawter <Hawter Investments A/C>	2,906,845	1.253%
14	BNP Paribas Noms Pty Ltd <DRP>	2,349,580	1.013%
15	Mr Alastair Ian Schirmer	2,339,954	1.009%
16	Citicorp Nominees Pty Limited <Colonial First State Inv A/C>	2,077,607	0.896%
17	Kawaii Investments Pty Ltd <Kawaii Wipfli Family A/C>	1,887,836	0.814%
18	G K Morgan Investments Pty Ltd	1,724,380	0.743%
19	Mr John Toll <Toll Fam Disc A/C>	1,675,413	0.722%
20	Mr James Andrew Mc Queen <James Mcqueen Family A/C>	1,623,089	0.700%
	<b>Total</b>	<b>121,508,531</b>	<b>52.376%</b>

# SHAREHOLDER INFORMATION

ANNUAL REPORT 2017

LIVEHIRE

## 9. Options

The following unlisted options over unissued ordinary shares (Options) are on issue:

CLASS	DATE OF ISSUE	DATE OF EXPIRY	EXERCISE PRICE	NUMBER OF OPTIONS
Unlisted Options (subject to vesting conditions)	8/04/2016	1/06/2020	\$0.25	16,600,000
Unlisted Options (subject to vesting conditions)	18/07/2016	18/07/2020	\$0.15	2,000,000
Unlisted Options (subject to vesting conditions)	14/10/2016	14/10/2020	\$0.188446	3,000,000
Unlisted Options (subject to vesting conditions)	12/01/2017	12/01/2021	\$0.3814	1,000,000
				<b>22,600,000</b>

- The number of Option holders is 12.
- There are no Option holders that hold 20% or more of the total number of Options on issue.
- The Options carry no dividend or voting rights.
- When exercisable, each Option is convertible into one ordinary share of the Company.

## 10. Distribution of Option holders is as follows:

SPREAD OF HOLDINGS	HOLDERS	SECURITIES	%
1 - 1,000	0	0	0
1,001 - 5,000	0	0	0
5,001 - 10,000	0	0	0
10,001 - 100,000	0	0	0
100,001 - 9,999,999,999	12	22,600,000	100.000
<b>Totals</b>	<b>12</b>	<b>22,600,000</b>	<b>100.000</b>

## 11. Performance Rights

- There is a total of 808,649 unlisted performance rights on issue.
- The number of performance right holders is 6.
- The performance rights carry no dividend or voting rights.
- All performance rights have been issued under the Company's employee incentive plan.

## 12. Distribution of Performance Right holders is as follows:

SPREAD OF HOLDINGS	HOLDERS	SECURITIES	%
1 - 1,000	0	0	0
1,001 - 5,000	0	0	0
5,001 - 10,000	0	0	0
10,001 - 100,000	4	304,344	37.636
100,001 - 9,999,999,999	2	504,305	62.364
<b>Totals</b>	<b>6</b>	<b>808,649</b>	<b>100.000</b>

# SHAREHOLDER INFORMATION

## Business Objectives

LiveHire Limited has used cash and cash equivalents held at the time of listing in a way consistent with its stated business objectives.

## Stock Exchanges

The securities of the Company are not quoted on any other stock exchanges.

## For completeness, other ASX requirements that are already in other sections of the annual report

- URL for corporate governance statement
- Name of Company Secretary
- Address and phone details
- Registry details



livehire  
a world that works

(ASX:LVH) | ABN: 59 153 266 605  
[www.LiveHire.com](http://www.LiveHire.com)