



hiremii

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ANNUAL 20
REPORT 23

For the year ended 30 June 2023

Appendix 4E Preliminary Final Report

1. Company details

Name of entity:	Hiremii Limited
ABN:	48 642 994 214
Reporting period:	For the year ended 30 June 2023
Previous period:	For the year ended 30 June 2022

2. Results for announcement to the market

		%	\$
Revenues from ordinary activities	up	82.0% to	20,814,006
Loss from ordinary activities after tax attributable to the owners of Hiremii Limited	down	45.0% to	(1,537,659)
Loss for the year attributable to the owners of Hiremii Limited	down	45.0% to	(1,537,659)

Dividends

There were no dividends paid, recommended or declared during the current financial period.

Comments

The loss for the consolidated entity after providing for income tax amounted to \$1,537,659 (30 June 2022: \$2,794,523).

Further information on the 'Review of operations' is detailed in the Directors' report which is part of the Annual Report.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	0.11	0.81

Right-of-use assets have been treated as tangible assets for the purposes of the tangible asset calculation.

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Current period

There were no dividends paid, recommended or declared during the current financial period.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Not applicable.

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

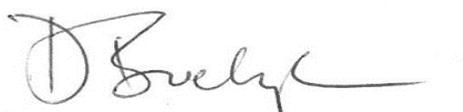
The financial statements have been audited and an unmodified opinion has been issued.

11. Attachments

Details of attachments (if any):

The Annual Report of Hiremii Limited for the year ended 30 June 2023 is attached.

12. Signed



Signed _____

Date: 28 August 2023

David Buckingham
Interim Chair
Perth

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Hiremii Limited

ABN 48 642 994 214

Annual Report - 30 June 2023

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Directors	David Buckingham - Interim Chair (appointed 27 July 2023) Andrew Hornby – Managing Director and CEO Conor O'Brien – Non-executive Director Alison Gaines – Chair (retired on 27 July 2023)
Company secretary	Susan Park
Registered office and principal place of business	Level 1 251 St George's Terrace Perth WA 6000 Phone: (08) 6263 7731
Share registry	Computershare Investor Services Pty Limited Level 11, 172 St George Terrace Perth WA 6000 Phone: 1300 850 505 (within Australia) +61 9415 4000 (overseas)
Auditor	RSM Australia Partners Level 32, The Exchange Towers 2 The Esplanade Perth WA 6000
Solicitors	Thomson Geer Level 27, The Exchange Towers 2 The Esplanade Perth WA 6000
Bankers	The Australia and New Zealand Banking Group 239 Murray Street Perth WA 6000
Stock exchange listing	Hiremii Limited shares are listed on the Australian Securities Exchange (ASX code: HMI)
Website	www.hiremii.com
Business objectives	In accordance with Listing Rule 4.10.19 the Company confirms that the consolidated entity has been utilising the cash and assets in a form readily convertible to cash for the whole reporting period in a way that is consistent with its business objectives.
Corporate Governance Statement	The directors and management are committed to conducting the business of Hiremii Limited in an ethical manner and in accordance with the highest standards of corporate governance. Hiremii Limited has adopted and has substantially complied with the ASX Corporate Governance Principles and Recommendations (Fourth Edition) ('Recommendations') to the extent appropriate to the size and nature of its operations. The Corporate Governance Statement sets out the corporate governance practices that were in operation during the financial year and identifies and explains any Recommendations that have been followed, which is approved at the same time as the Annual Report can be found at: www.hiremii.com/corporate-governance/

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The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Hiremii Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2023.

Directors

The following persons were directors of Hiremii Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

David Buckingham – Interim Chair (appointed on 27 July 2023)
Andrew Hornby – Managing Director and CEO
Conor O'Brien – Non-executive Director
Alison Gaines – Chair (retired on 27 July 2023)

Principal activities

During the financial year the principal continuing activities of the consolidated entity consisted of technology driven full-service labour hire and recruitment services.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Operating and financial review

Hiremii is building AI technology to disrupt talent acquisition and delivering the talent to power energy and resources industries.

Hiremii Limited is an AI technology-driven full-service labour hire and recruitment company with two core business components: Hiremii Ltd, a recruitment technology service provider; and Inverse Group Pty Ltd, a recruitment and full-service labour hire business.

Hiremii's cloud-based platform uses artificial intelligence and machine learning to automate tedious manual activities in recruiting and onboarding, to improve talent outcomes for customers and make recruitment services more productive.

With a strategic focus on developing world-class leading candidate matching, speed of placement and candidate intelligence, Hiremii technology deploys the latest technology to an industry that is heavily reliant on manual work to address the complex and nuanced work involved in placing good people in good roles. Software-as-a-service solutions developed with these technologies are deployed globally within recruitment technology ecosystems.

Inverse Group provides permanent placements and white-collar contractors on long term service agreements to top tier energy, resources and engineering businesses. The service agreements provide recurring revenue that supports stable growth for Inverse Group, while scale economies are improved through process automation.

The two business models benefit the company as it operates in the specific domain of recruitment by improving expertise and client points of interface for deployment of its technology solution and thereby diversifies revenue streams.

Hiremii operational performance

The Inverse Group recruitment client base continued to grow in the consolidated entity's core markets of energy, resources, engineering, and technology which are experiencing excess demand for highly skilled professionals to deliver decarbonisation and the energy transition. The consolidated entity's technical recruitment capability grew throughout the period by addressing demand which is expected to continue into FY24. The consolidated entity has continued to invest in a strong team of experienced recruiters with good tenure and this has delivered continued robust growth.

Strong growth in revenue across contracting and permanent placements for clients was delivered in FY23. The professional contractor book remains strong and growing with existing and new clients. Productive relationships have been established across a suite of global tier one organisations. The focus is to continue expanding the breadth of work for this base of clients.

Margin has improved with the increase in permanent placements, insourcing of payroll activities and the benefit of the acquisition in mid FY22 of Inverse Group which produces higher margins. Insourcing has also resulted in better service and communications with customers and contractors, and has generated scale and automation benefits. To underpin growth, the recruiting and support teams have been bolstered with a strong team lead and recruiters with proven industry experience.

SaaS platform expanding

Hiremii is working to disrupt the recruitment industry using artificial intelligence powered by the deep industry experience of the company's recruitment team. The company's AI capability has been significantly enhanced by the integration of knowledge graphs and generative AI into the Hiremii platform. Marketing capability has been enhanced for the product roll out and expansion. Hiremii's Shortlistmii, the AI-driven SaaS product, is being promoted to both existing and new clients to pilot the product offering.

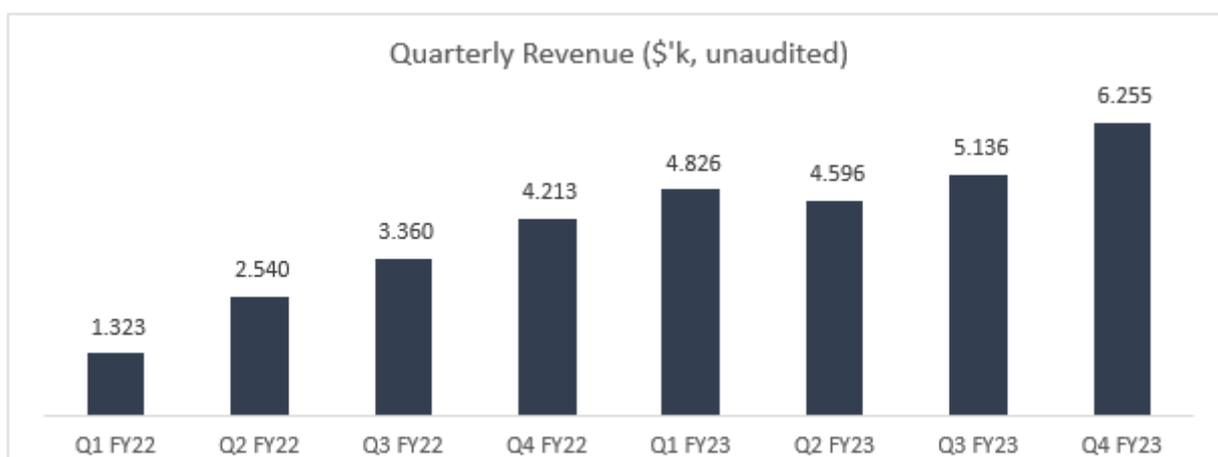
Corporate overhead rationalised

The leadership team has remained stable and the focus has been on investing in growth capacity, while constraining costs through processes automation and system consolidation.

Financial progress

Revenue of \$20,814,006 for the year increased strongly by 82% on FY22 (30 June 2022: \$11,436,280). The loss for the year for the consolidated entity after providing for income tax reduced on the prior year to \$1,537,659 (30 June 2022: \$2,794,523).

Revenue continues to grow quarter on quarter. The FY23 growth year on year was driven by a combination of organic growth in candidate placements and the higher Inverse revenues post-acquisition in November 2021. This in addition to improved permanent placement volume has improved gross margin percent to 11.4% for the year, up from 9.9% in FY22.



The operating expense proportion of revenue reduced from 27% to 16% (employee benefits, professional and consulting fees and general and administration expenses) as costs have been rationalised and operations consolidated. These costs include the technology, recruiting and corporate functions.

The cash position of the consolidated entity was \$1,942,557 at 30 June 2023 (2022: \$2,386,204), managed by tight working capital management.

Prospects

The main driver for future revenue growth in recruiting will be increases in active recruited contractors at the company's clients and new revenue from technology solutions.

Hiremii's diversified client base of over 50 active top tier clients provides a significant opportunity for the technology platform and to grow contractors into other functions. Inverse Group market share is not yet significant in its current specialist areas, and future energy continues to be a good opportunity for industry growth.

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AI technology is being deployed to help customers access good talent quickly. Generative AI is being successfully applied to marketing and sales, while use in recruiting and talent acquisition is still emerging. Hiremii's technology platform is expanding in this domain as opportunities are identified and integrated.

The business continues to target cashflow breakeven by growing Inverse Group and ensuring its technology solution is customer and growth focused.

Business risks

Hiremii continues to invest significantly in its recruitment technology. The growth and profitability of the technology platform is important for the business's long-term success and growth as a competitor and market disruptor. The development of the technology relies on third parties for ongoing development, with strong partnerships developed that are expected to continue, and without which would place the technology solutions in jeopardy. The artificial intelligence and machine learning elements of the technology platform are complex and sophisticated and if not well deployed and maintained can impact the reliability of the solutions provided to customers.

Continuing to develop the technology may require funding beyond the ability of the business to generate funds and access to cost effective capital may be important to continue the ability of the business to advance the technology and effectively grow the customer base.

Inverse Group continues to grow revenue and capability strongly in the recruiting and labour hire markets which is important to drive value and achieve sustainability. Impeded growth would limit the business's ability to achieve its objectives. Inverse Group is well established in the Energy and Resources sector in Western Australia – should this sector decline this would impact the growth and profitability of the consolidated entity. Inverse Group services a number of well-established businesses with minimal credit losses to date. A significant client experiencing financial difficulty would impact on the financial position of the consolidated entity.

Significant changes in the state of affairs

On 24 January 2023, the Company received a research and development incentive of \$379,976.

There were no other significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year

Ms Alison Gaines retired as Board Chair and Non-Executive Director on 27 July 2023. Mr David Buckingham, Non-Executive Director, was appointed as Interim Chair on 27 July 2023.

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

Information on likely developments in the operations of the consolidated entity and the expected results of operations have been included in the operating and financial review section of this report.

Environmental regulation

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

Information on directors

<p>Name:</p> <p>Title:</p> <p>Qualifications:</p> <p>Experience and expertise:</p> <p>Other current directorships:</p> <p>Former directorships (last 3 years):</p> <p>Special responsibilities:</p> <p>Interests in shares:</p> <p>Interests in options:</p>	<p>David Buckingham</p> <p>Independent Non-executive Director (appointed Interim Chair on 27 July 2023)</p> <p>Bachelor of Technology (Hons); ACA (England and Wales)</p> <p>Mr Buckingham has over 30 years of experience as a corporate leader in telecommunications, media, technology, IT and education. Recently he served as both chief executive officer and chief financial officer of Navitas Limited, a global education provider with over 120 colleges and campuses across 31 countries. Prior to that David worked for Telewest Global as the Group Treasurer and Director of Financial Planning, Virginmedia as Finance Director Business Division and iiNet, where he held the roles of chief financial officer and chief executive officer from 2008 to 2015.</p> <p>Nuheara Limited, Pentanet Limited (Chairman), Way2VAT Limited</p> <p>OpenLearning Limited</p> <p>Chair of the Audit and Risk Committee and member of the Nomination and Remuneration Committee</p> <p>925,864 ordinary shares</p> <p>1,000,000 options over ordinary shares exercisable at 30 cents on or before 11 May 2024</p>
<p>Name:</p> <p>Title:</p> <p>Qualifications:</p> <p>Experience and expertise:</p> <p>Other current directorships:</p> <p>Former directorships (last 3 years):</p> <p>Interests in shares:</p> <p>Interests in options:</p> <p>Interests in rights:</p>	<p>Andrew Hornby</p> <p>Managing Director and CEO</p> <p>BA (Hons) Business & Administration</p> <p>Andrew is the founder of Inverse Group with over 15 years leadership experience in start up and scale up organisations, across Technology, Retail, Human Resources and Healthcare.</p> <p>None</p> <p>None</p> <p>2,769,835 ordinary shares</p> <p>225,245 unquoted options exercisable at 30 cents on or before 7 May 2024</p> <p>1,000,000 unquoted options exercisable at 10.1 cents on or before 13 December 2025</p> <p>1,340,000 performance rights</p>
<p>Name:</p> <p>Title:</p> <p>Qualifications:</p> <p>Experience and expertise:</p> <p>Other current directorships:</p> <p>Former directorships (last 3 years):</p> <p>Special responsibilities:</p> <p>Interests in shares:</p> <p>Interests in options:</p>	<p>Conor O'Brien</p> <p>Non-Executive Director</p> <p>Bachelor of Laws, GAICD</p> <p>Mr O'Brien is a founder of Oncontractor Pty Ltd; he is currently the managing director of Rigforce, a specialist international oil and gas labour hire company. Prior to this, Conor was a lawyer practising in taxation and commercial law. Mr O'Brien has experience in high growth businesses across a range of commercial, human resources and industrial relations matters.</p> <p>None</p> <p>None</p> <p>Member of the Nomination and Remuneration and Audit and Risk Committees</p> <p>5,235,891 ordinary shares</p> <p>778,161 options over ordinary shares exercisable at 30 cents on or before 11 May 2024</p>

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Name: Alison Gaines
 Title: Independent Non-executive Chair (retired on 27 July 2023)
 Qualifications: BA (Hons), BLaw, Grad Dip Leg Pract, MA, Doctorate University (Hon Causa), Cert Corporate Governance INSEAD, FAICD, LFAIMWA
 Experience and expertise: Alison has more than 20 years of experience as an executive with chief executive officer experience, largely in international executive search and board consulting. She is currently non-executive director of College of Law Ltd and non-executive director of WA Opera and Independent Chair of Nomination Committee Hockey Australia. Ms Gaines is active in the Australian Institute of Company Directors and a member of the 30% Club Executive Search Working Party.
 Other current directorships: Non-executive Director Blackstone Minerals Ltd.
 Former directorships (last 3 years): None
 Special responsibilities: Chair of the Nomination and Remuneration Committee and member of the Audit and Risk Committee
 Interests in shares: 897,164 ordinary shares
 Interests in options: 1,500,000 options over ordinary shares exercisable at 30 cents on or before 11 May 2024

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary

Susan Park BCom, ACA, F Fin, FGIA, FCG, GAICD

Ms. Susan Park has over 25 years' experience in the corporate finance industry. She is founder and Managing Director of consulting firm Park Advisory which specialises in the provision of corporate governance and company secretarial advice to ASX listed companies and has held Senior Executive roles at Ernst & Young and PricewaterhouseCoopers in the Corporate Finance divisions and at Bankwest in the Strategy and Ventures division. Susan holds a Bachelor of Commerce, is a Member of Chartered Accountants Australia and New Zealand, a Fellow of the Financial Services Institute of Australasia, a Graduate Member of the Australian Institute of Company Directors and a Fellow of the Governance Institute of Australia.

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2023, and the number of meetings attended by each director were:

	Full Board		Nomination and Remuneration Committee		Audit and Risk Committee	
	Attended	Held	Attended	Held	Attended	Held
Alison Gaines	10	10	3	3	2	2
Conor O'Brien	10	10	3	3	2	2
David Buckingham	10	10	3	3	2	2
Andrew Hornby	10	10	-	-	-	-

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

Remuneration report (audited)

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

Key management personnel ('KMP') are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

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

- Principles used to determine the nature and amount of remuneration;
- Details of remuneration;
- Service agreements;
- Share-based compensation;
- Additional information; and
- Additional disclosures relating to KMP.

Principles used to determine the nature and amount of remuneration

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

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

The Nomination and Remuneration Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

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

The reward framework is designed to align executive reward to shareholders' interests. The Board has considered that it should seek to enhance shareholders' interests by:

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

Additionally, the reward framework should seek to enhance executives' interests by:

- rewarding capability and experience;
- reflecting competitive reward for contribution to growth in shareholder wealth; and
- providing a clear structure for earning rewards.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors' remuneration

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

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The maximum remuneration for non-executive directors remains at \$300,000 per annum unless specifically approved by shareholders.

Executive remuneration

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

The executive remuneration and reward framework has four components:

- base pay and non-monetary benefits;
- short-term performance incentives;
- long-term incentives; and
- other remuneration such as superannuation and long service leave.

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

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

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

The short-term incentives ('STI') program is designed to align the targets of the business units with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI's') being achieved. KPI's include revenue growth, margin, technology commercialisation, safety and compliance.

The long-term incentives ('LTI') include share-based payments. Share-based payments in the form of options are awarded to executives over a period of three years based on long-term incentive measures. These include increase in shareholders' value relative to the entire market and the increase compared to the consolidated entity's direct competitors. The Nomination and Remuneration Committee reviewed the long-term equity-linked performance incentives specifically for executives during the year ended 30 June 2023.

Consolidated entity performance and link to remuneration

Remuneration for executives are directly linked to the performance of the consolidated entity. STI payments are dependent on KPI's highlighted above. Refer to the section 'Additional information' below for details of the earnings and total shareholders return.

The Nomination and Remuneration Committee is of the opinion that the adoption of performance based compensation will assist in increasing shareholder wealth over the coming years.

Use of remuneration consultants

During the financial year ended 30 June 2023, the consolidated entity did not engage remuneration consultants to review its existing remuneration policies and provide recommendations on how to improve both the STI and LTI programs.

Voting and comments made at the company's 2022 Annual General Meeting ('AGM')

At the 2022 AGM, 99.3% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2022. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration

Details of the remuneration of KMP of the consolidated entity are set out in the following tables.

The KMP of the consolidated entity consisted of the following directors of Hiremii Limited:

- Alison Gaines - Non-Executive Chair
- Conor O'Brien - Non-Executive Director
- David Buckingham – Non-Executive Director
- Andrew Hornby - Managing Director and Chief Executive Officer

And the following person:

- Brad Kobus - Chief Financial Officer

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments		Total
	Cash salary and fees	Cash bonus ¹	Non-monetary	Super-annuation	Long service leave	Equity-settled shares ^{2,3}	Equity-settled PR and options	
2023	\$	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>								
Alison Gaines	71,262	-	-	7,469	-	39,814	-	118,545
Conor O'Brien ³	19,949	-	-	1,131	-	36,976	-	58,056
David Buckingham ³	49,942	-	-	5,244	-	33,876	-	89,062
<i>Executive Directors:</i>								
Andrew Hornby	260,000	32,812	-	27,300	-	-	88,466	408,578
<i>Other Key Management Personnel:</i>								
Brad Kobus	240,000	27,000	-	25,200	-	-	19,671	311,871
	641,153	59,812	-	66,344	-	110,666	108,137	986,112

¹ FY22 bonus paid during the year ended 30 June 2023 based on the performance against KPIs approved by the Board.

² Includes FY 22 accrual of shares and the final accrual during the year which were issued on 13 December 2022. The final approval was that the directors received shares instead of cash for half of their fees.

³ For these directors, this also includes an accrual of \$4,767 and \$5,653, respectively for issue of shares pending approval at AGM in November 2023. This will be settled in cash if issue of shares is not approved.

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	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments		Total
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled shares ¹	Equity-settled PR and options	
2022	\$	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>								
Alison Gaines ¹	75,173	-	-	3,392	-	20,435	-	99,000
Conor O'Brien ¹	28,448	-	-	462	-	14,667	-	43,577
David Buckingham ¹	57,885	-	-	5,788	-	13,327	-	77,000
<i>Executive Directors:</i>								
Andrew Hornby ²	116,025	-	-	11,603	-	-	49,721	177,349
Christopher Brophy ³	213,387	-	-	13,462	-	-	-	226,849
<i>Other Key Management Personnel:</i>								
Brad Kobus ⁴	108,923	-	-	10,892	-	-	-	119,815
Ildiko Wowesny ³	155,858	-	-	12,923	-	-	-	168,781
	755,699	-	-	58,522	-	48,429	49,721	912,371

¹ Includes an accrual for issue of shares pending approval at AGM in November 2022. This will be settled in cash if issue of shares is not approved.

² Represents remuneration from date of appointment 31 December 2021 to 30 June 2022

³ Represents remuneration from 1 July 2021 to date of resignation 31 December 2021

⁴ Represents remuneration from date of appointment 6 January 2022 to 30 June 2022

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	2023	2022	2023	2022	2023	2022
<i>Non-Executive Directors:</i>						
Alison Gaines *	100%	100%	-	-	-	-
Conor O'Brien *	100%	100%	-	-	-	-
David Buckingham *	100%	100%	-	-	-	-
<i>Executive Directors:</i>						
Andrew Hornby	70%	72%	8%	-	22%	28%
Christopher Brophy	-	100%	-	-	-	-
<i>Other KMP:</i>						
Brad Kobus	85%	100%	9%	-	6%	-
Ildiko Wowesny	-	100%	-	-	-	-

* The Share-based payments amounts for each director relate to them taking their director fees as 50% cash and 50% shares. Hence this is a fixed remuneration. LTI and STI would both be incentive based remuneration, outside the directors normal remuneration.

Andrew Hornby and Brad Kobus were issued the options noted above on their appointments as KMPs by the Board of Hiremii Limited. Cash bonuses are dependent on meeting defined performance measures. The cash bonuses in the financial year ended June 2023 were expensed for services based on performance against KPIs agreed by the Board. The maximum bonus values are established at the start of each financial year and amounts payable are determined in the first month after the financial year end by the Nomination and Remuneration Committee.

The proportion of the cash bonus payable or forfeited is as follows:

Name	Cash bonus paid/payable		Cash bonus forfeited	
	2023	2022	2023	2022
<i>Executive Directors:</i>				
Andrew Hornby	88%	-	12%	-
<i>Other KMP:</i>				
Brad Kobus	90%	-	10%	-

Service agreements

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

Name: Andrew Hornby
 Title: Managing Director and Chief Executive Officer
 Agreement commenced: 31 December 2021
 Term of agreement: No fixed term
 Details: Base salary for the year ending 30 June 2023 of \$260,000 plus superannuation to be reviewed annually by the Nominations and Remuneration Committee. 3-month termination notice by either party, cash bonus of 30% as per Nomination and Remuneration Committee approval and KPI achievement, non-solicitation and non-complete clauses.

Name: Bradley Kobus
 Title: Chief Financial Officer
 Agreement commenced: 6 January 2022
 Term of agreement: No fixed term
 Details: Base salary for the year ending 30 June 2023 of \$240,000 per annum plus superannuation to be reviewed annually by the Nominations and Remuneration Committee. 3-month termination notice by either party, cash bonus of 25% as per Nomination and Remuneration Committee approval and KPI achievement, non-solicitation and non-complete clauses.

KMP have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares

Details of shares issued in lieu of fees to directors as part of compensation during the year ended 30 June 2023 are set out below:

Name	Date	Shares	Issue price	\$
Alison Gaines	13 December 2022	829,450	\$0.048	39,814
Conor O'Brien	13 December 2022	671,022	\$0.048	32,209
David Buckingham	13 December 2022	596,492	\$0.048	28,632

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Options

2,000,000 options over ordinary shares were granted to directors and other KMP as part of compensation in 2023 were outstanding as at 30 June 2023.

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

Name	Number of options granted	Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
Alison Gains	1,500,000	30 April 2021	11 May 2021	7 May 2024	\$0.300	\$0.0547
Conor O'Brien	778,161	30 April 2021	11 May 2021	7 May 2024	\$0.300	\$0.0547
David Buckingham	1,000,000	30 April 2021	11 May 2021	7 May 2024	\$0.300	\$0.0547
Andrew Hornby	225,245	30 April 2021	11 May 2021	7 May 2024	\$0.300	\$0.0547
Andrew Hornby	1,000,000	13 December 2022	13 December 2023	13 December 2025	\$0.101	\$0.0217
Brad Kobus	1,000,000	13 December 2022	13 June 2023	13 December 2025	\$0.120	\$0.0197

Options granted carry no dividend or voting rights.

Values of options over ordinary shares granted, exercised and lapsed for directors and other KMP as part of compensation during the year ended 30 June 2023 are set out below:

Name	Value of options granted during the year \$	Value of options exercised during the year \$	Value of options lapsed during the year \$	Remuneration consisting of options for the year %
Andrew Hornby	1,000,000	-	-	3%
Brad Kobus	1,000,000	-	-	6%

Performance rights

There were no performance rights over ordinary shares granted to or vested by directors and other KMP as part of compensation during the year ended 30 June 2023.

Additional information

The earnings of the consolidated entity for the five years to 30 June 2023 are summarised below:

	2023 \$	2022 \$	2021 \$	2020 \$	2019 \$
Sales revenue	20,814,006	11,436,280	6,937,027	6,186,274	858,714
Loss after income tax	(1,537,659)	(2,794,523)	(3,810,114)	(1,912,042)	(925,154)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2023	2022	2021	2020	2019
Share price at financial year end (\$) *	0.04	0.04	0.11	-	-
Basic earnings per share (cents per share)	(1.33)	(3.36)	(16.13)	-	-

* The company is listed from 11 May 2021.

Additional disclosures relating to KMP

Shareholding

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

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
<i>Ordinary shares</i>					
Alison Gaines	67,714	829,450	-	-	897,164
Conor O'Brien	4,564,869	671,022	-	-	5,235,891
David Buckingham	329,372	596,492	-	-	925,864
Andrew Hornby	1,538,373	-	1,231,462	-	2,769,835
Brad Kobus	-	-	200,000	-	200,000
	6,500,328	2,096,964	1,431,462	-	10,028,754

Option holding

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

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
<i>Options over ordinary shares</i>					
Alison Gaines	1,500,000	-	-	-	1,500,000
Conor O'Brien	778,161	-	-	-	778,161
David Buckingham	1,000,000	-	-	-	1,000,000
Andrew Hornby	225,245	1,000,000	-	-	1,225,245
Brad Kobus	-	1,000,000	-	-	1,000,000
	3,503,406	2,000,000	-	-	5,503,406

	Vested and exercisable	Unvested and exercisable	Balance at the end of the year
<i>Options over ordinary shares</i>			
Alison Gaines	1,500,000	-	1,500,000
Conor O'Brien	778,161	-	778,161
David Buckingham	1,000,000	-	1,000,000
Andrew Hornby	225,245	1,000,000	1,225,245
Brad Kobus	1,000,000	-	1,000,000
	4,503,406	1,000,000	5,503,406

Performance rights holding

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

	Balance at the start of the year	Granted	Exercised	Lapsed	Balance at the end of the year
<i>Performance rights over ordinary shares</i>					
Andrew Hornby *	1,675,000	-	(335,000)	-	1,340,000
	1,675,000	-	(335,000)	-	1,340,000

* The closing balance for performance rights in the FY22 report of 1,340,000 excluded 335,000 vested performance rights. The opening balance for performance rights of 1,675,000 in FY23 includes the 335,000 vested performance rights which were exercised in the course of the year.

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Receivable from and payable to KMP and their related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	
	2023	2022
	\$	\$
Current payables:		
Trade payables to KMP (directors)	70,232	48,429
Deferred consideration owing to KMP *	41,667	-

* A portion of deferred consideration for the sale of Inverse Group is payable to Mr Hornby.

Loans to KMP and their related parties

At 30 June 2023 there were no loans issued to or from KMP (2022: \$211).

Other transactions with KMP and their related parties

At 30 June 2023 there were no other transactions to or from KMP and their related parties.

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary shares of Hiremii Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
30 April 2021	7 May 2024	\$0.300	23,637,454
11 August 2021	7 May 2024	\$0.300	500,000
11 April 2022	28 April 2025	\$0.100	10,000,000
28 April 2022	28 April 2025	\$0.100	3,000,000
13 December 2022	13 December 2025	\$0.120	1,000,000
13 December 2022	13 December 2025	\$0.101	1,000,000
			<u>39,137,454</u>

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

Shares under performance rights

Unissued ordinary shares of Hiremii Limited under performance rights at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under rights
30 November 2021	24 November 2024	\$0.000	2,000,000

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

Shares issued on the exercise of options

There were no ordinary shares of Hiremii Limited issued on the exercise of options during the year ended 30 June 2023 and up to the date of this report.

Shares issued on the exercise of performance rights

The following ordinary shares of Hiremii Limited were issued during the year ended 30 June 2023 and up to the date of this report on the exercise of performance rights granted:

Date performance rights granted	Exercise price	Number of shares issued
30 November 2021	\$0.000	500,000

Indemnity and insurance of officers

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

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

Indemnity and insurance of auditor

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

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

Proceedings on behalf of the company

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

Non-audit services

As set out in note 24 to the financial statement, there were no amounts paid to the auditor for non-audit services during the financial year.

Officers of the company who are former partners of RSM Australia Partners

There are no officers of the company who are former partners of RSM Australia Partners.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

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

On behalf of the directors



David Buckingham
Interim Chair

28 August 2023



RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Hiremii Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) The auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) Any applicable code of professional conduct in relation to the audit.

RSM AUSTRALIA PARTNERS

MATTHEW BEEVERS
Partner

Perth, WA
Dated: 28 August 2023

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	Note	Consolidated 2023 \$	Consolidated 2022 \$
Revenue	5	20,814,006	11,436,280
Direct operating expense		(18,445,910)	(10,305,027)
Gross margin		<u>2,368,096</u>	<u>1,131,253</u>
Other income	6	237,567	421,454
Interest revenue calculated using the effective interest method		17,193	5,962
Expenses			
Employee benefits expense - recruiting		(1,167,285)	(1,228,901)
Employee benefits expense - other		(1,318,731)	(946,393)
Professional and consulting fees		(282,558)	(485,147)
General and administration expenses	7	(552,974)	(445,033)
Research and development expense		(65,010)	(491,509)
Acquisition and restructuring costs	7	-	(234,277)
Share-based payments expense	19	(107,641)	(83,164)
Depreciation and amortisation expense	7	(475,141)	(327,248)
Impairment of assets	7	(100,248)	(60,686)
Finance costs	7	(90,927)	(50,834)
Loss before income tax expense		<u>(1,537,659)</u>	<u>(2,794,523)</u>
Income tax expense	8	-	-
Loss after income tax expense for the year attributable to the owners of Hiremii Limited		<u>(1,537,659)</u>	<u>(2,794,523)</u>
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of Hiremii Limited		<u><u>(1,537,659)</u></u>	<u><u>(2,794,523)</u></u>
		Cents	Cents
Basic earnings per share	34	(1.33)	(3.36)
Diluted earnings per share	34	(1.33)	(3.36)

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

	Note	Consolidated 2023 \$	Consolidated 2022 \$
Assets			
Current assets			
Cash and cash equivalents		1,942,557	2,386,204
Trade and other receivables	9	1,527,364	1,408,343
Contract assets	10	929,034	471,887
Lease receivables	11	104,590	93,423
Other assets	12	62,222	110,931
Total current assets		4,565,767	4,470,788
Non-current assets			
Plant and equipment		19,922	34,615
Right-of-use assets	13	65,865	144,903
Intangibles	14	1,110,852	1,632,592
Lease receivables	11	47,177	151,768
Other assets	12	102,165	143,643
Total non-current assets		1,345,981	2,107,521
Total assets		5,911,748	6,578,309
Liabilities			
Current liabilities			
Trade and other payables	15	4,092,671	2,977,577
Contract liabilities		49,563	-
Borrowings	16	50,500	52,000
Lease liabilities	17	196,635	217,575
Employee benefits		85,838	56,139
Contingent consideration	22	-	208,333
Total current liabilities		4,475,207	3,511,624
Non-current liabilities			
Trade and other payables	15	141,641	-
Lease liabilities	17	54,945	251,560
Contingent consideration	22	-	250,000
Total non-current liabilities		196,586	501,560
Total liabilities		4,671,793	4,013,184
Net assets		1,239,955	2,565,125
Equity			
Issued capital	18	11,022,616	10,888,268
Share-based payments reserve	19	1,474,881	1,396,740
Accumulated losses		(11,257,542)	(9,719,883)
Total equity		1,239,955	2,565,125

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

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2021	9,581,439	950,976	(6,925,360)	3,607,055
Loss after income tax expense for the year	-	-	(2,794,523)	(2,794,523)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(2,794,523)	(2,794,523)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 18)	1,306,829	-	-	1,306,829
Share-based payments (note 19)	-	445,764	-	445,764
Balance at 30 June 2022	<u>10,888,268</u>	<u>1,396,740</u>	<u>(9,719,883)</u>	<u>2,565,125</u>

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2022	10,888,268	1,396,740	(9,719,883)	2,565,125
Loss after income tax expense for the year	-	-	(1,537,659)	(1,537,659)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(1,537,659)	(1,537,659)
<i>Transactions with owners in their capacity as owners:</i>				
Issue of equity, net of transaction costs (note 18)	104,848	-	-	104,848
Conversion of performance rights (notes 18 and 19)	29,500	(29,500)	-	-
Share-based payments (note 19)	-	107,641	-	107,641
Balance at 30 June 2023	<u>11,022,616</u>	<u>1,474,881</u>	<u>(11,257,542)</u>	<u>1,239,955</u>

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	Note	Consolidated 2023 \$	Consolidated 2022 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		22,225,161	12,584,000
Payments to suppliers and employees (inclusive of GST)		(22,503,386)	(15,433,044)
		(278,225)	(2,849,044)
Research and development incentive		380,164	379,787
Interest received		17,193	5,962
Other revenue		-	41,667
Interest and other finance costs paid		(90,927)	(50,834)
Net cash from/(used in) operating activities	31	28,205	(2,472,462)
Cash flows from investing activities			
Payment for purchase of business, net of cash acquired	29	-	(364,569)
Payments for property, plant and equipment		(9,911)	(13,618)
Payments for intangibles	14	(84,465)	(330,713)
Payments for security deposits		-	(102,164)
Payment of deferred consideration		(277,174)	-
Proceeds from disposal of property, plant and equipment		3,234	-
Proceeds from release of security deposits		22,095	-
Net cash used in investing activities		(346,221)	(811,064)
Cash flows from financing activities			
Proceeds from issue of shares		-	1,833,250
Share issue transaction costs		-	(163,882)
Repayment net of borrowings		(1,500)	(37,651)
Proceeds from lease receivables		93,424	(9,132)
Repayment of lease liabilities		(217,555)	(137,192)
Net cash (used in)/from financing activities		(125,631)	1,485,393
Net decrease in cash and cash equivalents		(443,647)	(1,798,133)
Cash and cash equivalents at the beginning of the financial year		2,386,204	4,184,337
Cash and cash equivalents at the end of the financial year		1,942,557	2,386,204

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

Note 1. General information

The financial statements cover Hiremii Limited as a consolidated entity consisting of Hiremii Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Hiremii Limited's functional and presentation currency.

Hiremii Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 1
251 St George's Terrace
Perth WA 6000

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 28 August 2023. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

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

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any material impact on the financial performance or position of the consolidated entity.

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

Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the consolidated entity incurred a loss after tax of \$1,537,659 (2022: \$2,794,523) and had net cash from operating activities of \$28,205 (2022: \$2,472,462 outflow) and net cash used in investing activities of \$346,221 (2022: \$811,064) for the year ended 30 June 2023. As at that date the consolidated entity had net current assets of \$90,560 (2022: \$959,164).

The Directors believe that it is reasonably foreseeable that the consolidated entity will continue as a going concern and that it is appropriate for it to adopt the going concern basis in the preparation of the financial report after consideration of following factors:

- The company had a cash balance of \$1,942,557 as at the end of the financial year;
- The consolidated entity's budget is forecasting increased sales revenue to be generated from its operating activities;
- The Directors expect to maintain continued support from shareholders and other financiers that have supported the consolidated entity's previous capital raisings such that the company could reasonably expect to be able to raise sufficient funds to meet future working capital needs, and
- Management has the capacity to implement certain measures to reduce cash outflows in the area of corporate and administration.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Note 2. Significant accounting policies (continued)

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the contingent consideration arising from business combinations.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 28.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Hiremii Limited ('company' or 'parent entity') as at 30 June 2023 and the results of all subsidiaries for the year then ended. Hiremii Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation

Foreign currency transactions

Foreign currency transactions are translated into the entity's currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

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Note 2. Significant accounting policies (continued)

Revenue recognition

The consolidated entity recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Rendering of services

Revenue from a contract to provide contractor services is recognised over time as the services are rendered based on either a fixed price or an hourly rate. Permanent placements services are recognised at a point in time when the contract of employment is executed.

Interest

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

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

Research and development tax incentive

The research and development tax incentive ('RDTI') represents a refundable tax offset that is available on eligible research and development expenditure incurred by the consolidated entity. The RDTI is considered to be a form of government assistance and the accounting policy adopted is analogous to accounting for government grants.

The RDTI is recognised at fair value where there is a reasonable assurance that the incentive will be received and the consolidated entity will comply with all attached conditions.

The RDTI relating to expenses is recognised as incurred at the point of time in profit or loss.

Research and development costs

Research costs are expensed in the period in which they are incurred. Development costs will be capitalised if and when: it is probable that the project will be a success considering its commercial and technical feasibility; the consolidated entity is able to use or sell the asset; the consolidated entity has sufficient resources and intent to complete the development; and its costs can be measured reliably.

Note 2. Significant accounting policies (continued)

Income tax

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

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- when the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- when the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Hiremii Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'group taxpayer' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Current and non-current classification

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

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

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

Deferred tax assets and liabilities are always classified as non-current.

Note 2. Significant accounting policies (continued)

Cash and cash equivalents

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

Trade and other receivables

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

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Contract assets

Contract assets are recognised when the consolidated entity has transferred goods or services to the customer but where the consolidated entity is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

Plant and equipment

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

Depreciation is calculated on a straight-line basis to write off the net cost of each item of plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	3 years
---------------------	---------

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

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

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Lessor accounting

As a lessor, the consolidated entity classifies its leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset and classified as an operating lease if it does not.

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Note 2. Significant accounting policies (continued)

Lease receivables

For rental income from a sublease classified as a finance lease, a lease receivable is recognised at an amount equal to the net investment in the lease. Subsequent to initial measurement, the lease receivable is decreased by the sublease payment received, increased by interest revenue (unwinding of discounting), less any allowance for expected credit losses.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Technology platform

Significant costs associated with the development of the revenue generating technology platform for recruitment, including artificial intelligence and candidate matching capabilities, are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 2 years when brought into use. The technology platform was ready for use on 17 January 2023.

Customer relationships

Customer relationships acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 2 years.

Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

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

Contract liabilities

Contract liabilities represent the consolidated entity's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the consolidated entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the consolidated entity has transferred the goods or services to the customer.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Note 2. Significant accounting policies (continued)

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Provisions

Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments

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

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

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using an 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 consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

Note 2. Significant accounting policies (continued)

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 a 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.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

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

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

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Note 2. Significant accounting policies (continued)

Issued capital

Ordinary shares are classified as equity.

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

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Hiremii Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming conversion of all dilutive potential ordinary shares.

Note 2. Significant accounting policies (continued)

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

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

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

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

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Comparative information

Certain balances in statement of profit or loss and other comprehensive income for the financial year ended 30 June 2022 have been restated for comparative purposes.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2023. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current and AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants

AASB 2020-1 was issued in March 2020 and is applicable to annual periods beginning on or after 1 January 2024, as extended by AASB 2020-6. Early adoption is permitted. AASB 2022-6 was issued in December 2022 and is applicable to annual periods beginning on or after 1 January 2023. Early adoption is permitted where AASB 2020-1 is also early adopted.

These standards amend AASB 101 'Presentation of Financial Statements' to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. The amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. If the deferral right is subject to the entity complying with covenants in the loan arrangement based on information up to and including reporting date, the deferral right will exist where the entity is able to comply with the covenant on or before the end of the reporting date even if compliance is assessed after the reporting date. The deferral right will be deemed to exist at reporting date if the entity is required to comply with the covenant only after the reporting date based on post-reporting date information. Additional disclosure is required about loan arrangements classified as non-current liabilities in such circumstances which enables users of financial statements to understand the risk that the liabilities could become repayable within twelve months after the reporting period. Classification of a liability as non-current is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least 12 months after the reporting date or even if the entity settles the liability prior to issue of the financial statements. The meaning of settlement of a liability is also clarified. The amendments are not expected to have any significant impact on the consolidated entity.

Note 3. Critical accounting judgements, estimates and assumptions

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

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using Trinomial Lattice model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Fair value measurement hierarchy

The consolidated entity is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its plant and equipment and finite life intangible assets. 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.

Goodwill

The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Impairment of non-financial assets other than goodwill

The consolidated entity assesses impairment of non-financial assets other than goodwill at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Contingent consideration

As discussed in note 2, contingent consideration is recognised at the present value of consolidated entity's probability weighted estimate of the cash outflow. Management estimates a 100% probability that the target will be achieved and the liability is discounted using the consolidated entity's incremental borrowing rate.

Note 4. Operating segments

Identification of reportable operating segments

The consolidated entity operates in one segment being the provision of labour hire and recruitment services in one geographic region, Australia. This is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The information reported to the CODM is on at least a monthly basis. The financial information presented in these financial statements is the same as that presented to the CODM based on the profit/(loss) after income tax.

Major customers

During the year ended 30 June 2023 the consolidated entity had 3 major customers that contributed \$8.99m to the total consolidated entity's revenue: \$2.36m (12%); \$2.8m (14%) and \$3.83m (19%). In FY 2022, one major customer contributed approximately 13% of the total consolidated entity's revenue.

Note 4. Operating segments (continued)

Geographical information

	Sales to external customers		Geographical non-current assets	
	2023	2022	2023	2022
	\$	\$	\$	\$
Australia	20,814,006	11,436,280	1,345,981	2,107,521

Note 5. Revenue

	Consolidated	
	2023	2022
	\$	\$
<i>Revenue from contracts with customers</i>		
Labour hire and recruitment services	20,814,006	11,436,280

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	
	2023	2022
	\$	\$
<i>Major product lines</i>		
Labour hire and recruitment services	20,814,006	11,436,280
<i>Geographical regions</i>		
Australia	20,814,006	11,436,280
<i>Timing of revenue recognition</i>		
Services transferred over time	19,840,040	10,956,116
Services transferred at a point in time	973,966	480,164
	20,814,006	11,436,280

Note 6. Other income

	Consolidated	
	2023	2022
	\$	\$
Remeasurement of contingent consideration (note 22)	-	41,667
Research and development incentive	237,379	379,787
Other	188	-
Other income	237,567	421,454

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Note 7. Expenses

	Consolidated 2023 \$	2022 \$
Loss before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Plant and equipment	20,611	13,613
Buildings right-of-use assets (note 13)	79,038	113,612
Total depreciation	99,649	127,225
<i>Amortisation</i>		
Customer relationships (note 14)	342,896	200,023
Technology platform (note 14)	32,596	-
Total amortisation	375,492	200,023
Total depreciation and amortisation	475,141	327,248
<i>Impairment of assets</i>		
Buildings right-of-use (note 13)	-	60,686
Technology platform (note 14)	88,116	-
Receivables (note 9)	12,132	-
Total impairment of assets	100,248	60,686
<i>Finance costs</i>		
Interest and finance charges paid/payable on borrowings	61,676	18,985
Interest and finance charges paid/payable on lease liabilities	29,251	31,849
Finance costs expensed	90,927	50,834
<i>Leases</i>		
Low-value assets lease payments	2,351	2,150
<i>Superannuation expense</i>		
Defined contribution superannuation expense	193,848	165,510
<i>Acquisition and restructuring costs</i>		
Acquisition and transaction costs	-	100,297
Restructuring costs	-	133,980
Total acquisition and restructuring costs	-	234,277
<i>General and administration expenses</i>		
Office expenses	183,893	209,495
Insurance expenses	120,467	105,738
Marketing expenses	54,277	88,209
Corporate costs	76,815	14,200
Net foreign exchange loss	117,522	27,391
Total general and administration expenses	552,974	445,033

Note 8. Income tax

	Consolidated 2023 \$	2022 \$
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	(1,537,659)	(2,794,523)
Tax at the statutory tax rate of 25% (2022: 25%)	(384,415)	(698,631)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
(Non-assessable income)/Non-deductible expenses	(29,286)	165,157
Temporary differences not brought to account	413,701	533,474
Income tax expense	-	-

	Consolidated 2023 \$	2022 \$
<i>Tax losses not recognised</i>		
Unused tax losses for which no deferred tax asset has been recognised	7,887,920	6,906,142
Potential tax benefit @ 25%	1,971,980	1,726,536

Availability of tax losses

The availability of the tax losses for future periods is uncertain and will be dependent on the company satisfying strict requirements with respect to continuity of ownership and the business test imposed by income tax legislation. The recoupment of available tax losses as at 30 June 2023 is contingent upon the following:

- (a) the company deriving future assessable income tax legislation of a nature and of an amount sufficient to enable the benefit from the losses to be realised;
- (b) the conditions for deductibility imposed by income tax legislation continuing to be complied with; and
- (c) there being no changes in income tax legislation which would adversely affect the company from realising the benefit from the losses.

Given the company is currently in a loss making position, a deferred tax asset has not been recognised with regard to unused tax losses, as it has not been determined that the company will generate sufficient taxable profit against which the unused tax losses can be utilised.

The corporate tax rate applicable to base rate entities reduced from 26% to 25% for the 2021-22 income year and then remains at 25% in future years. The Company qualifies as a base rate entity as it has a turnover of less than \$50 million and less than 80% of its assessable income is derived from base rate entity passive income. The Company has remeasured its deferred tax balances, and any unrecognised potential tax benefits arising from carried forward tax losses, based on the effective tax rate that is expected to apply in the year the temporary differences are expected to reverse or benefits from tax losses realised. The impact of the change in tax rate on deferred tax balances has been recognised as tax expense in profit or loss or as an adjustment to equity to the extent to which the deferred tax relates to items previously recognised outside profit or loss.

Note 9. Trade and other receivables

	Consolidated	
	2023	2022
	\$	\$
<i>Current assets</i>		
Trade receivables	1,539,496	1,395,583
Less: Allowance for expected credit losses	(12,132)	-
	<u>1,527,364</u>	<u>1,395,583</u>
Other receivables	-	12,760
	<u>1,527,364</u>	<u>1,408,343</u>

Allowance for expected credit losses

The consolidated entity has recognised \$12,132 (2022: \$nil) in profit or loss in respect of the expected credit losses for the year ended 30 June 2023.

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	2023	2022	2023	2022	2023	2022
Consolidated	%	%	\$	\$	\$	\$
Not overdue	-	-	1,188,272	1,030,715	-	-
0 to 3 months overdue	-	-	325,506	354,700	-	-
Over 3 months overdue	47%	-	25,718	10,168	12,132	-
			<u>1,539,496</u>	<u>1,395,583</u>	<u>12,132</u>	<u>-</u>

Movements in the allowance for expected credit losses are as follows:

	Consolidated	
	2023	2022
	\$	\$
Opening balance	-	-
Additional provisions recognised	12,132	-
Closing balance	<u>12,132</u>	<u>-</u>

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Note 10. Contract assets

	Consolidated	
	2023	2022
	\$	\$
<i>Current assets</i>		
Contract assets	929,034	471,887

Reconciliation

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

Opening balance	471,887	166,347
Additions	929,034	471,887
Additions through business combinations (note 29)	-	289,415
Transfer to trade receivables	(471,887)	(455,762)
Closing balance	929,034	471,887

Note 11. Lease receivables

	Consolidated	
	2023	2022
	\$	\$
<i>Current assets</i>		
Lease receivables	104,590	93,423
<i>Non-current assets</i>		
Lease receivables	47,177	151,768
	151,767	245,191

The company has sub-let the Garden Office Parks premises for the remainder of the lease period. Refer to note 13 for further details.

	Consolidated	
	2023	2022
	\$	\$
<i>Lessor commitments</i>		
Committed at the reporting date and recognised as assets, receivable:		
1 year or less	112,977	109,687
Between 1 and 2 years	48,125	112,977
Between 2 and 3 years	-	48,125
Total commitment	161,102	270,789
Less: Future finance charges	(9,335)	(25,598)
Net commitment recognised as assets	151,767	245,191

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Note 12. Other assets

	Consolidated	
	2023	2022
	\$	\$
<i>Current assets</i>		
Prepayments	20,744	88,836
Security deposits	41,478	22,095
	<u>62,222</u>	<u>110,931</u>
<i>Non-current assets</i>		
Security deposits	102,165	143,643
	<u>164,387</u>	<u>254,574</u>

Note 13. Right-of-use assets

	Consolidated	
	2023	2022
	\$	\$
<i>Non-current assets</i>		
Land and buildings - right-of-use	191,009	303,159
Less: Accumulated depreciation *	(125,144)	(117,757)
Less: Impairment ***	-	(40,499)
	<u>65,865</u>	<u>144,903</u>

Reconciliations

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

Consolidated	Right-of-use assets \$
Balance at 1 July 2021	59,190
Additions	337,993
Additions through business combinations (note 29)	191,009
Disposals	(236,059)
Impairment of assets **	(93,618)
Depreciation expense	<u>(113,612)</u>
Balance at 30 June 2022	144,903
Depreciation expense	<u>(79,038)</u>
Balance at 30 June 2023	<u>65,865</u>

* During the prior period, a right-of-use asset for a lease of an office with cost and accumulated depreciation of \$93,000 was derecognised after the lease term ended.

** During the prior period, an initial impairment loss of \$93,618 was recognised as certain premises have been vacated and so would not be recovered through use. The premises, Garden Office Park, were subsequently subleased and a gain on disposal of \$32,932 was recognised. The net impact of this was an impairment loss of \$60,686.

*** In January 2023, the premises at Stirling Street was derecognised at the end of the lease which was already impaired on prior year (cost \$112,150, accumulated depreciation of \$71,651 and NBV of \$40,499).

Note 13. Right-of-use assets (continued)

For other lease disclosures refer to:

- note 7 for depreciation on right-of-use assets, interest on lease liabilities and other lease expenses;
- note 17 for lease liabilities; and
- consolidated statement of cash flows for repayment of lease liabilities.

Note 14. Intangibles

	Consolidated 2023 \$	2022 \$
<i>Non-current assets</i>		
Goodwill - at cost	816,109	816,109
Technology platform - at cost	272,581	330,713
Less: Accumulated amortisation *	(32,596)	-
Less: Impairment	(88,116)	-
	<u>151,869</u>	<u>330,713</u>
Customer relationships - at cost	685,793	685,793
Less: Accumulated amortisation	(542,919)	(200,023)
	<u>142,874</u>	<u>485,770</u>
	<u><u>1,110,852</u></u>	<u><u>1,632,592</u></u>

Reconciliations

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

Consolidated	Goodwill \$	Technology platform \$	Customer relationships \$	Total \$
Balance at 1 July 2021	-	-	-	-
Additions	-	330,713	-	330,713
Additions through business combinations (note 29)	816,109	-	685,793	1,501,902
Amortisation expense	-	-	(200,023)	(200,023)
Balance at 30 June 2022	816,109	330,713	485,770	1,632,592
Additions	-	84,465	-	84,465
Government grant: research and development incentive **	-	(142,597)	-	(142,597)
Amortisation expense	-	(32,596)	(342,896)	(375,492)
Impairment of assets***	-	(88,116)	-	(88,116)
Balance at 30 June 2023	<u><u>816,109</u></u>	<u><u>151,869</u></u>	<u><u>142,874</u></u>	<u><u>1,110,852</u></u>

* The technology platform was brought into use on 17 January 2023.

** Government grants relating to the research and development incentive amounting to \$379,976 were recognised in the period. The incentive included \$142,597 related to amounts capitalised to the technology platform, while \$237,379 was recognised as other income.

*** A review of costs capitalised was undertaken at year end with \$88,116 identified as costs previously capitalised for superseded platform architecture. This amount was written off to the profit or loss as impairment.

Impairment testing

Goodwill acquired through business combinations has been allocated to the Inverse Group cash-generating unit.

Note 14. Intangibles (continued)

The recoverable amount of the consolidated entity's goodwill has been determined by a value-in-use calculation using a discounted cash flow model, based on a 2 year projection period approved by management and extrapolated for a further 3 years using a steady rate, together with a terminal value.

Key assumptions are those to which the recoverable amount of an asset or cash-generating unit is most sensitive.

The following key assumptions were used in the discounted cash flow model for the Inverse Group cash-generating unit:

- 21% pre-tax discount rate; and
- 27% per annum projected revenue growth rate for the first year, 35% for the second year, 20% for the third and fourth year, with no growth rate after the fifth year in the model.
- Inclusion of a terminal value with no growth included.

The discount rate of 21% pre-tax reflects management's estimate of the time value of money and the consolidated entity's weighted average cost of capital adjusted for the Inverse Group business, the risk free rate and the volatility of the share price relative to market movements.

Management believes the projected revenue growth rate is prudent and justified, based on the historic and expected business performance.

There were no other key assumptions for the Inverse Group cash-generating unit.

Based on the above, no impairment charge has been applied as the carrying amount of goodwill exceeded its recoverable amount for the Inverse Group cash-generating unit.

Sensitivity

As disclosed in note 2, the directors have made judgements and estimates in respect of impairment testing of goodwill. Should these judgements and estimates not occur the resulting goodwill carrying amount may decrease. The sensitivity is as follows:

- Revenue growth would need to decrease to below 21% over the first two years for the Inverse Group business before goodwill would need to be impaired, with all other assumptions remaining constant.

Management believes that these are no reasonably possible changes in the key assumptions on which the recoverable amount of Inverse Group cash-generating unit's goodwill is based would not cause the cash-generating unit's carrying amount to exceed its recoverable amount.

Note 15. Trade and other payables

	Consolidated	
	2023	2022
	\$	\$
<i>Current liabilities</i>		
Trade payables	158,962	194,463
Deferred consideration (notes 22 and 29)	319,444	138,285
Accrued expenses	914,448	1,023,362
ATO payable	778,408	1,453,048
BAS payable	1,166,089	3,863
Other payables	755,320	164,556
	<u>4,092,671</u>	<u>2,977,577</u>
<i>Non-current liabilities</i>		
ATO payable	<u>141,641</u>	<u>-</u>
	<u><u>4,234,312</u></u>	<u><u>2,977,577</u></u>

Refer to note 21 for further information on financial instruments.

Note 16. Borrowings

	Consolidated 2023 \$	2022 \$
<i>Current liabilities</i>		
Other loans	<u>50,500</u>	<u>52,000</u>

Refer to note 21 for further information on financial instruments.

Other loans correspond to a personal loan received by the company at 12% interest rate p.a., unsecured and no specific term.

Note 17. Lease liabilities

	Consolidated 2023 \$	2022 \$
<i>Current liabilities</i>		
Lease liability	<u>196,635</u>	<u>217,575</u>
<i>Non-current liabilities</i>		
Lease liability	<u>54,945</u>	<u>251,560</u>
	<u>251,580</u>	<u>469,135</u>

Refer to note 21 for maturity analysis of lease liabilities.

Note 18. Issued capital

	2023 Shares	Consolidated 2022 Shares	2023 \$	2022 \$
Ordinary shares - fully paid	<u>117,255,659</u>	<u>114,658,695</u>	<u>11,022,616</u>	<u>10,888,268</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2021	69,300,505		9,581,439
Issue of shares - placement (tranche 1)	12 January 2022	14,325,125	\$0.045	640,333
Issue of shares - share purchase plan	23 February 2022	9,961,095	\$0.045	448,250
Issue of shares - share issue transaction fee	28 April 2022	1,500,000	\$0.070	105,000
Issue of shares - shortfall placement	28 April 2022	13,000,000	\$0.045	585,000
Issue of shares - placement (tranche 2)	28 April 2022	3,571,970	\$0.045	159,667
Issue of shares - share issue transaction fee	28 April 2022	3,000,000	\$0.062	186,000
Share issue costs, net of tax				(817,421)
Balance	30 June 2022	114,658,695		10,888,268
Shares issued to Directors in lieu of fees	13 December 2022	2,096,964	\$0.050	104,848
Issue of shares - performance rights conversion	31 May 2023	500,000	\$0.059	29,500
Balance	30 June 2023	<u>117,255,659</u>		<u>11,022,616</u>

Note 18. Issued capital (continued)

Ordinary shares

Ordinary shares entitle the holder to participate in dividends declared and any proceeds attributable to shareholders should the company be wound up, in proportions that consider both the number of shares held and the extent to which those shares are paid up. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

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

Share buy-back

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

Capital risk management

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The capital risk management policy remains unchanged from the 30 June 2022 Annual Report.

Note 19. Reserves

	Consolidated	
	2023	2022
	\$	\$
Share-based payments reserve	1,474,881	1,396,740

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Note 19. Reserves (continued)

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Share-based payments \$
Balance at 1 July 2021	950,976
Options issued to employees	83,164
Broker options (share issue transaction costs)	<u>362,600</u>
Balance at 30 June 2022	1,396,740
Options issued to employees	107,641
Performance rights converted *	<u>(29,500)</u>
Balance at 30 June 2023	<u><u>1,474,881</u></u>

* Relates to conversion of 500,000 performance rights that vested in FY22.

Note 20. Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 21. Financial instruments

Financial risk management objectives

The consolidated entity's activities expose it to a variety of financial risks: market risk including interest rate risk, credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate risk and ageing analysis for credit 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 consolidated entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and mitigates financial risks within the consolidated entity's operating units. Finance reports to the Board on a monthly basis.

Market risk

Interest rate risk

The consolidated entity's main interest rate risk arises from borrowings. The consolidated entity's borrowings which are fixed rate lease liabilities and receivables expose the consolidated entity to fair value risk. All other financial assets and liabilities in the form of receivables and payables are non-interest bearing. The consolidated entity does not engage in any hedging or derivative transactions to manage interest rate risk.

The consolidated entity is not exposed to any significant interest rate risk.

Credit risk

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

Note 21. Financial instruments (continued)

The consolidated entity has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the consolidated entity based on recent sales experience, historical collection rates and forward-looking information that is available. No expected credit losses were recorded for the previous financial year and \$12,132 was recorded in the current financial year.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

Liquidity risk

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

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and through continuous monitoring of budgeted and actual cash flows.

Remaining contractual maturities

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

	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Consolidated - 2023						
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	158,962	-	-	-	158,962
Deferred consideration	-	319,444	-	-	-	319,444
Other payables	-	755,320	-	-	-	755,320
ATO payable	-	778,408	141,641	-	-	920,049
<i>Interest-bearing - fixed rate</i>						
Other loans	12.00%	50,500	-	-	-	50,500
Lease liability	8.00%	196,635	54,946	-	-	251,581
Total non-derivatives		2,259,269	196,587	-	-	2,455,856

	Weighted average interest rate %	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Remaining contractual maturities \$
Consolidated - 2022						
Non-derivatives						
<i>Non-interest bearing</i>						
Trade payables	-	194,463	-	-	-	194,463
Deferred consideration	-	138,285	-	-	-	138,285
Other payables	-	164,556	-	-	-	164,556
ATO payable	-	1,453,048	-	-	-	1,453,048
Contingent consideration	-	208,333	250,000	-	-	458,333
<i>Interest-bearing - fixed rate</i>						
Other loans	12.00%	52,000	-	-	-	52,000
Lease liability	8.00%	246,826	209,189	56,049	-	512,064
Total non-derivatives		2,457,511	459,189	56,049	-	2,972,749

Note 21. Financial instruments (continued)

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments approximates their fair value.

Note 22. Fair value measurement

Fair value hierarchy

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

Consolidated - 2022	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Liabilities				
Current				
Contingent consideration	-	-	208,333	208,333
Non-current				
Contingent consideration	-	-	250,000	250,000
Total liabilities	<u>-</u>	<u>-</u>	<u>458,333</u>	<u>458,333</u>

Contingent consideration was transferred to deferred consideration in 2023, thus there are no liabilities measured at fair value level 3 at 30 June 2023.

There were no transfers between levels during the financial year.

Valuation techniques for fair value measurements categorised within level 2 and level 3

Due to the nature of contingent consideration, it has been categorised as Level 3.

Contingent consideration represents the obligation to pay additional amounts to vendors in respect of the business acquired by the consolidated entity, subject to certain conditions being met. It is measured at the present value of the estimated liability. The fair value of contingent consideration is calculated on the expected future cash outflows. The contingent consideration is a performance based payment. These performance conditions are reviewed at the reporting date to provide the expected future cash outflows for each contract. Upon completion of the review the future cash outflows are then discounted to present value using the consolidated entity's incremental borrowing rate.

Level 3 assets and liabilities

Movements in level 3 assets and liabilities during the current and previous financial year are set out below:

Consolidated	Contingent consideration \$
Balance at 1 July 2021	-
Additions through business combinations (note 29)	500,000
Remeasurement (note 6 and note 29)	<u>(41,667)</u>
Balance at 30 June 2022	458,333
Transfers to deferred consideration *	<u>(458,333)</u>
Balance at 30 June 2023	<u><u>-</u></u>

Note 22. Fair value measurement (continued)

* The total balance of contingent consideration was transferred to deferred consideration with the last milestone met at December 2022. The consideration thus became deferred and is payable on 31 October 2023. The Company paid the amount of \$277,174 during the year and the remaining balance of \$319,444 (note 15) is payable. Refer also to note 29 for further details on the acquisition's settlement.

Note 23. Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of KMP of the consolidated entity is set out below:

	Consolidated	
	2023	2022
	\$	\$
Short-term employee benefits	700,965	804,128
Post-employment benefits	66,344	58,522
Share-based payments	218,803	49,721
	<u>986,112</u>	<u>912,371</u>

Note 24. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by RSM Australia Partners, the auditor of the company, and unrelated firms:

	Consolidated	
	2023	2022
	\$	\$
<i>Audit services - RSM Australia Partners</i>		
Audit or review of the financial statements	<u>72,000</u>	<u>70,000</u>

Note 25. Contingent liabilities

There consolidated entity had no contingent liabilities as at 30 June 2023 and 30 June 2022.

Note 26. Commitments

The consolidated entity had no commitments as at 30 June 2023 and 30 June 2022.

Note 27. Related party transactions

Parent entity

Hiremii Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 30.

Key management personnel

Disclosures relating to KMP are set out in note 23 and the remuneration report included in the directors' report.

Transactions with related parties

There were no transactions with related parties during the current and previous financial year.

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Note 27. Related party transactions (continued)

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	
	2023	2022
	\$	\$
Current payables:		
Trade payables to KMP (directors)	70,232	48,429
Deferred consideration owing to KMP (AH) *	41,667	-

* A portion of deferred consideration for the sale of Inverse Group is payable to Mr Hornby.

Loans to/from related parties

The following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated	
	2023	2022
	\$	\$
Current receivables:		
Loan receivable from KMP (directors)	-	211

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates, except where stated otherwise.

Note 28. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2023	2022
	\$	\$
Loss after income tax	(1,537,659)	(2,794,523)
Total comprehensive income	(1,537,659)	(2,794,523)

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Note 28. Parent entity information (continued)

Statement of financial position

	Parent	
	2023	2022
	\$	\$
Total current assets	3,038,404	3,137,717
Total assets	4,384,184	3,730,682
Total current liabilities	3,089,484	737,870
Total liabilities	3,144,229	1,165,557
Equity		
Issued capital	11,022,616	10,888,268
Share-based payments reserve	1,474,881	1,396,740
Accumulated losses	(11,257,542)	(9,719,883)
Total equity	<u>1,239,955</u>	<u>2,565,125</u>

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2023 and 30 June 2022.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2023 and 30 June 2022.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2023 and 30 June 2022.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 29. Business combinations

Inverse Group Pty Ltd ('Inverse') acquisition in FY2022

On 30 November 2021, the consolidated entity completed the acquisition of 100% of the issued share capital of Inverse Group Pty Ltd, a recruitment business with a focus in the energy, resource and digital sectors across Australia, New Zealand and South-East Asia. The total purchase price for the acquisition was \$1,438,285. The goodwill of \$816,109 represents the anticipated growth and expected synergies from integration with the wider operating activities of Hiremii Limited. Inverse Group contributed seven months of revenue to the consolidated entity after acquisition, amounting to \$8,256,534 with a gross margin of \$927,452 (11.2%) and net profit of \$221,241 (2.7%). If the acquisition occurred on 1 July 2021 the full year contributions would have been revenues of \$14,121,541 and net profit of \$221,372.

Remaining consideration:

- Subject to Inverse Group maintaining a twelve-month trailing revenue of \$14,000,000 or more - cash payment of \$208,333. This contingent consideration was remeasured (note 6 and note 22); and
- Subject to Inverse Group achieving a twelve-month trailing revenue of \$16,000,000 or more as at 30 June 2023 - cash payment of \$250,000.

The acquisition accounting was finalised as at 30 June 2022.

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Note 29. Business combinations (continued)

Details of the acquisition are as follows:

	Fair value \$
Cash and cash equivalents	435,431
Trade receivables	1,150,865
Other receivables	15,666
Contract assets	289,415
Prepayments	29,059
Plant and equipment	7,472
Right-of-use assets	191,009
Customer relationships	685,793
Security deposits	41,478
Trade payables	(571,417)
Other payables	(916,202)
Employee benefits	(27,285)
GST payable	(120,492)
Accrued expenses	(322,503)
Other loans	(50,000)
Lease liability	(196,819)
Insurance premium funding	(19,294)
Net assets acquired	622,176
Goodwill	816,109
Acquisition-date fair value of the total consideration transferred	<u>1,438,285</u>
Representing:	
Cash paid or payable to vendor	800,000
Deferred consideration - current (note 15)	138,285
Contingent consideration - current (note 22)	250,000
Contingent consideration - non-current (note 22)	250,000
	<u>1,438,285</u>
Acquisition costs expensed to profit or loss	<u>100,297</u>
Cash used to acquire business, net of cash acquired:	
Acquisition-date fair value of the total consideration transferred	1,438,285
Less: cash and cash equivalents acquired	(435,431)
Less: deferred consideration	(138,285)
Less: contingent consideration	(500,000)
Net cash used	<u>364,569</u>

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Note 30. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2023 %	2022 %
Oncontractor Pty Ltd	Australia	100.00%	100.00%
Hiremii Recruitment Pty Ltd	Australia	100.00%	100.00%
Hiremii Technology Pty Ltd	Australia	100.00%	100.00%
Inverse Group Pty Ltd (note 29)	Australia	100.00%	100.00%

Note 31. Reconciliation of loss after income tax to net cash from/(used in) operating activities

	Consolidated	
	2023 \$	2022 \$
Loss after income tax expense for the year	(1,537,659)	(2,794,523)
Adjustments for:		
Depreciation and amortisation	475,141	327,248
Impairment of right-of-use assets	88,116	93,618
Net gain on disposal of non-current assets	-	(32,932)
Share-based payments	78,141	83,164
Impairment of receivables	12,132	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(131,153)	103,886
Increase in contract assets	(457,147)	(16,125)
Decrease in prepayments	68,092	29,003
Increase in trade and other payables	1,391,842	301,648
Increase/(decrease) in contract liabilities	49,563	(29,009)
Increase/(decrease) in employee benefits	29,699	(35,985)
Decrease in other provisions	(38,562)	(179,952)
Decrease in other operating liabilities	-	(322,503)
Net cash from/(used in) operating activities	28,205	(2,472,462)

Note 32. Non-cash investing and financing activities

	Consolidated	
	2023 \$	2022 \$
Shares issued to Directors in lieu of fees	104,848	-
Shares issued on conversion of performance rights	29,500	-
	134,348	-

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Note 33. Changes in liabilities arising from financing activities

Consolidated	Bank loans \$	Insurance finance premium * \$	Leases liabilities \$	Total \$
Balance at 1 July 2021	-	20,357	71,515	91,872
Net cash (used in)/from financing activities	2,000	(39,651)	(137,192)	(174,843)
Acquisition of plant and equipment by means of leases	-	-	337,993	337,993
Changes through business combinations (note 29)	50,000	19,294	196,819	266,113
	<u>52,000</u>	<u>-</u>	<u>469,135</u>	<u>521,135</u>
Balance at 30 June 2022	52,000	-	469,135	521,135
Net cash used in financing activities	(1,500)	-	(217,555)	(219,055)
	<u>50,500</u>	<u>-</u>	<u>251,580</u>	<u>302,080</u>

* During the current year, there was a proceed from insurance finance premium of \$147,562 which was paid off at year end.

Note 34. Earnings per share

	Consolidated 2023 \$	2022 \$
Loss after income tax attributable to the owners of Hiremii Limited	<u>(1,537,659)</u>	<u>(2,794,523)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>115,850,183</u>	<u>83,160,497</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>115,850,183</u>	<u>83,160,497</u>
	Cents	Cents
Basic earnings per share	(1.33)	(3.36)
Diluted earnings per share	(1.33)	(3.36)

39,137,454 (2022: 37,137,454) options and 2,000,000 (2022: 2,500,000) performance rights over ordinary shares are not included in the calculation of diluted earnings per share because they are anti-dilutive for the year ended 30 June 2023. These options could potentially dilute basic earnings per share in the future.

Note 35. Share-based payments

A share option plan has been established by the consolidated entity and approved by shareholders at a general meeting, whereby the consolidated entity may, at the discretion of the Nomination and Remuneration Committee, grant options over ordinary shares in the company to certain key management personnel of the consolidated entity. The options are issued for nil consideration and are granted in accordance with performance guidelines established by the Nomination and Remuneration Committee.

The share based payment expense for the options and performance rights during the period was recognised in profit or loss of \$107,641 (2022: \$83,164).

Note 35. Share-based payments (continued)

Set out below are summaries of options granted under the plan:

2023

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/forfeited/other	Balance at the end of the year
30/04/2021	07/05/2024	\$0.300	23,637,454	-	-	-	23,637,454
11/08/2021	07/05/2024	\$0.300	500,000	-	-	-	500,000
11/04/2022	28/04/2025	\$0.100	10,000,000	-	-	-	10,000,000
28/04/2022	28/04/2025	\$0.100	3,000,000	-	-	-	3,000,000
28/11/2022	13/12/2025	\$0.101	-	1,000,000	-	-	1,000,000
28/11/2022	13/12/2025	\$0.120	-	1,000,000	-	-	1,000,000
			37,137,454	2,000,000	-	-	39,137,454

Weighted average exercise price	\$0.230	\$0.111	\$0.000	\$0.000	\$0.224
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2022

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/forfeited/other	Balance at the end of the year
30/04/2021	07/05/2024	\$0.300	23,637,454	-	-	-	23,637,454
11/08/2021	07/05/2024	\$0.300	-	500,000	-	-	500,000
11/04/2022	28/04/2025	\$0.100	-	10,000,000	-	-	10,000,000
28/04/2022	28/04/2025	\$0.100	-	3,000,000	-	-	3,000,000
			23,637,454	13,500,000	-	-	37,137,454

Weighted average exercise price	\$0.300	\$0.110	\$0.000	\$0.000	\$0.230
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Options exercisable at the end of the financial year are 38,137,454 (2022: 18,974,557).

The weighted average remaining contractual life of options outstanding at the end of the financial year was 1.23 years (2022: 2 years).

Performance rights

Performance rights ("PR") were incorporated in the Executive Services Agreements ("ESAs") of the Inverse acquisition from the sellers Andrew Hornby and Chris Flint. Terms and conditions on the remaining tranche granted are as follows:

- PR are valued based on the market price in terms of the Share Based Payment Standard, at 6.0c, the market price of the shares at the close date (30 November 2021);
- Upon Inverse Group achieving a twelve month trailing reviewed or audited revenue of \$16,000,000 or more or reviewed or audited EBITDA of \$700,000 or more as at, or prior to, 30 June 2023 for a total of 2,000,000 (1,340,000 to Andrew Hornby and 600,000 to Chris Flint). Inverse Group achieved the revenue milestone in December 2022.
- Subject to continuous service of the executive at the date of vesting and the employee incentive plan.
- A performance right that vests entitles the holder to redeem one share for no consideration.

Note 35. Share-based payments (continued)

Set out below are summaries of performance rights granted under the plan:

2023

Grant date	Expiry date	Exercise price	Balance at the start of the year *	Granted	Exercised	Expired	Balance at the end of the year
30/11/2021	24/11/2024	\$0.000	2,500,000	-	(500,000)	-	2,000,000
			2,500,000	-	(500,000)	-	2,000,000

2022

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired	Balance at the end of the year *
30/11/2021	24/11/2024	\$0.000	-	3,000,000	-	(500,000)	2,500,000
			-	3,000,000	-	(500,000)	2,500,000

* The closing balance for performance rights in the FY22 report of 2,000,000 excluded 500,000 vested performance rights. The opening balance for performance rights of 2,500,000 in FY23 includes the 500,000 vested performance rights which were exercised in the course of the year.

The performance rights are all exercisable at the end of the financial year.

The weighted average remaining contractual life of performance rights outstanding at the end of the financial year was 16 months (2022: 12 months).

For the options granted during the current financial year, the valuation Black Scholes Model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
28/11/2022	13/12/2025	\$0.050	\$0.101	98.00%	-	3.20%	\$0.0217
28/11/2022	13/12/2025	\$0.050	\$0.120	98.00%	-	3.20%	\$0.0197

Note 36. Events after the reporting period

Ms Alison Gaines retired as Board Chair and Non-Executive Director on 27 July 2023. Mr David Buckingham, Non-Executive Director, was appointed as Interim Chair on 27 July 2023.

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

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In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company and consolidated entity will be able to pay their debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

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

On behalf of the directors



David Buckingham
Interim Chair

28 August 2023

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF HIREMII LIMITED**

Opinion

We have audited the financial report of Hiremii Limited (**Company**) and its subsidiaries (**Group**), which comprises the statement of financial position as at 30 June 2023, 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 statements, including a summary of significant accounting policies, and the directors' declaration.

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

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; 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 Group in accordance with the auditor independence requirements of 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.

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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.

Key audit matter	How our audit addressed this matter
Revenue Refer to Note 5 in the financial statements	
<p>As disclosed in Note 5 to the financial statements, the Group has recognised total revenue of \$20,814,006.</p> <p>We determined revenue recognition to be a key audit matter due to the following:</p> <ul style="list-style-type: none"> The balance is material to the Group and there are risks associated with management judgements, which includes identification of contracts and performance obligations, determination of the transaction price and the timing of revenue recognition; and Revenue recognition is a presumed fraud risk under Australian Auditing Standards. 	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> Evaluating the Group's revenue recognition policy's compliance with Australian Accounting Standards; On a sample basis, testing revenue transactions to supporting documentation to assess whether the revenue recognition criteria were met; On a sample basis, testing revenue transactions before and after year end to supporting documentation to evaluate whether revenue transactions have been recognised in the correct financial period; and Assessing the disclosures in the financial statements against the requirements of Australian Accounting Standards.
Carrying value of intangible assets Refer to Note 14 in the financial statements	
<p>The Group has intangible assets of \$1,110,852 as at 30 June 2023, comprising goodwill of \$816,109 and other intangible assets of \$294,743.</p> <p>The Group is required to test goodwill acquired in business combinations for impairment annually.</p> <p>In addition, the Group is required to assess at 30 June 2023 whether there is any indication that intangible assets may be impaired. If any such indication exists, the Group is required to estimate the recoverable amount of its other intangible assets.</p> <p>We determined this to be a key audit matter due to the extent of management judgement and estimates involved in:</p> <ul style="list-style-type: none"> Testing goodwill for impairment including determining the cash generating unit (CGU) to which the goodwill relates and determining the recoverable amount of the related CGU utilising a value in use model which includes assumptions such as revenue growth rate, discount rate and terminal value growth rate; Assessing whether indicators of impairment are present in relation to the Group's other intangible assets; and Where indicators of impairment are identified, determining the recoverable amount of the related intangible assets by utilising a value in use model 	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> Assessing the Group's accounting policy for compliance with Australian Accounting Standards; Critically evaluating management's assessment of whether impairment indicators for other intangible assets were present at 30 June 2023; Considering the Group's determination of its CGUs based on our understanding of the operations of the Group's business and how the identifiable CGUs generate independent cash inflows; Considering the appropriateness of the value in use model applied by the Group to assess the carrying value of the CGU to which goodwill was allocated; Challenging the Group's forecast cash flows, EBITDA margin and growth assumptions; Considering the sensitivity of the model by varying key assumptions, such as forecast EBITDA margins, discount rate, within a reasonably possible range; Working with our valuation specialists, we developed a discount rate range considered comparable using publicly available market data for comparable entities and assessed the integrity of the value in use model used; Checking the mathematical accuracy of the impairment expenses recognised; and

<p>which includes assumptions such as revenue growth rate and discount rates.</p>	<ul style="list-style-type: none"> Assessing the adequacy disclosures included in the financial statements.
<p>Going Concern Refer to Note 1 in the financial statements</p>	
<p>For the year ended 30 June 2023, the Group incurred a loss of \$1,537,659 and had net cash inflows from operating activities of \$28,205 and net cash outflows from investing activities of \$346,221 and net cash outflows from financing activities of \$125,631 respectively. The Group is in a net current asset position of \$90,560.</p> <p>The directors have prepared the financial report utilising the going concern basis of preparation based on consideration of the factors set out in Note 1.</p> <p>We determined the use by directors of the going concern assumption to be a key audit matter as it required significant audit effort and greater involvement of senior team members.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> Assessing and discussing with management and Directors the reasonableness of the Group's cash flow forecast for the next 12 months; Checking the mathematical accuracy of management's cash flow forecast; Challenging the reasonableness of the key assumptions used by management in the cash flow forecast by comparison to our knowledge of the business; Assessing the sensitivity of the key assumptions within management's cash flow forecast, particularly in relation to forecast revenue growth; Evaluating and challenging the reasonableness of management's mitigating future plans; and Assessing the adequacy of disclosures made in the financial report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly 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 ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the 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 at: https://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 in the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Hiremii Limited, for the year ended 30 June 2023, 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.



RSM AUSTRALIA PARTNERS



MATTHEW BEEVERS
Partner

Perth, Western Australia
Dated: 28 August 2023

The shareholder information set out below was applicable as at 15 August 2023.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Ordinary shares		Options over ordinary shares		Performance rights over ordinary shares	
	Number of holders	% of total shares issued	Number of holders	% of total shares issued	Number of holders	% of total shares issued
1 to 1,000	20	-	-	-	-	-
1,001 to 5,000	24	0.08	-	-	-	-
5,001 to 10,000	117	0.91	-	-	-	-
10,001 to 100,000	243	8.42	35	7.20	-	-
100,001 and over	125	90.59	60	92.80	2	100.00
	529	100.00	95	100.00	2	100.00

The number of holders holding less than a marketable parcel of fully paid ordinary shares as at 15 August 2023 is 161 holding a total of 1,165,736 fully paid ordinary shares.

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities (ASX: HMI) are listed below:

	Ordinary shares	% of total shares issued
	Number held	
Mr Jason Alan Carroll	19,500,000	16.63
Sanlam Private Wealth Pty Ltd <Westbourne Long Short A/C>	15,125,000	12.90
BNP Paribas Nominees Pty Ltd <IB AU Noms Retailclient DRP>	8,448,381	7.21
Bomat Holdings Pty Ltd <Milarm Family A/C>	5,500,000	4.69
Mr Gregory Neville Arnold	3,814,372	3.25
Mr Bobby Vincent Li	3,251,942	2.77
C O'Brien Consulting Services <O'Brien Family A/C>	3,171,022	2.70
Haldane Consulting Services Pty Ltd <Haldane Family A/C>	2,187,500	1.87
Bearay Pty Ltd <Brian Clayton S/F A/C>	2,150,000	1.83
Conor O'Brien	2,000,769	1.71
Facoory Investments (QLD) Pty Ltd	1,509,232	1.29
Flint Equity Pty Ltd <The Flint Investment A/C>	1,315,670	1.12
Mr Emanuel Millen	1,266,666	1.08
Absalom Hornby Pty Ltd <Absalom Hornby Family A/C>	1,246,462	1.06
Evan Renwick	1,179,033	1.01
Asset Growth Fund Pty Ltd	1,050,131	0.90
Morckstow Pty Ltd	1,000,000	0.85
Mr Alastair Miyamori Haldane	992,566	0.85
Mr Joshua David Thurlow	952,863	0.81
Asgard Capital Management Ltd <1115712 Buckingham Fam A/C>	925,864	0.79
TOTAL	76,587,473	65.32

Unquoted equity securities

	Number on issue	Number of holders
Options over ordinary shares – \$0.30, 7 May 2024	24,137,454	78
Options over ordinary shares – \$0.10, 28 April 2025	13,000,000	15
Options over ordinary shares – \$0.12, 13 December 2025	1,000,000	1
Options over ordinary shares – \$0.10, 13 December 2025	1,000,000	1
Performance rights over ordinary shares issued	2,000,000	2

Substantial holders

Substantial shareholders in the Company as at 15 August 2023 as disclosed in substantial shareholder notices lodged with the ASX are set out below:

	Number held	Ordinary shares % of total shares issued
Mr Jason Alan Carroll	19,750,000	16.84
Sanlam Private Wealth Pty Ltd (Westbourne Long Short A/C)	15,000,000	12.79

Voting rights

All fully paid ordinary shares carry one vote per share without restrictions.

Unquoted options and performance rights have no voting rights.

Holder details of unquoted securities

Holders of unquoted securities that hold more than 20% of a given class of unquoted securities as at 15 August 2023 (excluding securities issued under an employee incentive scheme) are noted below.

Holder	Security	Number held	% Held in Security class
Indian Ocean Securities Pty Ltd	Unquoted options - \$0.10 28 April 2025	3,333,333	25.64%
Mr Andrew Michael Hornby	Performance rights	1,340,000	67.00%
Flint Equity Pty Ltd (The Flint Investment A/C)	Performance rights	660,000	33.00%

Restricted securities

The Company had no restricted securities on issue as at 15 August 2023.

On-Market Buy-back

The Company is not currently performing an on-market buy-back.

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