

# Freelancer Limited

Half-Year Report 2018

## Appendix 4D

For the half year ended 30 June 2018

### Freelancer Limited

ACN 141 959 042

### Results for announcement to the market

For the half year ended 30 June 2018 ("current period")

	30 June 2018 \$000	% Change from 6 months ended 30 June 2017	30 June 2017 \$000
Revenues from ordinary activities	24,686	down 7.2%	26,605
Loss from ordinary activities after tax attributable to shareholders	(769)	down 8.2%	(711)
Net loss for the period attributable to shareholders	(769)	down 8.2%	(711)

No dividends have been declared for the reporting period.

	30 June 2018 (Cents)	30 June 2017 (Cents)
Net tangible assets per security	0.11	1.2

Additional Appendix 4D disclosure requirements can be found in the notes to the Interim Financial Report and the Directors' Report for the half year ended 30 June 2018. Information should be read in conjunction with Freelancer Limited's 2017 Annual Report and the attached Interim Financial Report.

This report is based on the consolidated Interim Financial Report for the half year ended 30 June 2018 which has been reviewed by Hall Chadwick with the Independent Auditor's Review Report included in the Interim Report.

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## Freelancer Limited Directors' Report

The Directors present their report together with the financial statements of the consolidated entity (the Group), consisting of Freelancer Limited (the Company) and its controlled entities for the half-year ended 30 June 2018 and the Independent Auditor's Review Report thereon.

### Directors

The names of the Directors of Freelancer Limited during the half-year and up to the date of this report are as follows:

Matt Barrie	Chairman and Chief Executive Officer
Darren Williams	Non-Executive Director
Simon Clausen	Non-Executive Director

### Review of operations

During the half-year ended 30 June 2018, the Group generated net revenue of \$24.7 million, down 7% on the prior corresponding period (1H17: \$26.6 million).

The online marketplace segment generated net revenue of \$21.2 million, down 8% on the prior corresponding period primarily due to lower membership revenues, which has been driven by lower value plans even though the number of users on memberships is at an all time high.

The online payment services segment generated net revenue of \$3.5 million, up 11% on the prior corresponding period.

Gross Payment Volume<sup>1</sup> (unaudited) grew by 25% on 1H17, primarily driven by growth in the online payments services segment of 34% on prior corresponding period.

Gross profit for the half-year ended 30 June 2018 was \$21.1 million, down 7% on the prior corresponding period (1H17: \$22.8 million) due to lower revenues. Gross margin of 85% was in line with the prior corresponding period.

Total operating expenses were \$22.1 million, down 6% on the prior corresponding period (1H17: \$23.5 million), driven by tight cost control in all operating expense categories and as the business continues to achieve operating leverage in engineering, support and functional areas.

The Group reported an operating net loss after tax of \$(0.5) million (1H17: \$(0.2) million) and an operating EBITDA<sup>2</sup> loss of \$(0.4) million (1H17: \$0.1 million). Operating cash flow was positive \$0.4 million (1H17: \$1.5 million).

### Dividends paid or recommended

In respect of the half-year ended 30 June 2018, there have been no dividends paid or provided for (1H17: nil).

### Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 6.

### Rounding off of amounts

The Company is a company of the kind referred to in Australian Securities and Investments Commission Instrument 2016/191. Amounts in the Directors' Report and the accompanying financial statements have been rounded off in accordance with that Class Order to the nearest thousand dollars, unless otherwise stated.

This report is made in accordance with a resolution of Directors.



Matt Barrie  
Chairman  
31 July 2018

<sup>1</sup> Gross Payment Volume (GPV) is calculated as the total payments to Freelancer and Escrow users for products and services transacted through the Freelancer and Escrow websites plus total Freelancer and Escrow revenue.

<sup>2</sup> Operating earnings are exclusive of non-cash share based payments expense of \$300k in the half-year period ended 30 June 2018.

# Auditor's Independence Declaration



**FREELANCER LIMITED  
ABN 66 141 959 042  
AND CONTROLLED ENTITIES**

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF  
FREELANCER LIMITED**

**SYDNEY**  
Level 40  
2 Park Street  
Sydney NSW 2000  
Australia  
  
GPO Box 3555  
Sydney NSW 2001  
  
Ph: (612) 9263 2600  
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I declare that, to the best of my knowledge and belief, during the half-year ended 30 June 2018 there have been no contravention of:

- (a) the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review, and
- (b) any applicable code of professional conduct in relation to the review

*Hall Chadwick*

Hall Chadwick  
Level 40, 2 Park Street  
Sydney, NSW 2000

*S. Kumar*

**Sandeep Kumar**  
Partner  
Dated: 31 July 2018

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**Freelancer Limited**  
**Consolidated Statement of Profit or Loss and Other Comprehensive Income**  
For the half-year ended 30 June 2018

	Note	30 Jun 2018 \$000	30 Jun 2017 \$000
<b>Revenue</b>	3	<b>24,686</b>	26,605
Cost of sales		<b>(3,592)</b>	(3,820)
<b>Gross profit</b>		<b>21,094</b>	22,785
Employee expenses		<b>(10,020)</b>	(11,124)
Administrative expenses		<b>(5,100)</b>	(5,304)
Marketing related expenses		<b>(4,587)</b>	(4,363)
Occupancy expenses		<b>(1,310)</b>	(1,470)
Foreign exchange losses		<b>(476)</b>	(382)
Depreciation and amortisation expenses		<b>(299)</b>	(366)
Share based payments expense		<b>(300)</b>	(532)
Finance costs		<b>(24)</b>	(8)
<b>Loss before income tax</b>		<b>(1,022)</b>	(763)
Income tax benefit		<b>253</b>	52
<b>Loss after tax</b>		<b>(769)</b>	(711)
<b>Other comprehensive income</b>			
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		<b>(129)</b>	(22)
<b>Total comprehensive loss for the half-year</b>		<b>(898)</b>	(733)
<b>Earnings per share</b>			
		<b>Cents</b>	Cents
Basic earnings per share	6	<b>(0.17)</b>	(0.16)
Diluted earnings per share	6	<b>(0.17)</b>	(0.16)

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

**Freelancer Limited**  
**Consolidated Statement of Financial Position**  
As at 30 June 2018

	Note	30 Jun 2018 \$000	31 Dec 2017 \$000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		33,312	31,908
Trade and other receivables		3,148	3,058
Current tax assets		111	105
Other assets		996	869
<b>Total current assets</b>		<b>37,567</b>	35,940
<b>Non-current assets</b>			
Trade and other receivables		1,170	871
Plant and equipment		621	913
Intangible assets		26,474	26,442
Other assets		517	521
Deferred tax assets		4,324	4,003
<b>Total non-current assets</b>		<b>33,106</b>	32,750
<b>Total assets</b>		<b>70,673</b>	68,690
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		35,681	32,956
Current tax liabilities		52	61
Provisions		1,745	2,020
Deferred revenue		1,003	911
<b>Total current liabilities</b>		<b>38,481</b>	35,948
<b>Non-current liabilities</b>			
Deferred tax liabilities		5	5
Provisions		562	509
Deferred Revenue		300	305
<b>Total non-current liabilities</b>		<b>867</b>	819
<b>Total liabilities</b>		<b>39,348</b>	36,767
<b>Net assets</b>		<b>31,325</b>	31,923
<b>Equity</b>			
Contributed equity	4	38,049	38,049
Reserves	5	3,612	3,441
Accumulated losses		(10,336)	(9,567)
<b>Total equity</b>		<b>31,325</b>	31,923

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

**Freelancer Limited**  
**Consolidated Statement of Changes in Equity**  
For the half-year ended 30 June 2018

	Note	Contributed Equity \$000	Share based payments \$000	Foreign currency translation reserve \$000	(Accumulated losses) \$000	Total Equity \$000
<b>Balance at 1 January 2017</b>		<b>37,750</b>	<b>2,838</b>	<b>(405)</b>	<b>(4,794)</b>	<b>35,389</b>
Loss for the half-year		-	-	-	(711)	(711)
Exchange differences on translation of foreign operations		-	-	(22)	-	(22)
<b>Total comprehensive loss for the half-year</b>				<b>(22)</b>	<b>(711)</b>	<b>(733)</b>
<b>Transactions with owners in their capacity as owners:</b>						
Contributions of equity arising from repayment of ESP loans		204	-	-	-	204
Share based payments		-	532	-	-	532
<b>Balance at 30 June 2017</b>		<b>37,954</b>	<b>3,370</b>	<b>(427)</b>	<b>(5,505)</b>	<b>35,392</b>

	Note	Contributed Equity \$000	Share based payments \$000	Foreign currency translation reserve \$000	(Accumulated losses) \$000	Total Equity \$000
<b>Balance at 1 January 2018</b>		<b>38,049</b>	<b>3,824</b>	<b>(383)</b>	<b>(9,567)</b>	<b>31,923</b>
Loss for the half-year		-	-	-	(769)	(769)
Exchange differences on translation of foreign operations	5	-	-	(129)	-	(129)
<b>Total comprehensive loss for the half-year</b>				<b>(129)</b>	<b>(769)</b>	<b>(898)</b>
<b>Transactions with owners in their capacity as owners:</b>						
Share based payments		-	300	-	-	300
<b>Balance at 30 June 2018</b>		<b>38,049</b>	<b>4,124</b>	<b>(512)</b>	<b>(10,336)</b>	<b>31,325</b>

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



**Freelancer Limited**  
**Consolidated Statement of Cash Flows**  
For the half year ended 30 June 2018

Note	30 Jun 2018 \$000	30 Jun 2017 \$000
<b>Cash flows from operating activities</b>		
Receipts from customers (inclusive of GST)	24,938	25,800
Payments to suppliers and employees (inclusive of GST)	(24,483)	(24,285)
Interest received	14	12
Income taxes paid	(72)	(29)
<b>Net cash inflow from operating activities</b>	<b>397</b>	<b>1,498</b>
<b>Cash flows from investing activities</b>		
Payments for plant and equipment	(28)	(181)
Proceeds from disposal of plant and equipment	23	-
Payments for intangible assets	(32)	(741)
Proceeds on working capital adjustment from Escrow.com	-	326
<b>Net cash (outflow) from investing activities</b>	<b>(37)</b>	<b>(596)</b>
<b>Cash flows from financing activities</b>		
Contributions of equity arising from repayment of ESP loans	-	204
<b>Net cash inflow from financing activities</b>	<b>-</b>	<b>204</b>
<b>Net increase in cash and cash equivalents</b>	<b>360</b>	<b>1,106</b>
Cash and cash equivalents at beginning of the financial year	31,908	34,779
Effects of exchange rate changes on cash and cash equivalents	1,044	(1,172)
Cash and cash equivalents at end of the half-year	<b>33,312</b>	<b>34,713</b>

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

**Freelancer Limited**  
**Notes to the financial statements**  
For the half year ended 30 June 2018

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**Freelancer Limited**  
**Notes to the financial statements**  
For the half year ended 30 June 2018

**1. Basis of preparation**

This interim report for the half-year reporting period ended 30 June 2018 has been prepared in accordance with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Act 2001. Freelancer Limited is a for-profit entity for the purpose of preparing the interim financial statements. The financial statements are for the consolidated entity consisting of Freelancer Limited and its subsidiaries.

This consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2017 and any public announcements made by Freelancer Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001. These interim financial statements were authorised for issue on 31 July 2018.

The Directors believe that there are reasonable grounds that the company is able to pay its debts as and when they fall due. The Group has a significant cash balance at 30 June 2018 and has projected a profitable financial year for the full year ending 31 December 2018 based on increased revenue and a planned reduction in expenses.

**(a) Accounting policies**

The accounting policies adopted in the preparation of the consolidated interim financial statements are consistent with those adopted in the Group's annual financial report for the year ended 31 December 2017.

**(b) Rounding of amounts**

The Company has applied the relief available to it under ASIC Instrument 2016/191. Accordingly, amounts in the financial statements and Directors' Report have been rounded off to the nearest \$1,000.

**2. Segment information**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The Board of Directors are identified as the CODM.

*Identification of reportable operating segments*

The Group is organised into two operating segments: namely an online marketplace and online payment services. These segments are based on the internal reports that are reviewed and used by the CODM in assessing performance and in determining the allocation of resources (AASB 8 para. 5(b)).

The CODM assess the performance of the operating segments based on a measure of revenue and operating EBITDA (earnings before share based payments, interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The Group operates in Australia and has staff and operations in Philippines, United Kingdom, United States and Canada in addition to Australia. These geographic operations are considered, based on internal management reporting and the allocation of resources by the Group's CODM, as one geographic segment. The information reported to the CODM is at least on a monthly basis.

Half-year end 30 June 2018	Online Marketplace	Online payment services	Total
<b>Segment revenue</b>			
Segment revenue	21,188	3,498	<b>24,686</b>
<b>Total segment revenue</b>	<b>21,188</b>	<b>3,498</b>	<b>24,686</b>
<b>Segment result</b>			
Segment (loss) / profit	(889)	466	<b>(423)</b>
Share based payments	-	-	<b>(300)</b>
Depreciation and amortisation expenses	-	-	<b>(299)</b>
<b>Loss before income tax</b>	-	-	<b>(1,022)</b>
Income tax benefit	-	-	<b>253</b>
<b>Loss for half-year</b>	-	-	<b>(769)</b>

**Freelancer Limited**  
**Notes to the financial statements**  
For the half year ended 30 June 2018

<b>Segment Assets At 30 Jun 2018</b>	<b>Online Marketplace</b>	<b>Online Payments</b>	<b>Total</b>
Segment assets	40,018	6,350	<b>46,368</b>
Intergroup eliminations	(5,093)		<b>(5,093)</b>
Deferred tax assets			<b>4,324</b>
Intangibles			<b>25,074</b>
<b>Total assets</b>	<b>34,925</b>	<b>6,350</b>	<b>70,673</b>

<b>Segment liabilities At 30 June 2018</b>			
Segment liabilities	(37,499)	(6,937)	<b>(44,436)</b>
Intergroup eliminations		5,093	<b>5,093</b>
Deferred tax liabilities			<b>(5)</b>
<b>Total liabilities</b>	<b>(37,499)</b>	<b>(1,844)</b>	<b>(39,348)</b>

<b>Half-year end 30 June 2017</b>	<b>Online Marketplace</b>	<b>Online payment services</b>	<b>Total</b>
<b>Segment revenue</b>			
Segment revenue	23,466	3,139	<b>26,605</b>
<b>Total segment revenue</b>	<b>23,466</b>	<b>3,139</b>	<b>26,605</b>

<b>Segment result</b>			
Segment (loss) / profit	553	(418)	<b>135</b>
Share based payments	-	-	<b>(532)</b>
Depreciation and amortisation expenses	-	-	<b>(366)</b>
<b>Loss before income tax</b>	<b>-</b>	<b>-</b>	<b>(763)</b>
Income tax benefit	-	-	<b>52</b>
<b>Loss for half-year</b>	<b>-</b>	<b>-</b>	<b>(711)</b>

<b>Segment Assets At 31 December 2017</b>	<b>Online Marketplace</b>	<b>Online Payments</b>	<b>Total</b>
Segment assets	38,806	5,393	<b>44,199</b>
Intergroup eliminations	(4,554)		<b>(4,554)</b>
Deferred tax assets			<b>4,003</b>
Intangibles			<b>25,042</b>
<b>Total assets</b>	<b>34,252</b>	<b>5,393</b>	<b>68,690</b>

<b>Segment liabilities At 31 December 2017</b>			
Segment liabilities	(35,072)	(6,244)	<b>(41,316)</b>
Intergroup eliminations		4,554	<b>4,554</b>
Deferred tax liabilities			<b>(5)</b>
<b>Total liabilities</b>	<b>(35,072)</b>	<b>(1,690)</b>	<b>(36,767)</b>

**Freelancer Limited**  
**Notes to the financial statements**  
For the half year ended 30 June 2018

**3. Revenue**

	30 Jun 2018 \$000	30 Jun 2017 \$000
<b>Sales revenue</b>		
Marketplace and payment services	24,577	26,146
<b>Other revenue</b>		
Interest income	13	17
Government grants	72	111
Proceeds from working capital adjustment on acquisition of Escrow.com	-	326
Other	24	5
<b>Total revenue</b>	<b>24,686</b>	<b>26,605</b>

**4. Contributed equity**

**(a) Share capital**

	Note	30 Jun 2018 Number	31 Dec 2017 Number	30 Jun 2018 \$000	31 Dec 2017 \$000
<b>Ordinary shares</b>					
Fully paid	4(b)	454,930,638	456,835,488	38,049	38,049
<b>Total share capital</b>				<b>38,049</b>	<b>38,049</b>

**(b) Movements in ordinary share capital**

<b>Reconciliation to 31 December 2017</b>	<b>Number of shares</b>	<b>Average price</b>	<b>\$000</b>
Balance at 1 July 2017	458,728,081		37,954
<b>Issue / (cancellation) of ordinary shares:</b>			
Issue of ESP shares	1,885,928	\$0.52	-
Buy-back and cancellation of ESP shares	(3,778,521)	\$1.19	-
Contributed equity arising from repayment of ESP loans			95
<b>Balance at 31 December 2017</b>	<b>456,835,488</b>		<b>38,049</b>

<b>Reconciliation to 30 June 2018</b>	<b>Number of shares</b>	<b>Average price</b>	<b>\$000</b>
Balance at 31 December 2017	456,835,488		38,049
<b>Issue / (cancellation) of ordinary shares:</b>			
Issue of ESP shares	15,150	\$0.40	-
Buy-back and cancellation of ESP shares	(1,920,000)	\$1.03	-
<b>Balance at 30 June 2018</b>	<b>454,930,638</b>		<b>38,049</b>

**Freelancer Limited**  
**Notes to the financial statements**  
For the half year ended 30 June 2018

**5. Equity – reserves**

a) Movements	30 Jun 2018	31 Dec 2017
	\$000	\$000
<b>Share based payment reserve movements</b>		
Balance at the beginning of the half-year	3,824	3,370
Share based payment expense	300	454
<b>Balance at the end of the half-year</b>	<b>4,124</b>	<b>3,824</b>
<b>Foreign currency translation reserve movements</b>		
Balance at the beginning of the half-year	(383)	(427)
Currency translation differences arising during the half-year	(129)	44
<b>Balance at the end of the half-year</b>	<b>(512)</b>	<b>(383)</b>
<b>Total reserves</b>	<b>3,612</b>	<b>3,441</b>

**6. Earnings per share (EPS)**

	30 Jun 2018	30 Jun 2017
	Cents	Cents
<b>(a) Basic earnings per share</b>		
From operations attributable to the ordinary equity of the Company	(0.17)	(0.16)
Total basic earnings per share attributable to the ordinary equity holders of the Company	(0.17)	(0.16)
<b>(b) Diluted earnings per share</b>		
From operations attributable to the ordinary equity of the Company	(0.17)	(0.16)
Total basic earnings per share attributable to the ordinary equity holders of the Company	(0.17)	(0.16)
<b>(c) Reconciliation of earnings used in calculating earnings per share</b>		
<b>Basic earnings per share:</b>	\$000	\$000
Loss from continuing operations	(769)	(711)
<b>Diluted earnings per share:</b>		
Loss attributable to the ordinary equity holders of the Company	(769)	(711)
	<b>30 Jun 2018</b>	<b>30 Jun 2017</b>
	<b>Shares</b>	<b>Shares</b>
<b>(d) Weighted average number of shares used as the denominator</b>		
Weighted average number of ordinary shares used in calculating basic earnings per share	449,319,021	448,911,410
<b>Adjustments for calculation of ordinary shares used in calculating diluted earnings per share:</b>		
ESP shares	6,455,214	9,816,671
<b>Weighted average number of ordinary shares used in calculating diluted earnings per share</b>	<b>455,774,235</b>	<b>458,728,081</b>

**Freelancer Limited**  
**Notes to the financial statements**  
For the half year ended 30 June 2018

**7. Contingent liabilities**

Except for the items listed below, there are no other material contingent liabilities as at 30 June 2018:

- a collateral amount of USD450,000 (31 December 2017: USD100,000) is in place in one of the Group's PayPal accounts in favour of PayPal Australia Pty Ltd;
- term deposits of \$74,019 (31 December 2017: \$71,257) are secured for corporate credit card facilities in place;
- deposits of \$1,200,000 (31 December 2017: \$1,200,000) are held by various credit card processing providers, as security for any contractual compensation arising under these agreements;
- included in cash is an amount of \$724,000 on term deposit (31 December 2017: \$724,000), which is secured against a bank guarantee that has been provided to the lessor in respect of premises occupied by the Company at Level 20, 680 George Street Sydney.
- included in cash is an amount of USD455,000 (31 December 2017: USD455,000), which is secured in connection with surety bonds in place with certain regulators in the US.
- Included in cash is an amount of USD82,000 (31 December 2017: USD82,000), which is held as a reserve to satisfy escrow regulatory requirements in respect of credit card transactions.

**8. Commitments for expenditure**

**(a) Non-cancellable operating leases**

The Group has entered into commercial leases for office property. As at 30 June 2018 these leases had remaining lives ranging from 6 months up to 40 months. Rentals paid under operating leases are charged to the income statement on a straight line basis over the period of the lease. Future minimum rentals payable under non-cancellable operating leases as at 30 June 2018 are as follows:

	<b>30 Jun 2018</b>	<b>31 Dec 2017</b>
	<b>\$000</b>	<b>\$000</b>
Less than one year	<b>2,088</b>	2,313
Between one and five years	<b>1,777</b>	2,153
More than five years	-	-
<b>Total operating lease commitments</b>	<b>3,865</b>	4,466

**(b) Non-cancellable operating services**

The Group has entered into a commercial agreement for web hosting services with an annual fee commitment for 2 years commencing on 1 January 2018. Fees paid under this agreement are charged to the income statement on a usage basis over the period of the agreement. This commitment is fixed in USD. The future minimum fee commitment under this agreement has been calculated using the spot exchange rate at 30 June 2018 and may be subject to variation due to changes in exchange rates. The amounts are as follows:

	<b>30 Jun 2018</b>	<b>31 Dec 2017</b>
	<b>\$000</b>	<b>\$000</b>
Less than one year	<b>5,133</b>	4,639
Between one and five years	<b>2,689</b>	5,103
More than five years	-	-
<b>Total operating lease commitments</b>	<b>7,822</b>	9,742

**(c) Other capital commitments**

There were no capital commitments as at 30 June 2018.

**9. Events occurring after the reporting date**

There are no other matters or circumstances that have arisen since 30 June 2018 that have significantly affected, or may significantly affect:

- the aggregated entity's operations in the future financial years, or the results of those operations in future financial years, or
- the aggregated entity's state of affairs in the future financial affairs.

## Freelancer Limited

### Directors' Declaration

In the Directors' opinion:

- (a) the Financial Statements and notes of the consolidated entity set out on pages 7 to 16 are in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2018 and of its performance for the half-year period ended on that date; and
  - (ii) comply with Accounting Standard 134 "Interim Financial Reporting";
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

This declaration is made in accordance with a resolution of the Directors.

On behalf of the directors



**Matt Barrie**  
Chairman

31 July 2018



# Independent Auditor's Report



**FREELANCER LIMITED**  
**ABN 66 141 959 042**

## **INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF FREELANCER LIMITED**

### **Report on the Half-year Financial Report**

We have reviewed the accompanying half-year financial report of Freelancer Limited, which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

#### *Directors' Responsibility for the Half-Year Financial Report*

The directors of Freelancer Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of Freelancer Limited's financial position as at 30 June 2018 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134: Interim Financial Reporting and the *Corporations Regulations 2001*. As the auditor of Freelancer Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### *Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Freelancer Limited is not in accordance with the Corporations Act 2001 including:

- (i) giving a true and fair view of Freelancer Limited's financial position as at 30 June 2018 and of its performance for the half-year ended on that date; and
- (ii) complying with AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

*Hall Chadwick*

Hall Chadwick  
Level 40, 2 Park Street  
Sydney, NSW 2000

*S. Kumar*

**Sandeep Kumar**  
Partner  
Dated: 31 July 2018

# Freelancer Limited

## Corporate Directory

### Company Directors

Mr Robert Matthew Barrie  
Mr Darren Nicholas John Williams  
Mr Simon Alvin Clausen

Chairman and Chief Executive Officer  
Non Executive Director  
Non-Executive Director

### Company Secretary

Mr Neil Leonard Katz

### Registered Office

Level 20  
680 George Street  
Sydney NSW 2000  
Telephone: +61 (02) 8599 2700

### Share Registry

Boardroom Limited  
Level 7  
207 Kent Street  
Sydney NSW 2000

### External Auditors

Hall Chadwick  
Level 40  
2 Park Street  
Sydney NSW 2000

### Securities exchange listing

Freelancer Limited shares are listed on the Australian Securities Exchange (Listing code: FLN)

