



# Interim Financial Report

2014

For the half-year ended 30 June 2014

**FREELANCER LIMITED**

ACN 141 959 042

Registered Office  
Level 20, 680 George St  
Sydney 2000 NSW Australia

**Freelancer Limited**  
**ACN 141 959 042**  
**Interim financial report for the half-year ended 30 June 2014**

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This 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 2013 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.

## Directors' report

Your Directors present their report on the consolidated entity (referred to hereafter as the Group), consisting of Freelancer Limited and the entities it controlled at the end of, or during, the half-year ended 30 June 2014.

### Directors

The following persons were directors of Freelancer Limited (the Company) during the half-year and up to the date of this report:

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

### Review of operations

During the half-year ended 30 June 2014, the Group generated net revenues of \$11.9 million, up 41% on the prior corresponding period (pcp) (2013: \$8.5 million). This result was mainly driven by:

- Continued growth in the Group's user base, adding 2.8 million users during the period (including 1.0 million users from acquired website properties), organically up 54% on pcp, and continued growth in the number of projects and contests posted on Freelancer.com, with approximately 0.75 million projects and contests posted during the period, up 30% on pcp.
- Gross Payment Volume<sup>1</sup> (unaudited) growth up 30% on pcp.
- Improved take rate<sup>2</sup> (unaudited) of 24.0% resulting from higher growth in non-commission based revenues such as memberships, certification fees, project and contest upgrades (2013: 22.2%).

Gross profit for the half-year ended 30 June 2014 was \$10.5 million, up 41% on pcp (2013: \$7.5 million), representing an improved gross margin of 88.3% compared to 87.6% in the financial year ended 31 December 2013.

Total operating expenses were \$11.5 million (2013: \$6.9 million) reflecting a 65% increase on pcp due predominantly to growth in headcount, additional and expanded premises in Vancouver, London and Manila, and public company overheads not present in the prior corresponding period.

As a result of the Group's re-investment in future growth, the Group reported an operating net loss after tax<sup>3</sup> of \$(0.6) million (2013: \$0.5 million profit) and an operating EBITDA<sup>3</sup> loss of \$(0.8) million (2013: \$0.6 million).

### Dividends paid or recommended

In respect of the half-year ended 30 June 2014, there have been no dividends paid or provided for (2013: nil).

### Auditor's independence declaration

The auditor's independence declaration is included on page 4 and forms part of the Directors' Report for the half-year ended 30 June 2014.

### Rounding off of amounts

The Company is an entity to which ASIC Class Order 98/100 applies. Accordingly amounts in the financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

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



Matt Barrie  
Chairman

11 August 2014

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

<sup>2</sup> Take rate is calculated as Net Revenue divided by Gross Payment Volume.

<sup>3</sup> Operating earnings are exclusive of non-cash share based payments expense of \$125k in the half-year period ended 30 June 2014.

## Auditor's independence declaration

**HALL CHADWICK** 

Chartered Accountants and Business Advisers

**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**

I declare that, to the best of my knowledge and belief, during the half- year ended 30 June 2014 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

*Nell Chadwick*

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

*Graham Webb*

**Graham Webb**  
Partner  
Dated: 11 August 2014

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**Freelancer Limited**  
**Consolidated statement of profit or loss and other comprehensive income**  
For the half-year ended 30 June 2014

	Note	30 Jun 2014 \$000	30 Jun 2013 \$000
<b>Revenue</b>	2	<b>11,903</b>	8,453
Cost of sales		(1,391)	(971)
<b>Gross profit</b>		<b>10,513</b>	7,482
Employee expenses	3	(6,666)	(4,208)
Administrative expenses		(3,677)	(1,817)
Occupancy costs	3	(831)	(332)
Foreign exchange losses	3	(133)	(513)
Share-based payments expense		(125)	-
Depreciation and amortisation expenses	3	(154)	(73)
<b>(Loss) / profit before interest and tax</b>		<b>(1,074)</b>	539
Finance costs	3	-	-
<b>(Loss) / profit before income tax</b>		<b>(1,074)</b>	539
Income tax benefit / (expense)		344	(61)
<b>(Loss) / profit after tax</b>		<b>(729)</b>	478
<b>Other comprehensive income</b>			
<b>Items that will be reclassified to profit or loss when specific conditions are met:</b>			
Exchange differences on translation of foreign operations		(21)	(120)
<b>Total comprehensive (loss) / income for the period</b>		<b>(751)</b>	358
<b>Earnings per share</b>			
Basic earnings per share	7	(0.17)	3.14
Diluted earnings per share	7	(0.17)	3.14

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 2014

	Note	30 Jun 2014 \$000	31 Dec 2013 \$000
<b>Current assets</b>			
Cash and cash equivalents		19,696	24,387
Trade and other receivables		2,376	2,163
Other assets	4	1,156	401
<b>Total current assets</b>		<b>23,229</b>	<b>26,950</b>
<b>Non-current assets</b>			
Trade and other receivables		165	176
Plant and equipment		1,045	561
Intangible assets		12,820	8,886
Deferred tax assets		1,160	806
<b>Total non-current assets</b>		<b>15,191</b>	<b>10,429</b>
<b>Total assets</b>		<b>38,420</b>	<b>37,379</b>
<b>Current liabilities</b>			
Trade and other payables		19,782	18,319
Current tax liabilities		126	169
Provisions		784	487
<b>Total current liabilities</b>		<b>20,692</b>	<b>18,975</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities		14	15
<b>Total non-current liabilities</b>		<b>14</b>	<b>15</b>
<b>Total liabilities</b>		<b>20,707</b>	<b>18,990</b>
<b>Net assets</b>		<b>17,714</b>	<b>18,389</b>
<b>Equity</b>			
Contributed equity	5	17,506	17,556
Reserves	6	(93)	(198)
Retained earnings		301	1,031
<b>Total equity</b>		<b>17,714</b>	<b>18,389</b>

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 2014

	Note	Contributed Equity \$000	Share- based payments \$000	Foreign currency translation reserve \$000	Retained Earnings \$000	Total Equity \$000
<b>Balance at 1 January 2013</b>		2,925	-	-	278	3,202
Profit for the period		-	-	-	478	478
Exchange differences on translation of foreign operations		-	-	(120)	-	(120)
<b>Total comprehensive income for the period</b>		2,925	-	(120)	756	3,560
<b>Balance at 30 June 2013</b>		2,925	-	(120)	756	3,560
	Note	Contributed Equity \$000	Share- based payments \$000	Foreign currency translation reserve \$000	Retained Earnings \$000	Total Equity \$000
<b>Balance at 1 January 2014</b>		17,556	33	(230)	1,031	18,389
Loss for the period		-	-	-	(729)	(729)
Exchange differences on translation of foreign operations		-	-	(21)	-	(21)
<b>Total comprehensive income for the period</b>		17,556	33	(252)	301	17,639
<b>Transactions with owners in their capacity as owners:</b>						
Capitalised equity raising costs relating to prior period (net of tax)		(50)	-	-	-	(50)
Share based payments		-	125	-	-	125
<b>Balance at 30 June 2014</b>	5	<b>17,506</b>	<b>158</b>	<b>(252)</b>	<b>301</b>	<b>17,714</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 2014

	30 Jun 2014 \$000	30 Jun 2013 \$000
<b>Cash flows from operating activities</b>		
Receipts from customers	12,004	7,128
Payments to suppliers and employees	(10,730)	(4,963)
Interest received	110	7
Income taxes (paid) / refunded	(33)	40
<b>Net cash inflow from operating activities</b>	<b>1,351</b>	<b>2,212</b>
<b>Cash flows from investing activities</b>		
Payment for plant and equipment	(638)	(237)
Payments for acquisition of businesses	(3,616)	-
Payments for intangible assets	(166)	-
Payment for other assets	(537)	-
<b>Net cash (outflow) from investing activities</b>	<b>(4,957)</b>	<b>(237)</b>
<b>Cash flows from financing activities</b>		
Capitalised equity raising costs	(71)	-
<b>Net cash (outflow) from financing activities</b>	<b>(71)</b>	<b>-</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(3,676)</b>	<b>1,975</b>
Cash and cash equivalents at beginning of the period	24,387	9,660
Effects of exchange rate changes on cash and cash equivalents	(1,014)	(120)
Cash and cash equivalents at end of the period	<b>19,696</b>	<b>11,515</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 2014

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**Freelancer Limited**  
**Notes to the financial statements**  
**For the half-year ended 30 June 2014**

**1. Basis of preparation of interim financial report**

These general purpose interim financial statements for the half-year reporting period ended 30 June 2014 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. Freelancer Limited is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest half-year financial statements of Freelancer Limited and its controlled entities (referred to as the “consolidated group” or “group”). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2013, together with any public announcements made during the following half-year ended 30 June 2014.

These interim financial statements were authorised for issue on 11 August 2014.

The accounting policies adopted are consistent with those of the previous financial year, except the following accounting policy which has been adopted in this financial period:

*Revenue*

Membership revenue is recognised on a proportional time basis over the monthly membership period. The unexpired term of the membership period is treated as unearned income.

**(a) Critical accounting estimates**

The preparation of this interim financial report requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to this interim financial report, are disclosed in the 2013 Annual Report.

**(b) Segment reporting**

The Group is organised into one operating segment namely an online marketplace. This segment is based on the internal reports that are reviewed and used by the Board of Directors in assessing performance and in determining the allocation of resources.

**(c) Accounting standards issued but not yet effective**

Certain new accounting standards and interpretations have been published that are not mandatory for the current reporting period. The Group has assessed the impact of these new standards and interpretations, and does not expect that initial application will affect any of the amounts recognised in the financial report, but may change the disclosures presently made in relation to the Group. For further details refer to the 2013 Annual Report.

**Freelancer Limited**  
**Notes to the financial statements**  
For the half-year ended 30 June 2014

**2. Revenue**

	30 Jun 2014	30 Jun 2013
	\$000	\$000
<b>Sales revenue</b>		
Marketplace fees	11,508	8,128
Advertising fees	105	152
<b>Other revenue</b>		
Interest income	129	6
Government grants	150	148
Other	12	19
<b>Total revenue</b>	<b>11,903</b>	<b>8,453</b>

**3. Expenses**

Loss / profit before income tax expense includes the following expenses:

	30 Jun 2014	30 Jun 2013
	\$000	\$000
<b>Employee expense</b>		
Wages and salaries	5,675	3,851
Other employment costs	991	357
<b>Total employee expenses</b>	<b>6,666</b>	<b>4,208</b>
<b>Depreciation and amortisation</b>		
Plant and equipment	149	63
Leasehold improvements	5	10
<b>Total depreciation and amortisation expenses</b>	<b>154</b>	<b>73</b>
<b>Rental expense relating to operating leases</b>		
Minimum lease payments	765	215
Net foreign exchange losses	133	513
<b>Finance costs</b>		
Interest expense	-	-

**Freelancer Limited**  
**Notes to the financial statements**  
For the half-year ended 30 June 2014

**4. Other assets**

	30 Jun 2014	31 Dec 2013
	\$000	\$000
<b>Current</b>		
Security deposits	728	191
Prepayments	352	209
Other	76	-
<b>Total other assets</b>	<b>1,156</b>	<b>401</b>

**5. Contributed equity**

**(a) Share capital**

	Notes	30 Jun 2014	31 Dec 2013	30 Jun 2014	31 Dec 2013
		Number	Number	\$000	\$000
<b>Ordinary shares</b>					
Fully paid	5(b)	437,550,000	430,000,000	17,506	17,556
<b>Series A preference shares</b>					
Fully paid	5(c)	-	-	-	-
<b>Total share capital</b>		<b>437,550,000</b>	<b>430,000,000</b>	<b>17,506</b>	<b>17,556</b>

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

	Number of shares	Average issue price	\$000
<b>Reconciliation to 31 December 2013</b>			
Balance at 1 July 2013	8,818,001	-	372
<b>Issue of ordinary shares:</b>			
Conversion of Series A preference shares	6,381,501	\$0.40	2,553
Share split	384,800,498	-	-
Issue of ESP shares <sup>4</sup>	900,000	\$0.50	-
Issue of ordinary shares under IPO	30,000,000	\$0.50	14,631
Issue of ESP shares under IPO	5,100,000	\$0.50	-
<b>Balance at 31 December 2013</b>	<b>436,000,000</b>		<b>17,556</b>

	Number of shares	Average issue price	\$000
<b>Reconciliation to 30 June 2014</b>			
Balance at 31 December 2013	436,000,000		17,556
Capitalised equity raising costs (net of tax)	-	-	(50)
<b>Issue / cancellation of ordinary shares:</b>			
Issue of ESP shares	2,250,000	\$1.35	-
Buy-back of ESP shares	(700,000)	\$1.54	-
<b>Balance at 30 June 2014</b>	<b>437,550,000</b>		<b>17,506</b>

<sup>4</sup> As the ESP is considered in substance a share option, the ESP shares issued and corresponding loan receivables are not recognised by the Group in its financial statements. The loan receivable does not satisfy the “probable future benefits following to the entity” criteria of SAC 2 *Framework for the Preparation and Presentation of Financial Statements* on the basis that the loan is non-recourse. The ESP shares will not be considered issued to participants until the corresponding loan has been repaid, at which time there will be an increase in the issued capital and increase in cash.

**Freelancer Limited**  
**Notes to the financial statements**  
For the half-year ended 30 June 2014

**(c) Movements in Series A preference share capital**

<b>Reconciliation to 31 December 2013</b>	<b>Number of shares</b>	<b>Average issue price</b>	<b>\$000</b>
Balance at 1 July 2013	6,381,501	-	2,553
<b>Cancellation of Series A preference shares:</b>			
Conversion of Series A preference shares	(6,381,501)	\$0.40	(2,553)
<b>Balance at 31 December 2013</b>	<b>-</b>	<b>-</b>	<b>-</b>

<b>Reconciliation to 30 June 2014</b>	<b>Number of shares</b>	<b>Average issue price</b>	<b>\$000</b>
Balance at 31 December 2013	-	-	-
<b>Balance at 30 June 2014</b>	<b>-</b>	<b>-</b>	<b>-</b>

**6. Equity reserves**

	<b>30 Jun 2014</b>	<b>31 Dec 2013</b>
	<b>\$000</b>	<b>\$000</b>
<b>Share based payment reserve movements</b>		
Balance at the beginning of the period	33	-
Share based payment expense	125	33
Balance at the end of the period	158	33
<b>Foreign currency translation reserve movements</b>		
Balance at the beginning of the period	(230)	-
Currency translation differences arising during the period	(21)	(230)
Balance at the end of the period	(252)	(230)

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

	<b>30 Jun 2014</b>	<b>30 Jun 2013</b>
	<b>Cents per share</b>	<b>Cents per share</b>
<b>(a) Basic earnings per share</b>		
From operations attributable to the ordinary equity of the Company	(0.17)	3.14*
Total basic earnings per share attributable to the ordinary equity holders of the Company	(0.17)	3.14*
<b>(b) Diluted earnings per share</b>		
From operations attributable to the ordinary equity of the Company	(0.17)	3.14*
Total basic earnings per share attributable to the ordinary equity holders of the Company	(0.17)	3.14*
<b>(c) Reconciliation of earnings used in calculating earnings per share</b>		
<b>Basic earnings per share:</b>		
(Loss) / profit from continuing operations (\$000s)	(729)	478
<b>Diluted earnings per share:</b>		
(Loss) / profit attributable to the ordinary equity holders of the Company (\$000s)	(729)	478

**Freelancer Limited**  
**Notes to the financial statements**  
For the half-year ended 30 June 2014

	30 Jun 2014 Number	30 Jun 2013 Number
<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	436,000,000	15,199,502
<b>Adjustments for calculation of ordinary shares used in calculating diluted earnings per share:</b>		
ESP shares	619,444	-
<b>Weighted average number of ordinary shares used in calculating diluted earnings per share</b>	<b>436,619,444</b>	15,199,502

\* The earnings per share (EPS) for the half-year ended 30 June 2013 is based on 8,818,001 ordinary shares and 2,552,600 Series A preference shares that were on issue for the full year. On 14 October 2013 the Series A preference shares were converted to ordinary shares and a share split was undertaken, which resulted in the number of ordinary shares on issue totalling 400,000,000. Had EPS for the half-year ended 30 June 2013 been calculated using 400,000,000 shares as the denominator then the basic and diluted EPS for that period would be 0.12 cents.

## 8. Contingent liabilities

Other than deposits and collateral amounts in favour of the Group's online and credit card payment gateways, held as security for any contractual compensation arising under their respective agreements, which were valued at \$0.58 million as at 30 June 2014 (2013: \$0.39 million), there are no other material contingent liabilities as at 30 June 2014.

## 9. Commitments for expenditure

### (a) Non-cancellable operating leases

The Group has entered into commercial leases for office property. As at 30 June 2014 these leases had remaining lives ranging from 1.5 months up to 60 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 the period end are as follows:

	30 Jun 2014 \$000	31 Dec 2013 \$000
Less than one year	1,210	1,739
Between one and five years	2,988	3,844
More than five years	-	-
<b>Total operating lease commitments</b>	<b>4,197</b>	5,583

The Group has subleased certain property, which will offset future minimum rentals payable by \$0.3 million (for 'Less than one year') and \$0.2 million (for 'Between one and five years').

## 10. Business combinations

### (a) Acquisition of Warrior Forum

On 15 April 2014, Freelancer International Pty Ltd acquired the assets of Warrior Forum, warriorforum.com, from Clifton Allen Says Jr. for a purchase consideration of \$3.422 million. Warrior Forum is an online marketplace and community for Internet marketing professionals.

The Warrior Forum contributed marketplace and advertising revenues of \$0.3 million for the period 15 April 2014 to 30 June 2014. The Group has determined it impracticable to disclose the profit or loss of Warrior Forum included in the consolidated statement of profit or loss and other comprehensive income for the period 15 April 2014 to 30 June 2014. The Group has assessed that an objective determination of the net profit was not able to be made due to the integrated nature of the Group's website operations and as such disclosure has not been made.

**Freelancer Limited**  
**Notes to the financial statements**  
For the half-year ended 30 June 2014

The Group has determined it impracticable to disclose the revenue and net profit/loss included in the consolidated statement of profit or loss and other comprehensive income had the acquisition of the assets of Warrior Forum occurred at the beginning of the reporting period. The Group has assessed that an objective determination of the revenue and net profit since the beginning of the reporting period was not able to be made due to the integrated nature of the Group's website operations and as such disclosure has not been made.

	<b>\$000</b>
<b>Purchase consideration:</b>	
Cash	3,422
<b>Fair value of net identifiable assets acquired:</b>	
Goodwill on acquisition	3,422
Total purchase consideration	3,422

**(b) Acquisition of other businesses**

The acquisition of other assets and liabilities, which prior to acquisition operated as standalone websites, each individually immaterial, had the following effect on the Group's assets and liabilities:

	<b>\$000</b>
<b>Purchase consideration:</b>	
Cash	194
<b>Fair value of net identifiable assets and liabilities acquired:</b>	
User obligations	(152)
Goodwill on acquisition	346
Total purchase consideration	194

The Group has assessed that an objective determination of the revenue and net profit from the date of acquisition of these other businesses to 30 June 2014, which prior to acquisition operated as standalone websites, was not able to be made due to the integrated nature of the Group's website operations and as such disclosure has not been made.

The Group has determined it impracticable to disclose the revenue and net profit/loss included in the consolidated statement of profit or loss and other comprehensive income had the acquisition of the other businesses, which prior to acquisition operated as standalone websites, occurred at the beginning of the reporting period. The Group has assessed that an objective determination of the revenue and net profit since the beginning of the reporting period was not able to be made due to the integrated nature of the Group's website operations and as such disclosure has not been made.

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

The Group has entered into lease agreements in respect of premises at Level 20, 680 George Street, Sydney NSW 2000 Australia. These leases commenced on 1 August 2014 and are for a period of 5.75 years (terminating 30 April 2020). The future minimum rental payables will be \$1.02 million (for 'Less than one year'), \$4.46 million (for 'Between one and five years') and \$0.93 million (for 'More than five years').

On 21 July 2014, bank guarantees amounting to \$724,000 (2013: nil) were provided to the lessors of these premises. These bank guarantees are secured by a term deposit of the same amount.

Other than the abovementioned items, there are no other matters or circumstances that have arisen since 30 June 2014 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.

## Directors' declaration

In the Directors' opinion:

- (a) the financial statements and notes of the consolidated entity set out on pages 5 to 15 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 2014 and of its performance for the half-year period ended on that date; and
  - (ii) complying with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- (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.

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

On behalf of the Directors



**Matt Barrie**  
Chairman

11 August 2014



## Independent auditor's review report to the members

**HALL CHADWICK** 

Chartered Accountants and Business Advisers

**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 2014, 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 2014 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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FREELANCER LIMITED**

*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 2014 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.

*Nell Chadwick*

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

*Graham Webb*

**Graham Webb**  
Partner  
Dated: 11 August 2014

## Corporate directory

### Company Directors

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

Chairman and Chief Executive Officer  
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)