1. Company details

Name of entity:	Airtasker Limited
ABN:	53 149 850 457
Reporting period:	For the year ended 30 June 2021
Previous period:	For the year ended 30 June 2020

2. Results for announcement to the market

				$'000
Revenues from ordinary activities	up	38.0%	to	26,571
Loss from ordinary activities after tax attributable to the owners of Airtasker Limited	down	5.3%	to	(9,709)
Loss for the year attributable to the owners of Airtasker Limited	down	5.3%	to	(9,709)

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

Comments
The loss for the Group after providing for income tax amounted to $9,709,000 (30 June 2020: $10,254,000).

Refer to the 'Operating and financial review' within the directors' report for further commentary on the performance of the Group.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	8.37	(5.56)

Calculated as:

	Group 2021 $'000	Group 2020 $'000
Net assets/(liabilities)	44,175	(14,110)
Less: Right-of-use assets	(419)	(551)
Less: Intangibles	(9,553)	(2,453)
Add: Lease liabilities	422	836
Net tangible assets	34,625	(16,278)
Total shares issued	413,741,361	292,563

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.

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7. Dividend reinvestment plans

Not applicable.

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8. Details of associates and joint venture entities

Not applicable.

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9. Foreign entities

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

Not applicable.

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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.

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11. Attachments

Details of attachments (if any):

The Directors' report and financial statements of Airtasker Limited for the year ended 30 June 2021 is attached.

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12. Signed

Approved for release by the Board of Directors

Signed ____________________________ Date: 18 August 2021

James Spenceley
Chairperson

Airtasker Limited

(Formerly known as Airtasker Pty Ltd)

ABN 53 149 850 457

Directors' report and financial statements - 30 June 2021

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as 'Airtasker' or the 'Group') consisting of Airtasker 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 2021.

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

James Spenceley - Chairperson
Timothy (Tim) Fung - Chief Executive Officer
Ellen Comerford (appointed 1 February 2021)
Peter Hammond
Xiao Fan (Fred) Bai
Tyler Tan (resigned 4 February 2021)
Alan Stuart (resigned 4 February 2021)

Company secretary
Mark Simpson (appointed 2 February 2021)

Principal activities
The principal activity of the Group is the provision of a technology-enabled online marketplace for local services, enabling users who wish to have tasks completed ('customers') to connect to community members who complete those tasks to earn money ('taskers').

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

Operating and financial review

Overview of the Group
Airtasker is Australia's leading online marketplace for local services, connecting customers with taskers. More than 4.7 million registered users have joined Airtasker's marketplace to date.

With a mission to empower people to realise the full value of their skills, Airtasker aims to have a positive impact on the future of work by creating truly flexible opportunities to work and earn income. Since launching in 2012, Airtasker has enabled more than $1 billion in working opportunities and served more than one million unique paying customers.

On 23 March 2021, Airtasker completed an initial public offering ('IPO') on the Australian Securities Exchange ('ASX').

Airtasker's international operations include established city-level marketplaces in the United Kingdom ('UK') and operations in the United States of America ('US') following the acquisition of the assets of local services marketplace Zaarly Inc. ('Zaarly') in May 2021.

Operating and financial performance for the year

Statutory and Underlying Pro Forma profit or loss
Airtasker considers that certain costs incurred and subsidies received during the financial year ended 30 June 2021 ('FY21') are not representative of the underlying and future financial performance of the Group, and as a result the statutory financial statements reduce the comparability of financial performance across reporting periods.

To improve comparability of Airtasker's financial performance for FY21 with FY20 and with future periods, the results for Airtasker have been provided below, on a statutory, Underlying and Underlying Pro Forma basis.

Underlying EBITDA has been calculated by removing:

- costs associated with capital raisings (including the IPO) and acquisitions (see further detail below);
- share-based payments, the majority of which relate to legacy grants prior to becoming a publicly listed company which the Group considers is not reflective of its future cost base;
- receipts from government subsidies associated with COVID-19; and
- receipts from government subsidies relating to research and development tax offsets in FY21 in respect of the years ended 30 June 2017, 30 June 2018 and 30 June 2019 (and retaining this subsidy in respect of the year ended 30 June 2020 for comparative purposes).

Underlying Pro Forma EBITDA has been calculated by making the same adjustments above for Underlying EBITDA, and then adding listed company costs to both FY21 and FY20, so that in each period the listed company costs results reflect the Group's cost base as if it was listed for the full period.

Summary statutory and Underlying Pro Forma historical profit or loss

	Statutory		Underlying Pro Forma	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Revenue	26,571	19,259	26,571	19,259
Cost of sales	(1,727)	(1,341)	(1,727)	(1,341)
Gross profit	24,844	17,918	24,844	17,918
Paid and direct marketing expenses	(1,636)	(653)	(1,636)	(653)
Gross profit after paid acquisitions ('GPAPA')	23,208	17,265	23,208	17,265
EBITDA	(7,417)	(6,033)	(39)	(4,000)
EBIT	(9,615)	(7,262)	(2,237)	(5,229)
Interest income and finance costs	(94)	(2,992)	(94)	(37)
Profit/(loss) before tax	(9,709)	(10,254)	(2,331)	(5,266)
Net profit/loss after tax ('NPAT')	(9,709)	(10,254)	(2,331)	(5,266)

Reconciliation of statutory loss to statutory EBIT and EBITDA

	2021 $'000	2020 $'000
Statutory loss for the year	(9,709)	(10,254)
Interest income and finance costs	94	2,992
Statutory EBIT	(9,615)	(7,262)
Depreciation and amortisation	2,198	1,229
Statutory EBITDA	(7,417)	(6,033)

Reconciliation of statutory EBITDA to Underlying EBITDA and Underlying Pro Forma EBITDA

	2021 $'000	2020 $'000
Statutory EBITDA	(7,417)	(6,033)
Share-based payments expense	6,808	4,417
Capital raising (including IPO) and acquisition costs expense[1]	2,795	-
Government subsidies relating to COVID-19	(526)	(585)
Government subsidies relating to FY17-FY19 research and development tax offsets	(399)	-
Underlying EBITDA	1,261	(2,201)
Incremental listed company costs[2]	(1,300)	(1,799)
Underlying Pro Forma EBITDA	(39)	(4,000)

Reconciliation of statutory NPAT to Underlying NPAT and Underlying Pro Forma NPAT

	2021 $'000	2020 $'000
Statutory NPAT	(9,709)	(10,254)
Share-based payments expense	6,808	4,417
Capital raising (including IPO) and acquisition costs expense[1]	2,795	-
Government subsidies relating to COVID-19	(526)	(585)
Government subsidies relating to FY17-FY19 research and development tax offsets	(399)	-
Fair value movement on preference share financial liability[3]	-	2,955
Underlying NPAT	(1,031)	(3,467)
Incremental listed company costs[2]	(1,300)	(1,799)
Underlying Pro Forma NPAT	(2,331)	(5,266)

1 Non-recurring costs associated with the IPO in March 2021, the capital raising in May 2021 and associated acquisition of Zaarly in May 2021.
2 The costs of operating a publicly listed company for a full year have been added to reflect the Underlying Pro Forma EBITDA of the Group. In the case of FY21, the adjustment is lower than for FY20 because statutory EBITDA for FY21 already includes the costs of operating a publicly listed company for the period from 23 March 2021 to 30 June 2021.
3 Convertible notes issued in October 2018 were converted in July 2019 to preference shares at a 20% discount to the price of a simultaneous capital raising in July 2019, in accordance with the terms of those convertible notes. A fair value adjustment of $3.0 million was subsequently applied to the preference shares issued to convertible note holders, reflecting the 20% discount to fair value at which the preference shares were initially issued.

Statutory, Underlying and Underlying Pro Forma EBITDA, and Underlying and Underlying Pro Forma NPAT, are financial measures which are not prescribed by Australian Accounting Standards (‘AAS’) and represent the statutory result under AAS adjusted for certain items as noted above. The directors consider Underlying Pro Forma EBITDA and Underlying Pro Forma NPAT to reflect the core earnings of the Group.

Summary of FY21 operating and financial performance
Airtasker saw significant improvement in its underlying operating and financial performance in FY21 compared with FY20.

- Gross Marketplace Volume ('GMV')[a] of $153.1 million exceeded FY20 by 35.2%;
- Revenue of $26.6 million was 38.0% higher than FY20;
- Gross profit grew 38.7% to $24.8 million;
- GPAPA[b] of $23.2 million was 34.4% higher than FY20;
- EBITDA on an Underlying Pro Forma basis of $0.0 million was a $4.0 million improvement compared with FY20;
- Statutory cash flow from operating activities improved to $5.5 million in FY21 compared with $(0.6) million in FY20; and
- Airtasker had $45.9 million in cash and term deposits and no debt at 30 June 2021, compared with $13.1 million in cash and term deposits and a $25.1 million financial liability (preference shares that were converted as part of completion of the IPO) at 30 June 2020.

(a) GMV represents the total price of all tasks booked through the Airtasker marketplace before cancellations and inclusive of price adjustments between customers and taskers, bonuses paid by customers to taskers, and fees payable by customers and taskers to Airtasker, and any applicable sales taxes.
(b) GPAPA represents Airtasker's revenue after subtracting cost of sales and paid and direct marketing expense.

Revenue
Airtasker reported revenue of $26.6 million (2020: $19.3 million) representing an increase of 38.0%, and outperforming the IPO prospectus forecast for FY21 (‘Prospectus Forecast’, dated 8 February 2021) of $24.5 million by 8.6%.

This revenue growth was driven by GMV growth of 35.2%, and an increase in the take rate to 17.4% (2020: 17.0%), ahead of the Prospectus Forecast of 17.1%. Take rate represents Airtasker's revenue in a given financial period, expressed as a percentage of GMV in the same period.

GMV growth was driven by an increase in unique paying customers to approximately 415k (2020: 367k) (exceeding the Prospectus Forecast of 405k); and by growth in the average task price to $198 (2020: $159) (exceeding the Prospectus Forecast of $189).

The increase in take rate is due primarily to the introduction of the booking fee charged to customers in August 2019 and an increase in the booking fee cap from $19.90 to $24.90 in February 2020.

EBITDA

Airtasker's Underlying Pro Forma EBITDA was $0.0 million (2020: $(4.0) million), a $4.0 million improvement year on year and $4.2 million ahead of the Prospectus Forecast of $(4.2) million.

The improvement in FY21 Underlying Pro Forma EBITDA compared with FY20 was due to revenue growth, partially offset by higher expenses as the Group continued to invest in core product development and increased its investment in marketing in the second half of FY21.

The higher FY21 Underlying Pro Forma EBITDA compared with the Prospectus Forecast was due to revenue growth exceeding Prospectus Forecast, combined with lower expenses than forecast.

The FY21 Underlying Pro Forma EBITDA includes legacy contra advertising spend of $2.4 million, which relates to an historical investment made by Seven West Media in the Group, and does not reflect the expected form of spending going forward.

Financial position

Airtasker had $45.9 million in cash and term deposits and no debt at 30 June 2021, compared with $13.1 million in cash and term deposits and a $25.1 million financial liability (preference shares that were converted as part of completion of the IPO) at 30 June 2020, and a Prospectus Forecast at 30 June 2021 of $25.6 million and no debt.

The net increase in cash and term deposits of $32.8 million in FY21 was due to:
- net proceeds from the issue of shares of $35.9 million;
- an investment of $3.1 million in the assets of Zaarly; and
- cash generated from operating activities, offset by investment in software development.

Coronavirus pandemic (COVID-19)

During FY21 a number of state governments in Australia, and the UK government, mandated restrictions for limited and various durations as part of their health response to COVID-19. Government-mandated restrictions may have an impact on activity in city- and regional-level marketplaces, depending on the extent of restrictions imposed.

Government-mandated restrictions that had a notable impact during FY21 were the “stage four” restrictions imposed in Melbourne and regional Victoria, in the months of July to October 2020 and from 28 May to 10 June 2021. Other lockdowns including those that commenced in limited local government areas within Sydney on 16 June 2021 and extended to Greater Sydney from 26 June 2021 did not have a notable effect during FY21. Further information on the impact of the Greater Sydney lockdown is provided below under 'Matters subsequent to the end of the financial year'.

Following previous lockdowns, management has observed a strong uplift in marketplace activity as restrictions have been eased, which is consistent with some pent-up demand for local services during the lockdown period being met following the easing of restrictions, and may partially offset the reduced activity during the lockdown period. Overall, the restrictions did not have a material impact on the Group's financial performance in FY21.

The nature of Airtasker's open, infinitely horizontal marketplace has enabled the Airtasker community to respond and adapt during COVID-19, with customers adjusting their demand for certain services during lockdown periods and taskers adapting their service offerings accordingly. Airtasker believes this has caused an accelerated adoption of its marketplace for certain services. Examples of services which see increased demand during lockdown periods include contact-free delivery, home office set-ups, bicycle repairs and trampoline assembly. Taskers have also adjusted their service offerings where possible to deliver services online that would have traditionally been delivered in person.

Airtasker received $0.8 million (FY20: $0.6 million) in Government subsidies under the Australian Federal Government's JobKeeper scheme. These amounts have been credited against employee benefits expense and platform development costs as set out in note 7 to the financial statements, and given the nature of the subsidies, have not been included in revenue.

Business growth strategy, likely developments and expected results of operations

Airtasker’s vision is to become the world’s most trusted place to buy and sell local services. The strategy is focused on continued investment into the Group's core product offering, inspiring more customers and taskers to use Airtasker more often, and increasing the Group's total addressable market through expansion in international markets.

Continued investment into core product
Airtasker will continue to invest in creating a world-class user experience for its customers and taskers with the ongoing development of the Group's core Open Marketplace[1] product and new marketplace experiences including "listings" (pre-packaged service offerings) and "re-booking" (enabling customers to contact taskers they’ve previously worked with). These initiatives will further leverage Airtasker's light touch operating model and, in due course, it is intended that they will scale across city-level marketplaces internationally.

Inspiring more customers and taskers to use Airtasker more often
Airtasker is an infinitely horizontal marketplace that, in addition to enabling ecommerce for existing service industries (for example, accounting, trades and cleaning services) has also empowered taskers to create entirely new service industries (for example, trampoline assembly, spider removal or drone retrieval services). In recent years, Airtasker has invested heavily in core data and engineering infrastructure with limited marketing investment. With product fundamentals now in place, the Group intends to ramp up investment in brand and growth marketing to further accelerate consumer awareness and adoption.

Increase Airtasker's total addressable market through expansion in international markets
Market data[2] shows that the US local services total addressable market is $500 billion and the UK is worth upwards of $70 billion - a combined opportunity more than 10x the size of Australia. Whilst significant growth opportunities exist in Airtasker's home market (Australia), there is an opportunity to leverage Airtasker's open, infinitely horizontal marketplace product and expand its reach to serve customers and taskers in international geographies.

With Airtasker's marketplace platform now fully enabled in the US and UK, the Group plans to invest in growth and brand marketing to ignite selected city-level markets and further penetrate in these and other markets and create a playbook for further international expansion.

1 Open Marketplace describes a marketplace model in which Airtasker customers post task to describe their service needs and taskers make offers to describe a price and solution for those needs.
2 Frost and Sullivan market report dated 8 February 2021 and included in Airtasker’s IPO prospectus dated 8 February 2021.

Significant changes in the state of affairs

Public company and initial public offering
On 8 January 2021, the Company became a public company and changed its name from Airtasker Pty Ltd to Airtasker Limited.

On 23 March 2021, Airtasker completed its IPO and listed on the ASX with the code ART. As part of the IPO, the Company raised $15.0 million to accelerate growth and further develop the Group's marketplace platform. A further $1.9 million was raised from the exercise of options and contractual rights associated with the IPO, resulting in total capital of $16.9 million raised from the IPO and associated exercise of options and contractual rights.

Acquisition of Zaarly and *capital raising*
On 21 May 2021, Airtasker announced the acquisition of the assets of Zaarly, a US local services marketplace, for $3.5 million (US$2.6 million) to accelerate expansion into the US.

On 25 May 2021, Airtasker raised $20.7 million additional capital to fund the above acquisition and to allow further investment in international growth.

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

Matters subsequent to the end of the financial year

On 29 July 2021, the Group announced that the Sydney, Melbourne and Adelaide COVID-19 related lockdowns had impacted operations, with weekly GMV down approximately 12% in July compared to pre-lockdown.

Current and potential future lockdowns may further impact market activity. Looking forward, in line with the four stage plan agreed to by the National Cabinet in August 2021, the Group expects the cessation of lockdowns as vaccination levels increase in the community.

As with previous lockdowns, the Group has seen both taskers and customers adapt during these phases, with a change in the mix of services being offered and a range of services being provided remotely rather than in-person, demonstrating the resilience of the Group's community and marketplaces.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the Group's operations, the financial results of those operations, or the Group's state of affairs in future financial years.

Environmental regulation

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

Information on directors

Name:	**James Spenceley**
Title:	Independent Non-Executive Chairperson
Experience and expertise:	James is a well-known Australian entrepreneur and experienced company director. In 2007 he founded Vocus Communications Limited (now Vocus Group Limited) (previously ASX: VOC), one of Australia's largest telecommunications companies which he grew, both organically and through acquisitions, into a multi-billion dollar business. James has twice won the Ernst & Young Australian Entrepreneur of the Year Award (in the young and listed categories) and in 2018 was inducted into the Telecommunications Hall of Fame. In addition to being Chairperson of Airtasker Limited, James is Chairperson of Swoop Holdings Limited (ASX: SWP), and a non-executive director of Kogan.com Ltd (ASX: KGN) and Think Childcare Limited (ASX: TNK). He has previously been a director of children's charity, the Humpty Dumpty Foundation, and is a former owner of the Illawarra Hawks NBL team.
Other current directorships:	As listed above
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Audit and Risk Committee and Nomination and Remuneration Committee
Interests in shares:	3,212,000 ordinary shares (held indirectly)
Interests in options:	1,000,000 options (held directly)
Interests in rights:	789,292 rights (held indirectly)

Name:	**Timothy (Tim) Fung**
Title:	Managing Director and Chief Executive Officer
Qualifications:	Bachelor of Commerce from the University of New South Wales
Experience and expertise:	Tim is co-founder and CEO of Airtasker and has been the CEO of Airtasker since its incorporation in 2011. Tim is currently also a co-founder and director of Tank Stream Labs Pty Ltd, a Sydney-based technology co-working space, a director of Joe Button Pty Ltd and a director of Circuit Club Pty Ltd. Prior to joining Airtasker, Tim was a founding team member at mobile telco start-up Amaysim and prior to that spent time at Macquarie Bank and talent representation agency Chic Management.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	47,740,000 ordinary shares (held indirectly)
Interests in options:	1,683,000 options (held directly)
Interests in rights:	4,000,000 rights (held indirectly)

Name:	**Ellen (Ellie) Comerford**
Title:	Independent Non-Executive Director (appointed 1 February 2021)
Qualifications:	Bachelor of Economics from Macquarie University
Experience and expertise:	Ellie has over 30 years of experience in financial services businesses in Australia and internationally across a range of regulated sectors, including insurance, banking and finance, and associated products and services. Ellie was the chief executive officer and managing director of Genworth Mortgage Insurance Australia (ASX: GMA) between 2010 and 2016, leading the company to IPO in 2014. Prior executive positions in the previous 20 years were held with First American Financial Corporation (NYSE: FAF – Fortune 500) and Citigroup Australia. Ellie is an executive director of Hollard Holdings Australia and The Hollard Insurance Company and also non-executive director of Lendi Group Pty Limited. Ellie is a member of Chief Executive Women.
Other current directorships:	Non-Executive Director of Heartland Group Holdings Limited (ASX: HGH) (NZX: HGH)
Former directorships (last 3 years):	Non-Executive Director of Cash Converters International Limited (ASX: CCV) (resigned 30 September 2018)
Special responsibilities:	Chair of the Audit and Risk Committee and a member of the Nomination and Remuneration Committee
Interests in shares:	None
Interests in options:	None
Interests in rights:	270,917 rights (held indirectly)

Name:	**Peter Hammond**
Title:	Non-Executive Director
Qualifications:	Bachelor of Business from the University of Technology, Sydney and is a registered Australian Chartered Accountant
Experience and expertise:	Peter joined Airtasker as a Non-Executive Director in November 2013. Peter is a co-founder and director of Exto Partners Pty Ltd, a Sydney-based venture capital investment company formed in 2003. Peter is a director of several of the investee companies of Exto Partners and is experienced in building high growth companies. Peter is a Chartered Accountant and prior to founding Exto Partners spent 10 years with KPMG in Australia and the US. As a senior executive with KPMG Consulting in New York, he focused on advising capital markets clients on risk management, product pricing, business process re-engineering and large-scale merger integration.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Chair of the Nomination and Remuneration Committee and a member of the Audit and Risk Committee
Interests in shares:	67,329,340 ordinary shares (held indirectly)
Interests in options:	None
Interests in rights:	577,416 rights (held indirectly)

Name:	**Xiao Fan (Fred) Bai**
Title:	Non-Executive Director
Qualifications:	Bachelor of Commerce from the University of Sydney
Experience and expertise:	Fred joined Airtasker as a Non-Executive Director in April 2015. Fred is a co-founder and the managing partner of Morning Crest Capital, a venture capital firm. Fred is currently also founder and CEO of Fanyu Investment, an equity investment management company. Fred was a co-founder and director of NASDAQ listed company Reven Housing REIT.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	57,030,879 ordinary shares (held indirectly)
Interests in options:	None
Interests in rights:	153,635 rights (held directly)

'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

Mark Simpson joined the Company as General Counsel and Company Secretary in February 2021. Mark has over 25 years' experience as a corporate lawyer, working for major firms in the United Kingdom and Australia. Mark has advised companies and boards on all aspects of Corporations Act and Listing Rules compliance, both as a senior corporate lawyer with Gilbert + Tobin and Minter Ellison, and as a partner at national Australian firm Sparke Helmore. Prior to joining the Company, Mark was General Counsel and Company Secretary for ASX200 company Vocus Group Limited for six years between 2010 and 2016, and subsequently for four years with Australian technology unicorn, Siteminder Pty Limited, from 2017 to 2021.

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 2021, 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
James Spenceley	12	13	1	1	1	1
Timothy Fung	12	13	-	-	-	-
Ellen Comerford	7	7	1	1	1	1
Peter Hammond	13	13	1	1	1	1
Xiao Fan Bai	13	13	-	-	-	-
Tyler Tan	6	6	-	-	-	-
Alan Stuart	6	6	-	-	-	-

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 forms part of the directors' report. It has been prepared in accordance with the Corporations Act 2001 and the Corporations Regulation 2M.3.03 and audited as required by section 208(3C) of the Corporations Act 2001. It also includes additional information and disclosures that are intended to support a deeper understanding of remuneration governance and practices, for shareholders, where statutory requirements are not sufficient.

The remuneration report details the key management personnel ('KMP') remuneration arrangements for the Group (also referred to as 'Airtasker'). KMP are those persons having authority and responsibility for planning, directing and controlling the activities of Airtasker, directly or indirectly, including all directors.

The Board takes its obligation to develop and implement a fair, responsible, and competitive remuneration framework seriously. The Board is focused on ensuring that remuneration is sufficient to attract and retain high quality key management personnel and executives, particularly given the very competitive market for qualified resources in the digital, technology and engineering sector.

Prior to the IPO, the Board focused on the following remuneration governance matters:

- developing a new remuneration framework in line with ASX standards;
- benchmarking executive and director remuneration against ASX listed market data to inform quantum and mix decisions intended to meet post-listing market requirements;
- developing a new executive equity structures and long-term variable remuneration design suitable to the ASX listed environment, and a suitable process to phase-in the structure;
- developing a Non-Executive Director ('NED') equity plan to support alignment of NEDs with shareholders; and
- designing one-off remuneration structures to align key executives with the IPO process.

The new remuneration framework is designed to attract, retain, and motivate high quality executives across all components of the business, aligning their interests with the creation of value for shareholders and with Airtasker's standards of behaviour and risk appetite. The remuneration framework incorporates performance-based rewards designed to align executive decision making with the long-term interests of shareholders.

The executive remuneration for FY21 reflected the legacy remuneration framework which was in line with a venture capital structure with lower fixed pay and short-term remuneration but larger long-term share-based option plans.

Both the legacy and new plans were outlined in Airtasker's IPO Prospectus in detail.

This report is structured with the following sections:

1. People covered in the report
2. FY22 KMP remuneration strategy, policy, and framework post listing (new framework)
3. FY21 KMP remuneration and the link to performance and reward
4. Statutory remuneration for KMP

1. People covered by this report

This report covers the KMP of the Group as follows:

Name	Role at year end	Appointment date	Nomination and Remuneration Committee membership	Audit and Risk Committee membership
Non-Executive Directors:				
James Spenceley	Independent Non-Executive Chairman	31 March 2016	Member	Member
Ellen Comerford	Independent Non-Executive Director	1 February 2021	Member	Chairperson
Peter Hammond	Non-Executive Director	8 November 2013	Chairperson	Member
Xiao Fan Bai	Non-Executive Director	28 April 2015	Not applicable	Not applicable
Executives:				
Timothy Fung	Managing Director ('MD')/Chief Executive Officer ('CEO') and Founder	1 April 2012	Not applicable	Not applicable
Nathan Chadwick	Chief Financial Officer ("CFO')	16 April 2019	Not applicable	Not applicable

The following changes to KMP occurred during FY21 or between the end of FY21 and the date of publication of this report:

Name	Role at resignation date	
Tyler Tan	Former non-executive director	Resigned on 4 February 2021
Alan Stuart	Former non-executive director	Resigned on 4 February 2021
Yaniv Bernstein	Former Chief Operating Officer ('COO')	Terminated by reason of redundancy on 30 June 2021

2. FY22 KMP remuneration strategy, policy, and framework post listing (new framework)

This section provides an overview of the KMP remuneration framework and policies that have been developed for the post-listing environment.

The Board's remuneration strategy is to design a framework that will attract, retain, and motivate the best talent to drive a high-performance culture that delivers on Airtasker's business strategy and contributes to sustainable long-term returns for shareholders and is aligned with Airtasker's values and risk appetite.

The strategy is based on the following key principles:

1.	Strategic alignment	Provide clear alignment of remuneration with Airtasker's strategic objectives;
2.	Competitive	Provide market competitive remuneration to attract the best possible talent, especially at the executive level;
3.	Retention	Retain and motivate Airtasker's best talent at all levels, especially for its top performing executives;
4.	Performance based	Share the financial success of outperformance with executives and the team to encourage and motivate a high-performance culture;
5.	Supports culture	Support a collaborative high performing team environment with shared responsibility for achieving strategic goals and building a culture aligned with Airtasker's standards of behaviour;
6.	Long-term thinking	Ensure remuneration outcomes encourage sustainable long term value creation for all taskers, employees, and shareholders; and
7.	Transparent	Implement remuneration structures and policies that are transparent and well understood.

In accordance with best practice corporate governance, the structure of executive and non-executive director ('NED') is separate.

2.1 FY22 executive remuneration strategy, policy and framework

The following diagram summaries the executive KMP remuneration framework as applicable to FY22 and includes short-term variable remuneration ('STVR') and long-term variable remuneration ('LTVR'), that is, the post-listing framework.

Aspect	FY22	FY23	FY24	FY25
Fixed	Fixed Pay Cash and Benefits			
Short Term	STVR Performance Period (ESG & Malus Gate Applies)	< Audit, Metric & Gate Assessments < STVR award – Paid as Cash		
Long Term	Tranche 1 (30%) – SP Performance Rights	< Metric Assessments & Vesting		
	Tranche 2 (30%) – Share Price (SP) Performance Rights		< Metric Assessments & Vesting	
	Tranche 3 (40%) – ART CAGR vs ASX 300 IT Index CAGR Performance Rights / Performance Share Appreciation Rights			< Metric Assessments & Vesting

As FY22 is the first full operating year as an ASX listed company, the remuneration structure for FY22 reflects a transition to ASX best practice with an emphasis on achieving key performance metrics focused on growth of the marketplace domestically and internationally.

Fixed pay ('FP') comprises base salary plus any other fixed elements such as superannuation, allowances, benefits, and fringe benefits tax. FP is intended to be positioned at fiftieth percentile (P50) of market benchmarks for comparably designed roles.

Total remuneration package ('TRP') is intended to be composed of an appropriate mix of remuneration elements including FP, STVR and LTVR. The Target TRP ('TTRP') (being the TRP value at Target/Expected performance) is generally intended to fall around the sixty second and a half percentile (P62.5) of market benchmarks, subject to smoothing for volatility across role samples at the same level.

Variable remuneration going forward is not a “bonus”, but a blend of at-risk remuneration (below Target) and incentives (above Target and up to Stretch/maximum). Metrics selected are intended to be linked to the primary drivers of value creation for stakeholders, and successful implementation of the long-term strategy over both the short and long term. Thresholds are intended to be a near-miss of expectations, while 'Target' is intended to be challenging but realistically achievable objective. 'Stretch' on the other hand is designed to reward outperformance.

Variable remuneration component	Policy market position - TRP	Performance
Target to Stretch - incentive/upside	P65 to P100+	Exceeds expectations
Threshold to Target - at risk/downside	P50 - P65	Below expectations
Fixed pay only	P10 - P50 (of fixed pay benchmarks)	Below threshold

For FY22 the performance is assessed against Company metrics rather than individual performance metrics.

Executive KMP remuneration is to be tested regularly by reference to appropriate independently sourced comparable benchmark data, and specific advice as may be appropriate from time to time. Benchmark groups are generally designed to be based on 20 companies from the same market sector, within a range of 50% to 200% of the market value of the Company at the time, and evenly balanced to ensure measures of central tendency are highly relevant. Benchmarks may be adjusted upwards or downwards for variations in role design compared to market benchmark roles, and individual remuneration may vary by +/- 25% compared to the policy midpoint, to reflect individual/incumbent factors such as experience, qualifications and performance.

The current employment market for top talent in marketing, product management and engineering has been extremely competitive and is expected to remain so until COVID-19 restrictions on international travel are lifted. During FY22 Airtasker is recruiting key executives, specifically in both marketing and product management, and may need to refine the remuneration framework to ensure it achieves its principle of ensuring Airtasker is providing market competitive remuneration to attract the best possible talent, especially at the executive level.

For FY22 and future periods, the Board will be reviewing the TRP for each KMP, including the value of the ongoing vesting of the legacy employee options and any legacy short-term incentives. The Board will limit the issuance of additional STVR and LTVR incentives under the new framework while the legacy long-term share-based payments continue to vest. KMPs will transition to the post-listing framework over time.

Short-Term Variable Remuneration Plan ('STVR Plan')

A description of the STVR structure applicable for FY22 is set out below. FY21 (now legacy) structures in place leading into the IPO are described in a later section of this report.

Purpose	To provide at-risk remuneration and incentives that rewards executives for performance against annual objectives set by the Board at the beginning of the financial year. Objectives selected are designed to support long-term value creation for shareholders, and link to the long-term strategy on an annual basis.
Measurement period	The financial year of the Company.

Opportunity	The FY22 Target value is 56% of FP for the MD/CEO, with a maximum/Stretch of 83% of FP. The FY22 Target value is 20% of FP for direct reports to the MD/CEO, with a maximum/Stretch of 38% of FP.
Outcome metrics and weightings	The STVR is dependent on meeting Group performance objectives. For FY22 the metrics will be as follows: Revenue: 70% weighting Operating leverage: 30% weighting Operating leverage performance requirements specify targets associated with the relationship between revenue growth and expense growth (including capitalised salaries). The objective of these targets is to ensure expense growth is limited by the corresponding revenue growth. These metrics were selected because they are viewed by the Board as the primary drivers of value creation for the business in FY22.
Settlement	Awards are determined following auditing of accounts after the end of the financial year. The Board is of the view that in the current context the FY22 STVR is not materially high therefore no deferral has been applied. This will be reviewed in future periods to align with ASX best practice. The Board has discretion to ensure the STVR and LTVR reflect creation of shareholder value. Settlement is in the form of cash only unless otherwise determined by the Board at the time of settlement.
Service condition	STVR is subject to the participant continuing to be employed by the Company throughout the FY22 financial year up to 30 June and not being subject to any period of notice of termination at that date unless otherwise determined by the Board.

Long-Term Variable Remuneration Plan ('LTVR Plan')

A description of the LTVR structure applicable for FY22 is set out below. FY21 (now legacy) structures are described in a latter section of this report. For FY22, the MD/CEO and some non-KMP executives will be eligible to participate in the LTVR Plan.

Purpose	To provide at-risk remuneration and incentives that rewards executives for performance against long-term value creation objectives set by the Board at the beginning of the financial year and to align the interests of executives with the interests of shareholders through “skin in the game”.
Measurement period	For the FY22 grant, the measurement periods will be FY22, FY23 and FY24 in respect of three tranches. The Board recognises that a three-year measurement period is expected to apply to LTVR, with annual vesting after that when the LTVR is granted each year. As this is the first time an LTVR of this type is being offered, the Board is putting in place transition arrangements that will be reviewed as the Company establishes itself on the ASX.
Opportunity	The Target value is 22% of FP for the MD/CEO, with a maximum/Stretch of double the Target, or 44% of FP. The Target value is on a range of 5% to 67% of FP for direct reports to the MD/CEO. No Stretch is being offered to the direct reports for this transitional year. This will be reviewed for FY23.

Instrument	The LTVR is granted under the rights plan which allows for rights, service rights or restricted rights, each of which may be constructed as a share appreciation right ('SAR'), which is equivalent to an option, when an exercise price is specified. For FY22 rights will be used for the purposes of the LTVR. Rights are not subject to dividend or voting entitlements. The MD/CEO and selected executives may elect to take SARs rather than zero exercise price rights.
Price and exercise price	The price is nil because it forms part of the remuneration of the participant. The exercise price is nil when constructed as rights, or equal to the share price used in the grant calculation when constructed as SARs. However, the exercise price is “cashless” or notional. When rights with an exercise price greater than nil are exercised the exercised rights value is calculated as: *(Share Price at Exercise – Exercise Price) x Number of Rights Exercised* The exercised rights value that is to be settled in shares is then divided by the share price at exercise to determine the number of shares that will be received. The aim of this approach is to reduce dilution compared to options with comparable terms.
Allocation method	The rights are valued using the following method when the exercise price is nil: *Right Value = Share Price – (Annual Dividend x Years to First Exercise)* The number of rights in each tranche is then calculated as follows: *Number = Maximum LTVR$ ÷ Right Value* Share price = Volume weighted average price during the 30-day period to 30 June. When constructed as SARs, the right value is subject to a Black-Scholes valuation, ignoring vesting conditions.
Performance metrics and weightings	**Tranche 1** (30% weight at Target) is to be subject to a binary hurdle of the share price at the end of FY22 exceeding the share price at 1 July 2021. **Tranche 2** (30% weight at Target) is to be subject to a binary hurdle of the share price at the end of FY23 exceeding the share price at 1 July 2021. **Tranche 3** (40% weight at Target) is to be subject to compound annual share price growth rate (“CAGR”) vesting condition (100% weighting). The vesting of such rights will be determined by comparing the Company’s CAGR (“ART CAGR”) over FY22 to FY24 (“Measurement Period”) with the CAGR of the ASX 300 Information Technology Total Return Index for the Measurement Period (“Index CAGR”). A proportion of the Tranche 3 rights will vest on a straight-line basis, where zero will be paid if the ART CAGR is equal to or less than the Index CAGR, up to 100% payable where the ART CAGR is 2.5%, or more, higher than the Index CAGR (for example, ART CAGR of 17.5% vs Index CAGR of 15%). For FY22, the MD/CEO has performance conditions, according to the following vesting scale:

	Performance level	Airtasker CAGR	Percentage of tranche vesting
	Stretch	Index CAGR + 5%	100%
	Target	Index CAGR + 2.5%	50%
	Threshold	Index CAGR	25%
	Below Threshold	< Index total shareholder return ('TSR')	0%
	Outcomes that fall between the specified levels of performance will result in a pro-rata calculation being applied.		
Settlement	The rights are "indeterminate rights" which may be settled in the form of a Company share (including a restricted share), or cash equivalent, upon valid exercise.		
Term	Rights must be exercised within 15 years of the grant date, otherwise they lapse. When constructed as SARs, the term is five years.		
Service condition	Under the rules, in addition to the performance conditions, continued service during the full first year of the measurement period is a requirement for all rights to become eligible to vest. Termination during the first year will generally result in pro-rata forfeiture for the incomplete portion of the year, unless otherwise determined by the Board. However, for each initial grant of LTVR, service is a specified as a parallel vesting condition alongside the performance condition, that is, the participant must remain employed at the end of the first year of the measurement period in order for rights to vest.		
Retesting	If performance conditions have not been met at the end of year one or two, then performance is deferred and retested at the next available performance tranche. Retesting is not available beyond year three. This feature is part of a transition arrangement intended to assist in the introduction of the new LTVR design.		

Both the STVR and LTVR plan payments are subject to an Environmental, Social and Governance ('ESG') and malus, clawback and corporate action terms. The Board has discretion to modify the awards payable to participants regardless of any performance outcome or gate, to ensure that outcomes are appropriate to the circumstances that prevailed over the measurement period.

2.2 FY22 NED remuneration strategy, policy and framework

NED fee policy
The following outlines the principles that Airtasker applies to governing NED remuneration:

Aspect	Comment
Key considerations	Fees for NEDs are based on the nature of the directors' work and their responsibilities, considering the nature and complexity of the Company and the skills and experience of the director. NEDs' fees are recommended by the Nomination and Remuneration Committee and determined by the Board. External consultants may be used to source the relevant data and commentary or to obtain independent recommendations given the potential for a conflict of interest in the Board setting its own fees.
Independence	To preserve independence and impartiality, NEDs are not entitled to any form of variable remuneration payments and the level of their fees is not set with reference to measures of the Company's performance.
Flexibility	NEDs can elect how they wish to receive their fees, for example, as cash, superannuation contributions or equity.
Aggregate board fees	The total amount of fees paid to NEDs for the year ended 30 June 2021 is within the aggregate amount set as part of the Prospectus of $750,000 per annum. Grants of equity approved by shareholders are excluded from counting towards the aggregate Board fees, in accordance with the ASX Listing Rules.

The following outlines the board fees applicable for FY22:

Role/function	Main Board FY21*	Audit and Risk Committee FY21*	Nomination and Remuneration Committee FY21*
Chair	$160,000	$20,000	$15,000
Member (Australia)	$100,000	$5,000	$5,000
Member (International)	$75,000	$0	$0

* Fees are in Australian dollars and expressed as exclusive of superannuation. The Board Chair does not receive committee fees. NEDs are also reimbursed for out-of-pocket expenses that are directly related to Airtasker's business.

NED fee sacrifice equity plan
A description of the key terms of the NED fee sacrifice equity plan is provided below:

Purpose	To facilitate NEDs exchanging cash remuneration for equity interests with a view to increasing their "skin in the game", alignment with shareholder interests, and to fulfil expectations regarding NED share ownership.
Opportunity	NEDs may elect to exchange up to 100% of their Board fees excluding superannuation.
Instrument	A separate rights plan has been developed in order to preserve NED independence.
Price and exercise price	The price is nil, because it forms part of the remuneration of the participant, however grants are generally based on an agreement to forego cash Board fees. The exercise price is nil.

Allocation method	The rights are valued using the following method: *Right Value = Share Price – (Dividends expected to be lost before first exercise date)* *The Number of Rights to be granted = Sacrificed$ ÷ Right Value* Share price = Volume weighted average price during the 30-day period up to 30 June. For the grant made in FY21 for FY21 and FY22 fees, the IPO price of $0.65 was used.
Vesting conditions, exercise restrictions and disposal restrictions	To ensure NED independence is not compromised, and to recognise that the instruments are an alternative to cash remuneration, the rights are not subject to any vesting conditions. Rights may not be exercised within 90 days of the grant date. However, a specified disposal restriction applies such that rights may never be disposed of while soever the NED holds office or employment with the Company, or the earlier elapsing of 15 years from the grant date.
Settlement	The rights are share rights (that is, not indeterminate) that may be settled in shares only, however, if they are exercised while a specified disposal restriction applies, they will be restricted shares that will be held in trust.
Term	Rights must be exercised within 15 years of the grant date, otherwise they lapse.

3. FY21 KMP remuneration and the link to performance and reward

The Board views the outcomes of remuneration for FY21 performance as appropriately aligned stakeholder interests generally, given the strong group and individual performance against annual objectives, the shareholder value created through share price growth to the end of FY21, and progress towards strategy objectives made by the executive team, in addition to the successful completion of a challenging IPO and listing process.

A critical focus for the Board in FY21 was completing a successful IPO and meeting Prospectus Forecast and therefore significant STVR and share based rewards were linked to this objective.

3.1 Group performance at-a-glance

The following outlines the annual financial performance and the share price performance since listing:

	2021 $,000
Revenue	26,571
Gross Marketplace Volume ('GMV')	153,136
Earnings before interest and tax ('EBIT')	(9,615)
Loss after income tax	(9,709)

Notwithstanding that the remuneration of KMP were linked to the above metrics, since listing Airtasker on the ASX at $0.65 the share price increased to a close of $1.10 representing a 69% increase in shareholder value (with no dividends being declared).

In addition to these indicators of Group performance and value creations, the following were notable performance achievements for the year:

- achieving 38% revenue growth despite the very challenging period of COVID-19 lockdowns, restrictions and market uncertainty throughout the year;
- a successful IPO listing of Airtasker on the ASX;
- the acquisition of the assets of Zaarly Inc., in the United States of America, which will form the base for US expansion;
- successful completion of a $20.7 million private placement of shares to support domestic and international growth: and
- exceeding statutory Prospectus Forecast for FY21.

3.2 FY21 executive remuneration

The FY21 FP reflected legacy pre-listing structures and was therefore below the benchmark ASX listed market data remuneration. No adjustment was made in FY21 to FP to bring it in line with the benchmarks in FY21.

The FY21 STVR consisted of the following key components:

1	Legacy short-term bonuses	Nathan Chadwick will receive a $500,000 bonus when annualised monthly revenues reach $75 million over a three-year month and another $500,000 when the annualised monthly revenues reach $100 million over a three-month period. These revenue targets were not met in FY21, and these bonuses were not paid. Nathan Chadwick received a $50,000 and Yaniv Bernstein received a $87,500 bonus for the Company achieving cash flow targets.
2	IPO and meeting prospectus forecast bonuses	Nathan Chadwick received a $50,000 cash bonus subject to the Company completing the IPO. This incentive was paid. Yaniv Bernstein was issued a $100,000 cash incentive subject to the Company completing the IPO and meeting Prospectus Forecast. Yaniv Bernstein's employment was terminated by reason of redundancy on 30 June 2021 and as a result this bonus was not paid.
3	One-off executive IPO equity plans	Timothy Fung received 4,000,000 performance SARs with an exercise price of $0.76 valued based on Black-Scholes at $1,041,200 and Nathan Chadwick received 153,846 zero priced rights valued at $100,000 subject to the Company completing the IPO and meeting Prospectus Forecast. These incentives will be paid.

The bonus plans were developed during FY19, FY20 and FY21 prior to the Company being listed on the ASX and were designed to reward executives for the achievement against annual performance objectives set by the Board at the beginning of the performance period. These plans are replaced with the STVR plan in FY22. The payment of a bonus is dependent on delivery of performance against a range of outcome metrics.

These metrics were selected because they were considered by the Board to be the primary drivers of business value in the period leading up to and through the IPO.

The FY21 LTVR consisted of the following key components:

1	Legacy KMP option plan (start-up concessions) - details of which are outlined below	Timothy Fung received employee share options that vest over four years from FY18 to FY23. In FY21 $49,827 was expensed in relation to these options. Nathan Chadwick received employee share options that vest over four years from FY19 to FY24. In FY21 $180,802 was expensed in relation to these options. Yaniv Bernstein received employee share options that vest FY18 to FY21 (employment terminated by reason of redundancy on 30 June 2021). In FY21 $176,941 was expensed in relation to these options.
2	Legacy founder options plan	Timothy Fung was issued options in 2018 that vested on a liquidity event, including an IPO. These options fully vested and were exercised just prior to IPO. In FY21 $2,213,919 was expensed in relation to these options.

Legacy KMP option plan (start-up concessions)

As a private start-up, pre-listing, Airtasker had established employee option plans under the ATO start-up tax concession program to align interests of the executives and employees with that of the shareholders and to help reduce cash costs.

Purpose	To facilitate selected executives and directors to acquire options under the start-up tax concessions in a pre-IPO environment, to align interests and reduce cash costs.
Instrument	Options to acquire ordinary shares subject to the payment of an exercise price.

Price and exercise price	The exercise price was $0.50 being the share price at the time of issue.
Allocation method	The options were valued using a Black-Scholes model, which was divided into an agreed portion of the remuneration of each participant. The Black-Scholes values at grant were $0.1392 - $0.3156.
Term	The options expire five years after the grant date.

In FY21, the shares under option with an exercise price of $0.760 underwent an accounting modification in which new options were granted to the option holders at $0.500 and the option holders could only exercise the new $0.500 options by giving up their right to exercise the $0.760 options; what this means is that the option holders can only elect to exercise at either $0.500 or $0.760 but not both. The new shares under options with the exercise price of $0.500 were granted when the market price of the underlying equity instrument was $0.500, and thereby increased the fair value of the $0.760 option by $0.098.

	Original terms - Terms of $0.760 options	Modified terms - Terms of $0.500 options
Exercise price	$0.760	$0.500
Expiry period	five years post original grant date	five years from new grant date
Vesting conditions	service-based, over a four year period	service-based, over a four year period
Vesting period	not applicable	the same timeframe as the original $0.760 grant
Selling restrictions	none	employees cannot sell until three years from new grant date

3.3 FY21 NED remuneration

The FY21 NED remuneration consisted of the following key components:

1	Board and committee fees	James Spenceley exchanged $213,040 for FY21 and FY22 Board Chairman fees for zero priced rights under the NED fee sacrifice equity plan and received the remaining $49,167 Board Chairman fees for FY21 in cash. Peter Hammond exchanged $171,320 for FY21 and FY22 Board and Committee fees for zero priced rights under the NED fee sacrifice equity plan. (Issued to Exto Partners Australia Pty Ltd). Ellen Comerford exchanged $141,096 for FY21 and FY22 Board fees for zero priced rights under the NED fee sacrifice equity plan and received the Committee Fees of $10,369 Board Chairman fees for FY21 in cash. Xiao Fan Bai exchanged $99,863 for FY21 and FY22 Board fees for zero priced rights under the NED fee sacrifice equity plan.
2	Grants under the one-off NED IPO equity plan	To facilitate building a high calibre Board appropriate to ASX listing status, to reward NEDs for the work involved in the IPO process (instead of cash) and to assist NEDs to build “skin-in-the-game” up-front through remuneration the following one-off NED IPO Grants were paid: James Spenceley was offered $300,000 in IPO equity rights; Ellen Comerford was offered $35,000 in IPO equity rights; and Peter Hammond was offered $200,000 in IPO equity rights (issued to Exto Partners Australia Pty Ltd). A separate rights plan has been developed to preserve NED independence, the key terms of which are provided below.

3 Legacy KMP option plan (start-up concessions)	James Spenceley received employee share option plans that vest over four years from FY20 to FY24. In FY21 $109,999 was expensed in relation to these options.

One-off NED IPO equity plan

Key terms of the one-off NED IPO equity plan are described below:

Purpose	To facilitate building a high calibre Board appropriate to ASX listing status, to reward NEDs for the work involved in the IPO process (instead of cash) and to assist NEDs to build “skin-in-the-game” up-front through remuneration.
Instrument	A separate rights plan has been developed to preserve NED independence.
Price and exercise price	The price is nil because it forms part of the remuneration of the participant. The exercise price is nil.
Vesting conditions, exercise restrictions and disposal restrictions	To ensure NED independence is not compromised, and to recognise that the instruments are an alternative to cash remuneration, the rights are not subject to any vesting conditions. Rights may not be exercised until 30 June 2022, unless the NED ceases to hold office and employment beforehand, in which case 50% cease to be restricted (which is intended to address a taxing point expected to apply at the time).
Term	Rights must be exercised within 15 years of the grant date, otherwise they lapse.

4. Statutory remuneration for KMP
Prior to the IPO on 23 March 2021, Airtasker Limited was not required to prepare a remuneration report in accordance with the Corporations Act 2001. As such, remuneration report information is presented only for 2021.

4.1 Amounts of remuneration
Details of the remuneration of KMP of the Group are set out in the following tables.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments		
2021	Cash salary and fees $	Cash/ STVR/ non-monetary/ bonuses[1] $	Annual leave accrual[2] $	Super-annuation $	Long service leave accrual[2] $	Equity-settled/ LTVR[3] $	Equity-settled/ IPO[4] $	Total $
NEDs statutory remuneration:								
James Spenceley	49,167	-	-	-	-	323,039	300,000	672,206
Ellen Comerford[5]	10,369	-	-	1,037	-	141,096	35,000	187,502
Peter Hammond	-	-	-	-	-	175,320	200,000	375,320
Xiao Fan Bai	-	-	-	-	-	99,863	-	99,863
Tyler Tan[6]	25,000	-	-	-	-	-	-	25,000
Alan Stuart[6]	7,500	-	-	-	-	-	-	7,500
Executive Directors statutory remuneration:								
Timothy Fung[7]	280,000	3,000	58,643	26,885	12,166	2,263,746	1,041,200	3,685,640
Other KMP statutory remuneration:								
Nathan Chadwick	250,000	101,539	17,292	23,750	1,224	180,802	100,000	674,607
Yaniv Bernstein[8]	520,000	91,338	5,452	40,200	-	176,941	-	833,931
	1,142,036	195,877	81,387	91,872	13,390	3,360,807	1,676,200	6,561,569

1 Nathan Chadwick received $50,000 (non-IPO related) and $50,000 (IPO related) and Yaniv Bernstein received $90,500 (non-IPO related) cash STVR bonus for performance during the financial year ended 30 June 2021 and approved by the Board. Refer to Section 4 for further details. Nathan Chadwick also received $1,539 and Yaniv Bernstein received $838 non-monetary benefits. A once-off employee referral bonus of $3,000 was paid to Timothy Fung.

2 Represents an accounting adjustment for leave provisioning accrual.

3 LTVR value reported in the table is the amortised accounting charge of all grants that have not lapsed or vested as at the start of the reporting period. Where a market based measure of performance is used such as TSR or share price, no adjustments can be made to reflect actual LTVR vesting.

4 Shares issued on completion of IPO.

5 Represents remuneration from 1 February 2021 to 30 June 2021. These amounts were accrued but not yet paid as at 30 June 2021.

6 Represents remuneration from 1 July 2020 to 4 February 2021.

7 $2,213,919 of the equity-settled remuneration for Timothy Fung was granted on 21 August 2018 which vested upon t a liquidity event (the IPO) and were exercised immediately prior to the Company's listing on the ASX.

8 Yaniv Bernstein's employment was terminated by reason of redundancy on 30 June 2021. Included in cash salary and fees is a termination benefit of $240,000.

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

Name	Remuneration	% of maximum awarded/ vested	% of maximum forfeited/ lapsed	% of total remuneration package
Timothy Fung	Total fixed pay	100%	-	9%
	Cash STVR/bonuses	100%	-	-
	Equity/LTVR	97%	-	91%
Nathan Chadwick	Total fixed pay	100%	-	42%
	Cash STVR/bonuses	100%	-	15%
	Equity/LTVR	46%	-	43%
Yaniv Bernstein	Total fixed pay	100%	-	55%
	Cash STVR/bonuses	48%	52%	15%
	Equity/LTVR	59%	41%	30%

4.2. Statutory share-based compensation for KMP

Issue of shares
There were no shares issued to directors and other KMP as part of compensation during the year ended 30 June 2021.

Options
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	Tranche/ grant type	Number of options granted	Vesting conditions	Grant date	Fair value of each option at grant date	Total fair value at grant date $	Total value expensed in 2021 $	Maximum value to be expensed in future years $
Executives:								
N Chadwick	Legacy grant	1,150,000	Service*	28/09/2020	$0.1410	162,150	99,025	63,125
Y Bernstein	Legacy grant	2,600,000	Service*	28/09/2020	$0.1410	366,600	185,078	-
		3,750,000				528,750	284,103	63,125

* LTVR - First 25% vest on 1 March 2021 and 75% vest in equal instalments over the subsequent 36 months.

Note: the minimum value to be expensed in future years for each of the above grant made in 2021 is $nil. A reversal of previous expense resulting in a negative expense in the future may occur in the event of a KMP departure or failure to meet non-market-based conditions.

Options granted carry no dividend or voting rights.

The number of options over ordinary shares granted to and vested by directors and other KMP as part of compensation during the year ended 30 June 2021 are set out below:

Name	Number of options granted during the year 2021	Number of options vested during the year 2021
NEDs		
J Spenceley	-	479,167
Executives:		
T Fung	-	19,008,250
N Chadwick	1,150,000	663,542
Y Bernstein	2,600,000	1,688,167

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

Name	Tranche/ grant type	Number of rights granted	Vesting conditions	Grant date	Fair value of each right at grant date	Total fair value at grant date $	Total value expensed in 2021 $	Maximum value to be expensed in future years $
NEDs:								
J Spenceley	IPO rights	461,538	IPO*	01/03/2021	$0.6500	300,000	300,000	-
J Spenceley	Fee sacrifice	327,754	None**	01/03/2021	$0.6500	213,040	213,040	-
E Comerford	IPO rights	53,846	IPO*	01/03/2021	$0.6500	35,000	35,000	-
E Comerford	Fee sacrifice	217,071	None**	01/03/2021	$0.6500	141,096	141,096	-
P Hammond	IPO rights	307,693	IPO*	01/03/2021	$0.6500	200,000	200,000	-
P Hammond	Fee sacrifice	269,723	None**	01/03/2021	$0.6500	175,320	175,320	-
X Bai	Fee sacrifice	153,635	None**	01/03/2021	$0.6500	99,863	99,863	-
Executives:								
T Fung	IPO equity	4,000,000	Perform***	04/02/2021	$0.2603	1,041,200	1,041,200	-
N Chadwick	IPO equity	153,846	Perform***	04/02/2021	$0.6500	100,000	100,000	-
		5,945,106				2,305,519	2,305,519	-

* IPO rights - vest on IPO completion
** Fee sacrifice rights - in lieu of board fees
*** IPO equity LTVR - Achieving the Revenue, GMV and EBIT in the Prospectus Forecast based on the audited financial results for the financial year ended 30 June 2021

Note: the minimum value to be expensed in future years for each of the above grant made in 2021 is $nil. A reversal of previous expense resulting in a negative expense in the future may occur in the event of a KMP departure or failure to meet non-market-based conditions.

Rights granted carry no dividend or voting rights.

The number of rights over ordinary shares granted to and vested by directors and other KMP as part of compensation during the year ended 30 June 2021 are set out below:

Name	Number of rights granted during the year 2021	Number of rights vested during the year 2021
NEDs:		
James Spenceley	789,292	789,292
Ellen Comerford	270,917	270,917
Peter Hammond	577,416	577,416
Xiao Fan Bai	153,635	153,635
Executives:		
Timothy Fung	4,000,000	4,000,000
Nathan Chadwick	153,846	153,846

4.3. Additional statutory disclosures

Shareholding

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

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
NEDs:					
James Spenceley	3,212,000	-	-	-	3,212,000
Ellen Comerford	-	-	-	-	-
Peter Hammond	47,714,000	-	19,615,340	-	67,329,340
Xiao Fan Bai	58,188,000	-	-	(1,157,121)	57,030,879
Tyler Tan*	19,789,000	-	5,192,307	(24,981,307)	-
Executives:					
Timothy Fung	28,940,000	-	18,800,000	-	47,740,000
Yaniv Bernstein	-	-	23,077	-	23,077
	157,843,000	-	43,630,724	(26,138,428)	175,335,296

* Disposals/other represents no longer being a KMP, not necessarily actual physical disposal.

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 personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Options over ordinary shares					
NEDs:					
James Spenceley	1,000,000	-	-	-	1,000,000
Executives:					
Timothy Fung	20,483,000	-	(18,800,000)	-	1,683,000
Nathan Chadwick	850,000	1,150,000	-	-	2,000,000
Yaniv Bernstein	1,400,000	2,600,000	-	(1,641,000)	2,359,000
	23,733,000	3,750,000	(18,800,000)	(1,641,000)	7,042,000

	Vested and exercisable	Vested and unexercisable	Balance at the end of the year
Options over ordinary shares			
NEDs:			
James Spenceley	479,167	-	479,167
Executives:			
Timothy Fung	1,492,396	-	1,492,396
Nathan Chadwick	841,667	-	841,667
Yaniv Bernstein	1,859,000	500,000	2,359,000
	4,672,230	500,000	5,172,230

Rights holding

The number of rights over ordinary shares in the Company held during the financial year by each director and other members of KMP of the Group, 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
Rights over ordinary shares					
NEDs:					
James Spenceley	-	789,292	-	-	789,292
Ellen Comerford	-	270,917	-	-	270,917
Peter Hammond	-	577,416	-	-	577,416
Xiao Fan Bai	-	153,635	-	-	153,635
Executive KMP:					
Timothy Fung	-	4,000,000	-	-	4,000,000
Nathan Chadwick	-	153,846	-	-	153,846
	-	5,945,106	-	-	5,945,106

	Vested and exercisable	Vested and unexercisable	Balance at the end of the year
Rights over ordinary shares			
NEDs:			
James Spenceley	789,292	-	789,292
Ellen Comerford	270,917	-	270,917
Peter Hammond	577,416	-	577,416
Xiao Fan Bai	153,635	-	153,635
Executives:			
Timothy Fung	4,000,000	-	4,000,000
Nathan Chadwick	153,846	-	153,846
	5,945,106	-	5,945,106

Executive KMP service agreements
The following outlines current executive KMP service agreements:

Name and position	Employing company	Duration of contract	Notice period from the company	Notice period from the KMP	Termination payments*
Timothy Fung (MD and CEO)	Airtasker Limited	No fixed term	12 months	12 months	12 months' fixed pay
Nathan Chadwick (CFO)	Airtasker Limited	No fixed term	6 months	6 months	6 months' fixed pay

* Under the Corporations Act 2001 the Termination Benefit Limit is 12 months average salary (over prior three years) unless shareholder approval is obtained.

NED service agreements
The appointment of NEDs is subject to a letter of engagement. Under this approach NEDs are not eligible for any termination benefits following termination of their office, nor any payments other than those required under law such as in respect of superannuation. There are no notice periods applicable to either party under this approach.

Shares that result from the exercise of restricted rights issued in lieu of fees may not be disposed of until the director is no longer a member of the Board, or an employee of the Group unless approved by the Board.

Loans to/from KMP and their related parties
During the financial year and to the date of this report, the Group made no loans to directors and other KMP and none were outstanding as at 30 June 2021 (2020: Nil).

Other transactions with KMP and their related parties
Certain directors and KMP, or their personally related entities (related parties), hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. A number of these entities transacted with the Group in FY21. The terms and conditions of the transactions were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions with unrelated entities on an arms-length basis.

The following transactions occurred with entities controlled by related parties:

Related party	Related entity	Transaction
Peter Hammond (NED)	Exto Active Pty Ltd (ATF the Exto Active Trust)	Peter Hammond is a shareholder and director of Exto Active Pty Ltd (ATF the Exto Active Trust “Exto Active Fund”), has an ownership in the Exto Active Trust and is a Director and Shareholder of Exto Partners Pty Ltd, which is the manager of the Exto Active Fund. The Exto Active Trust participated as an investor in the shares issued at IPO.
Timothy Fung (CEO and Executive Director)	Timothy Fung (CEO and Executive Director)	The Group received an interest free loan from Timothy Fung, which amounted to $nil (2020: $136,435) as at 30 June 2021; the loan outstanding to Timothy Fung at 30 June 2020 was repaid in August 2020.
Modi Song	Modi Song	Modi Song is the spouse of Timothy Fung and is an employee of the Group. Modi received salary on an arm's length basis.

Use of external remuneration consultants
During FY21, the Board engaged approved external remuneration consultants ('ERC'), Godfrey Remuneration Group Pty Ltd, to provide KMP remuneration recommendations and other services as outlined below:

Service provided by ERC	Fees $
Market data and recommendations regarding executive remuneration quantum and structure	22,500
NED and executive equity plans design and implementation, and drafting prospectus disclosures	51,000
	73,500

The ERC provided statements indicating that they viewed the advice they gave as being independent from undue influence.

The Board is of the view that the recommendations received were independent and free from undue influence of any KMP to whom the recommendations related.

This concludes the remuneration report, which has been audited.

Shares under option

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

Grant date	Expiry date	Exercise price*	Number under option
1 October 2014	1 October 2021	$0.012	515,000
12 October 2015	N/A	$0.028	203,000
26 July 2016	N/A	$0.060	255,000
22 August 2017	22 August 2022	$0.303	923,917
21 May 2018	21 May 2023	$0.760	250,000
23 August 2018	23 August 2023	$0.760	277,000
5 October 2018	5 October 2023	$0.760	1,586,417
4 December 2018	4 December 2023	$0.760	250,000
1 January 2019	1 January 2024	$0.760	4,462,063
12 April 2019	12 April 2024	$0.760	33,000
1 July 2019	1 July 2024	$0.760	1,630,904
13 September 2019	13 September 2024	$0.760	396,000
11 November 2019	11 November 2024	$0.760	126,990
28 September 2020	28 September 2025	$0.500	2,462,500
11 January 2021	11 January 2026	$0.500	5,472,585
28 September 2020*	28 September 2025	$0.500	1,896,500
11 January 2021*	11 January 2026	$0.500	7,115,873
			27,856,749

* On 28 September 2020 and 11 January 2021, the shares under option with an exercise price of $0.760 underwent an accounting modification in which new options were granted to the option holders at $0.500 and the option holders could only exercise the new $0.500 options by giving up their right to exercise the $0.760 options; what this means is that the option holders can only elect to exercise at either $0.500 or $0.760 but not both. The new shares under options with the exercise price of $0.500 were granted when the market price of the underlying equity instrument was $0.500, and thereby increased the fair value of the $0.760 option by $0.098. The terms were as follows:

	Original terms - Terms of $0.760 options	Modified terms - Terms of $0.500 options
Exercise price	$0.760	$0.500
Expiry period	five years post original grant date	five years from new grant date
Vesting conditions	service-based, over a four year period	service-based, over a four year period
Vesting period	not applicable	the same timeframe as the original $0.760 grant
Selling restrictions	none	employees cannot sell until three years from new grant date

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

Grant date	Expiry date	Exercise price	Number under rights
4 February 2021	4 February 2026	$0.760	4,000,000
4 February 2021	4 February 2026	$0.000	303,846
1 March 2021	1 March 2036	$0.000	1,991,260
20 May 2021	Not applicable	$0.000	500,000
21 May 2021	Not applicable	$0.000	140,240
			6,935,346

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

Shares issued on the exercise of options
The following ordinary shares of Airtasker Limited were issued during the year ended 30 June 2021 and up to the date of this report on the exercise of options granted:

Date options granted	Exercise price	Number of shares issued
1 October 2014	$0.012	6,028,000
12 October 2015	$0.028	1,932,000
26 July 2016	$0.060	579,000
22 August 2017	$0.303	582,027
11 January 2021	$0.500	31,650
11 January 2021	$0.500	8,500
21 August 2018	$0.083	18,800,000
		27,961,177

Shares issued on the exercise rights
There were no ordinary shares of Airtasker Limited issued on the exercise of rights during the year ended 30 June 2021 and up to the date of this report.

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.

Business objectives

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

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 26 to the financial statements.

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

The directors are of the opinion that the services as disclosed in note 26 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

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

Officers of the Company who are former partners of Deloitte Touche Tohmatsu

There are no officers of the Company who are former partners of Deloitte Touche Tohmatsu.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument.

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

James Spenceley	Timothy Fung
Chairperson	Director

18 August 2021

Deloitte.

Deloitte Touche Tohmatsu
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Australia

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The Directors
Airtasker Limited
Level 3, 71 York Street
Sydney, NSW 2000

18 August 2021

Dear Directors

Auditor's Independence Declaration to Airtasker Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Airtasker Limited.

As lead audit partner for the audit of the financial statements of Airtasker Limited for the year ended 30 June 2021, 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.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Joshua Tanchel
Partner
Chartered Accountants

	Note	Group 2021 $'000	Group 2020 $'000
Revenue	5	26,571	19,259
Other income	6	601	60
Interest revenue calculated using the effective interest method		13	60
Gain/(loss) on derivative financial instruments at fair value through profit or loss	7	101	(98)
Expenses			
Employee benefits expense	7	(21,112)	(18,152)
Sales and marketing expense	7	(5,024)	(1,157)
Technology expense		(2,448)	(2,444)
General and administration expense	7	(6,032)	(3,501)
Depreciation and amortisation expense	7	(2,198)	(1,229)
Impairment of assets	12	(74)	-
Finance costs	7	(107)	(3,052)
Loss before income tax expense		(9,709)	(10,254)
Income tax expense	8	-	-
Loss after income tax expense for the year attributable to the owners of Airtasker Limited		(9,709)	(10,254)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		156	(44)
Other comprehensive income for the year, net of tax		156	(44)
Total comprehensive income for the year attributable to the owners of Airtasker Limited		(9,553)	(10,298)
		Cents	**Cents**
Basic earnings per share	34	(2.99)	(3.53)
Diluted earnings per share	34	(2.99)	(3.53)

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

	Note	Group 2021 $'000	Group 2020 $'000
Assets			
Current assets			
Cash and cash equivalents	9	33,854	12,597
Trade and other receivables		-	219
Financial instruments	10	12,005	500
Other assets	11	1,215	2,881
Total current assets		47,074	16,197
Non-current assets			
Property, plant and equipment	12	291	568
Right-of-use assets	13	419	551
Intangibles	14	9,553	2,453
Other assets	11	197	197
Total non-current assets		10,460	3,769
Total assets		57,534	19,966
Liabilities			
Current liabilities			
Trade and other payables	15	6,031	1,782
Contract liabilities	16	641	337
Lease liabilities	17	422	485
Provisions	18	1,454	1,962
Employee benefits		1,122	735
Financial instruments	19	-	25,171
Unclaimed customer credits		3,500	3,110
Total current liabilities		13,170	33,582
Non-current liabilities			
Lease liabilities	17	-	351
Employee benefits		189	143
Total non-current liabilities		189	494
Total liabilities		13,359	34,076
Net assets/(liabilities)		44,175	(14,110)
Equity			
Issued capital	20	123,062	59,488
Other equity	21	-	2,544
Reserves	22	15,709	8,745
Accumulated losses		(94,596)	(84,887)
Total equity/(deficiency)		44,175	(14,110)

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

Group	Issued capital $'000	Other equity $'000	Reserves $'000	Accumulated losses $'000	Total deficiency in equity $'000
Balance at 1 July 2019	59,429	-	4,372	(74,633)	(10,832)
Loss after income tax expense for the year	-	-	-	(10,254)	(10,254)
Other comprehensive income for the year, net of tax	-	-	(44)	-	(44)
Total comprehensive income for the year	-	-	(44)	(10,254)	(10,298)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 20)	23	-	-	-	23
Share-based payments (note 35)	-	-	4,417	-	4,417
Net movement in share issue costs	36	-	-	-	36
Simple Agreement for Future Equity ('SAFE') equity instrument issued	-	2,544	-	-	2,544
Balance at 30 June 2020	59,488	2,544	8,745	(84,887)	(14,110)

Group	Issued capital $'000	Other equity $'000	Reserves $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 July 2020	59,488	2,544	8,745	(84,887)	(14,110)
Loss after income tax expense for the year	-	-	-	(9,709)	(9,709)
Other comprehensive income for the year, net of tax	-	-	156	-	156
Total comprehensive income for the year	-	-	156	(9,709)	(9,553)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 20)	61,030	-	-	-	61,030
Share-based payments (note 35)	-	-	6,808	-	6,808
SAFE equity instrument converted to contributed equity	2,544	(2,544)	-	-	-
Balance at 30 June 2021	123,062	-	15,709	(94,596)	44,175

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

	Note	Group 2021 $'000	Group 2020 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		30,007	21,519
Payments to suppliers and employees (inclusive of GST)		(25,452)	(22,608)
		4,555	(1,089)
Government grants		1,004	477
Interest received		2	60
Interest paid on lease liabilities		(41)	(97)
Net cash from/(used in) operating activities	33	5,520	(649)
Cash flows from investing activities			
Payment for purchase of business, net of cash acquired	32	(3,125)	-
Payments for property, plant and equipment	12	(124)	(108)
Payments for intangibles	14	(4,998)	(2,470)
Payments for term deposits and bonds		(11,502)	(500)
Proceeds from disposal of property, plant and equipment		-	3
Net cash used in investing activities		(19,749)	(3,075)
Cash flows from financing activities			
Proceeds from issue of shares		37,608	10,358
Net proceeds from SAFE notes and convertible notes issued		-	500
Share issue transaction costs	20	(1,672)	-
Payment of lease liabilities	33	(450)	(353)
Net cash from financing activities		35,486	10,505
Net increase in cash and cash equivalents		21,257	6,781
Cash and cash equivalents at the beginning of the financial year		12,597	5,816
Cash and cash equivalents at the end of the financial year	9	33,854	12,597

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

Note 1. General information

The financial statements cover Airtasker Limited as a group consisting of Airtasker Limited (the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year (collectively referred to as the 'Group'). The financial statements are presented in Australian dollars, which is Airtasker Limited's functional and presentation currency.

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

Registered office	Principal place of business
Charternet Services Pty Limited Level 20 109 Pitt Street Sydney NSW 2000	Level 3 71 York Street Sydney NSW 2000

A description of the nature of the Group'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 18 August 2021. 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 Group 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.

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

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards ('AAS') 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').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for the revaluation of financial assets and liabilities at fair value through profit or loss and derivative financial instruments.

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 Group'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 Group only. Supplementary information about the parent entity is disclosed in note 36.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at 30 June 2021 and the results of all subsidiaries for the year then ended.

Note 2. Significant accounting policies (continued)

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group 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 Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group 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 Group.

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 Group 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 Group 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
The financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

Foreign currency transactions
Foreign currency transactions are translated into the entity's functional 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.

Foreign operations
The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue recognition
The Group recognises revenue as follows:

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: 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.

Note 2. Significant accounting policies (continued)

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 unclaimed customer credits and contract liabilities.

Fee revenue
Fee revenue is made up of booking and service fees. The booking fee is calculated as a fixed percentage of the task value (subject to a floor and a cap) of the contract formed between the Group, customer and tasker . The service fee is charged to the tasker and is a variable percentage of the task value of the contract formed between the Group, customer and tasker calculated at task completion based on the tasker's earnings in the last 30 days prior to the task completion.

The Group has one integrated performance obligation in relation to fee revenue which is considered satisfied when its overall end-to-end service offerings to the customer is delivered upon task completion. The service offerings available to the Group's customers are listed below:
- initial connection between the customer and tasker at task assignment when a contract is formed between the Group, customer and tasker and the transaction price is determined;
- the facilitation of secure payments between the customer and tasker by the escrow of the transaction price upon task assignment and the disbursement to the tasker on task completion; and
- the provision of other services on the Group's platform such as customer support, insurance and mechanisms for messaging and feedback.

From the customer’s perspective, the Group’s promised distinct services are only transferred to the customer on task completion and it is at this point in time in which the performance obligation is satisfied and service fee revenue is recognised.

Unclaimed customer credit breakage revenue
A customer credit is created and debited to a customer's account under two circumstances:
(i) when an assigned task is neither marked completed nor cancelled for a period of 90 days ('incomplete task credits'); and
(ii) when an assigned task is cancelled ('cancellation credits').

The Group's term and conditions enable the expiry of customer credit that remains unclaimed within a specified period as dictated by the terms and conditions. The Group recognises breakage revenue from unclaimed customer credits in each case as follows:

Unclaimed incomplete task credits: The Group expects to be entitled to revenue from the unclaimed incomplete task credits expiring from customer accounts 12 months after the initial grant of the incomplete task credits. The expected revenue to be recognised is equivalent to the forecasted unclaimed incomplete task credit balances after 12 months and is recognised over time, over the 12 months prior to expiry, in proportion to the historical average pattern of incomplete task credits redemption by customers. The Group will not recognise any estimated revenue amount until it is highly probable that a significant revenue reversal will not occur. If the Group cannot determine that it is highly probable that the credit will remain unclaimed, it will not recognise any amounts as revenue until the likelihood of customer redemptions becomes remote.

Unclaimed cancellation credits: The Group expects to be entitled to revenue from the unclaimed cancellation credits expiring from customer accounts 18 months after the initial grant of the cancellation credits. The expected revenue to be recognised is equivalent to the forecasted unclaimed cancellation credit balances after 18 months and is recognised over time, over the 18 months prior to expiry, in proportion to the historical average pattern of cancellation credits redemption by customers. The Group will not recognise any estimated revenue amount until it is highly probable that a significant revenue reversal will not occur. If the Group cannot determine that it is highly probable that the credit will remain unclaimed, it will not recognise any amounts as revenue until the likelihood of customer redemptions becomes remote.

Note 2. Significant accounting policies (continued)

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
Grants from the government are recognised at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to costs are deferred and recognised in profit or loss as other income over the periods necessary to match them with the costs that they are intended to compensate. Government subsidies received under the Australian Federal Government's JobKeeper scheme during the year have been offset against employee benefits expense as well as platform development costs.

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.

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

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

Derivative financial instruments
Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Derivatives are classified as current or non-current depending on the expected period of realisation.

Property, 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 property, plant and equipment over their expected useful lives as follows:

Leasehold improvements	3-5 years
Furniture and fixtures	4-10 years
Computer equipment	2-4 years

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

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. 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 Group 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 Group 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.

Note 2. Significant accounting policies (continued)

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.

Patents and trademarks
Patents and trademarks with indefinite useful life are not amortised and are subsequently measured at cost less any impairment.

Platform development
Research costs are expensed in the period in which they are incurred. Development costs are capitalised when: it is probable that the project will be a success considering its commercial and technical feasibility; the Group is able to use or sell the asset; the Group has sufficient resources and intent to complete the development; and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite useful life of one to five years. The capitalised platform development costs are shown net of research and development tax offset credits.

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
These amounts represent liabilities for goods and services provided to the Group 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 their repayment terms of 14-60 days.

Unclaimed customer credits
Unclaimed customer credits represents both incomplete task credits and cancellation credits. Refer to 'Revenue recognition - Unclaimed customer credit breakage revenue' policy above.

Contract liabilities
Contract liabilities are recognised upon task assignment when a customer pays consideration, and represent the Group's performance obligation in relation to service fee revenue. From the customer's perspective, the Group's promised distinct services are only transferred to the customer on task completion and it is only at this point in time in which the performance obligation is satisfied and service fee revenue is recognised upon the unwinding of the contract liabilities.

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 Group'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 Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group 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, salaries and short-term incentives, 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 share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, options over shares or rights 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 is measured at fair value on grant date. Fair value is independently determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group 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 is 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 based on the expectation of achievement of non-market hurdles and the satisfied 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.

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 Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group 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 an equity-settled award is 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 used to measure fair value are those that are appropriate in the circumstances and which maximise the use of relevant observable inputs and minimise 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.

Preference shares

Preference shares are classified as a host debt financial liability at amortised cost when redemption is contingent on a future event of a trade sale being outside the control of the Group. The preference share conversion feature into ordinary shares is treated as an embedded financial liability derivative due to its down round anti-dilutive clauses, and separated from the host contract at fair value through profit or loss.

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.

Note 2. Significant accounting policies (continued)

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

Where the business combination is achieved in stages, the Group 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.

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Airtasker 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.

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.

Note 2. Significant accounting policies (continued)

Rounding of amounts
The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Comparatives
Comparatives have been realigned to the current year presentation. The net loss for the year and net assets have not been impacted by the realignment.

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 Group for the annual reporting period ended 30 June 2021. The Group has not yet fully assessed the impact of these new or amended Accounting Standards and Interpretations.

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.

Share-based payment transactions
Participating in share options plans meets the criteria of equity-settled share-based payment transactions. The Group has recognised the fair value of the services received, and the corresponding increase in equity based on the fair value of the equity transaction at the date at which they are granted. There is a degree of judgement in estimating the fair value of equity instruments granted. The fair value of the options issued has been based on the fair value of the underlying share instrument considering the latest market prices, taking into account the terms and conditions upon which those equity instruments were granted. In respect of options and rights issued prior to the IPO in March 2021, the Group has used the services of an expert to assist it in determining fair value of the share instrument under options issued and used the Black-Scholes model to arrive at the fair value of the options.

Management has exercised its best judgements in determining the key inputs in the Black-Scholes model which includes volatility and the risk-free rate.

Stored value breakage revenue
Stored value breakage revenue from unclaimed incomplete task credits and cancellation credits is estimated based on the forecasted breakage rates of each cohort and the credit redemption patterns of Customers; this forecast has been calculated using historical data collected from the Group’s platform. The determination of the forecasted breakage rate at the point-in-time in which unclaimed credits are physically expired from Customer accounts and the pattern of rights in which credits are exercised requires a significant amount of judgement, estimates and assumptions. A wide range of factors have been considered when determining the forecasted breakage rates and redemption patterns, such as the historical average breakage rate and redemption patterns, cancellation rates, seasonality impacts, activity trends and expected increase of repeat customer rate.

Platform development costs
As disclosed in note 2, software is capitalised when the Group can reliably determine when the recognition criteria are met in order to capitalise software development costs. To determine the cost of software development, management uses the professional judgement of the leadership teams from Engineering, Product Management and Product Design to estimate the capitalisation percentage to apply to the salaries of each employee who worked on the capitalisable projects according to their role, responsibility and nature of work. Management has also exercised its best estimates to allocate the capitalisable employee costs to each project according to the scope and nature of the projects and Jira system records.

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

Fair value measurement hierarchy
The Group 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.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Goodwill and other indefinite life intangible assets
The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have 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 fair value less cost of disposal. Refer to note 14 for further information.

Income tax
The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement and estimates are required in recognising and measuring current and deferred tax amounts. For any uncertain tax treatment adopted relating to transactions or events, the Group recognises and measures tax related amounts having regard to both the probability that such amounts may be challenged by a tax authority and the expected resolution of such uncertainties. In such circumstances, tax balances are determined based on either most-likely amount or expected-value probability based outcomes. Where final tax outcomes vary from what is estimated, such differences will impact the current and deferred tax provisions recognised in the financial statements.

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Note 4. Operating segments

Identification of reportable operating segments
The Group operates within one business segment, being the operation of online platform enabling users to outsource everyday tasks and reports to the Board of Directors (who are identified as the CODM) on the performance of the Group as a whole. While the Group generates revenue in a number of countries including Australia (where the majority of its revenue was generated in the current year), the UK and the USA, these geographic operations are considered, based on internal management reporting and the allocation of resources by the Group's CODM, as one geographic segment.

Unless stated otherwise, all amounts reported to the Board of Directors are determined in accordance with accounting policies that are consistent with those adopted in these financial statements.

The Group has identified a single operating segment, which is the whole of the consolidated operation. This single operating segment represents a reporting segment. The segment disclosure for the reporting segment is consistent to those amounts present in the primary statements and notes.

The information reported to the CODM is on a regular basis.

Major customers
During the years ended 30 June 2021 and 30 June 2020 there were no major customers that represent greater than 10% of the Group's revenue.

Note 5. Revenue

	Group 2021 $'000	Group 2020 $'000
Fee revenue	23,184	16,827
Unclaimed customer credit breakage revenue	3,387	2,432
Revenue	26,571	19,259

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

	Group 2021 $'000	Group 2020 $'000
Timing of revenue recognition		
Services transferred at a point in time	23,184	16,827
Customer credits redeemed and transferred over time	3,387	2,432
	26,571	19,259

Geographical regions
The Group has revenue from its operations primarily in Australia. Revenue from United Kingdom and United States of America operations is not considered to be material relative to the Group's revenue and consequently no geographical disaggregation of the revenue has been provided.

Note 6. Other income

	Group 2021 $'000	Group 2020 $'000
Government grants - research and development refund tax incentive refund	575	-
Other income	26	60
Other income	601	60

Government grants - research and development refund tax incentive refund
The research and development ('R&D') tax incentive refund recognised pertains to the eligible R&D expenditures incurred for the years ended 30 June 2017, 30 June 2018, 30 June 2019 and 30 June 2020; this refund was received as a credit against the liability to the Australian Taxation Office ('ATO'). Refer to note 18.

Note 7. Expenses

	Group	
	2021 $'000	2020 $'000
Loss before income tax includes the following specific expenses:		
Cost of sales		
Cost of sales	1,727	1,341
Depreciation		
Leasehold improvements (note 12)	209	208
Furniture and fixtures (note 12)	6	5
Computer equipment (note 12)	112	138
Office buildings - right-of-use assets (note 13)	491	430
Total depreciation	818	781
Amortisation		
Platform development (note 14)	1,380	448
Total depreciation and amortisation	2,198	1,229
Finance costs		
Interest and finance charges paid/payable on lease liabilities	41	97
General interest charge	66	-
Fair value movement on preference share financial liability	-	2,955
Finance costs expensed	107	3,052
Net foreign exchange loss/(gain)		
Net foreign exchange loss/(gain)	211	(37)
Net (gain)/loss on derivatives not qualifying as hedges		
Net (gain)/loss on derivatives not qualifying as hedges	(101)	98
Leases		
Short-term and low-value lease payments	3	4
COVID-19 rent concession received	(75)	(75)
	(72)	(71)
Superannuation expense		
Defined contribution superannuation expense	1,279	1,192
Share-based payments expense		
Share-based payments expense	6,808	4,417
Research costs		
Research costs	5,118	6,687
Sales and marketing expense		
Equity contra advertising expense	2,394	(94)
Paid and direct marketing	1,636	653

Note 7. Expenses (continued)

Government grants
Due to the impact of COVID-19 on the Group's turnover, government subsidies of $769,500 (30 June 2020: $637,500) were received under the Australian Federal Government’s JobKeeper scheme during the year ended 30 June 2021. The Group became eligible for the scheme from its inception in March 2020 and received payments under the scheme until 27 September 2020.

The amounts received during the year ended 30 June 2021 have been recognised as follows:
- a credit of $501,000 to employee benefits expense, reducing employee benefits expense from $21,613,000 to $21,112,000; and
- a credit of $268,000 has been offset against platform development costs, reducing capitalised expenditure from $5,266,000 to $4,998,000.

The Group also received a Cash Flow Boost of $25,000 (2020: $50,000) from the government, which has been recognised as 'Other income'.

Note 8. Income tax

	Group 2021 $'000	Group 2020 $'000
Numerical reconciliation of income tax expense to accounting result		
Loss before income tax expense	(9,709)	(10,254)
Tax at the statutory tax rate of 26% (2020: 27.5%)	(2,524)	(2,820)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Share-based payments	1,770	1,215
Amortisation of prepaid advertising services procured through the issue of a SAFE equity instrument	622	-
Non-taxable government grant income and other gains	(156)	(14)
Other non-deductible expenditure	74	15
Interest expense on financial instruments	-	813
Prior years research and development claim adjustment	-	39
	(214)	(752)
Current year temporary differences not recognised	(147)	98
Tax losses not brought to account	361	654
Income tax expense	-	-

	Group 2021 $'000	Group 2020 $'000
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	44,039	43,678
Potential tax benefit @ 25% (2020: 26%)	11,010	11,356

The above potential tax benefit for tax losses has not been recognised in the statement of financial position, as it is not probable that there will be sufficient profits against which these tax losses can be utilised. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

Note 8. Income tax (continued)

Changes in tax rate

The corporate tax rate applicable to base rate entities reduces from 27.5% to 26% for the 2020-21 income year and further reduces to 25% prospectively from the 2021-22 income year. The Group qualifies as a base rate entity as it has a turnover of less than $50,000,000 and less than 80% of its assessable income is derived from base rate entity passive income. The Group 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. Cash and cash equivalents

	Group	
	2021 $'000	2020 $'000
Current assets		
Cash at bank	32,844	11,688
Stripe clearing account	1,010	909
	33,854	12,597

Included in the Stripe clearing account are funds held in For Benefit Of ('FBO') accounts on behalf of the Group by Stripe's respective legal entities. Stripe is the Group's payment gateway partner whose accounts are underwritten by its various domestic banking partners in each of its legal entities.

Note 10. Financial instruments

	Group	
	2021 $'000	2020 $'000
Current assets		
Forward foreign exchange contracts	3	-
Term deposits	12,002	500
	12,005	500

Refer to note 25 for further information on fair value measurement.

Term deposits are held on average for six months during the period.

Note 11. Other assets

	Group 2021 $'000	Group 2020 $'000
Current assets		
Prepayments	1,183	2,881
Other assets	32	-
	1,215	2,881
Non-current assets		
Term deposits and bonds	197	197
	1,412	3,078

Note 12. Property, plant and equipment

	Group 2021 $'000	Group 2020 $'000
Non-current assets		
Leasehold improvements - at cost	660	970
Less: Accumulated depreciation	(556)	(583)
	104	387
Furniture and fixtures - at cost	69	69
Less: Accumulated depreciation	(34)	(28)
	35	41
Computer equipment - at cost	709	589
Less: Accumulated depreciation	(557)	(449)
	152	140
	291	568

Reconciliations

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

Group	Leasehold improvements $'000	Furniture and fixtures $'000	Computer equipment $'000	Total $'000
Balance at 1 July 2019	595	35	184	814
Additions	-	11	97	108
Disposals	-	-	(3)	(3)
Depreciation expense	(208)	(5)	(138)	(351)
Balance at 30 June 2020	387	41	140	568
Additions	-	-	124	124
Impairment of assets	(74)	-	-	(74)
Depreciation expense	(209)	(6)	(112)	(327)
Balance at 30 June 2021	104	35	152	291

Note 13. Right-of-use assets

	Group 2021 $'000	Group 2020 $'000
Non-current assets		
Office buildings - right-of-use	2,250	1,891
Less: Accumulated depreciation	(1,831)	(1,340)
	419	551

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

Group	Office buildings - right-of-use $'000
Balance at 1 July 2019	981
Depreciation expense	(430)
Balance at 30 June 2020	551
Additions	359
Depreciation expense	(491)
Balance at 30 June 2021	419

For other lease related disclosures refer to the following:
- note 7 for details of depreciation on right-of-use assets, interest on lease liabilities and other lease payments;
- note 17 for lease liabilities as at the reporting date;
- note 24 for undiscounted future lease commitments; and
- the statement of cash flows for repayment of lease liabilities.

Note 14. Intangibles

	Group 2021 $'000	Group 2020 $'000
Non-current assets		
Goodwill - at cost	3,482	-
Patents and trademarks - at cost	57	57
Platform development - at cost	7,929	2,931
Less: Accumulated amortisation	(1,915)	(535)
	6,014	2,396
	9,553	2,453

Note 14. Intangibles (continued)

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

Group	Goodwill $'000	Patents and trademarks $'000	Platform development $'000	Total $'000
Balance at 1 July 2019	-	56	375	431
Additions	-	1	2,469	2,470
Amortisation expense	-	-	(448)	(448)
Balance at 30 June 2020	-	57	2,396	2,453
Additions	-	-	4,998	4,998
Additions through business combinations (note 32)	3,482	-	-	3,482
Amortisation expense	-	-	(1,380)	(1,380)
Balance at 30 June 2021	3,482	57	6,014	9,553

Impairment testing
The Group has one cash-generating unit ('CGU') which is the whole of its consolidated operations. Goodwill acquired through business combinations has been allocated to the consolidated operations CGU. The recoverable amount of the Group's goodwill has been based on the purchase price paid at the date of the Group's acquisition of the Zaarly, Inc. business ('Zaarly') on the 21 May 2021. Since then, there has been no significant change to the business nor indicators of impairment identified. The Group has also considered its goodwill recoverability through a fair value less costs of disposal approach noting significant headroom based on the Group's market capitalisation of $455,115,000 at 30 June 2021 and comparable market multiples of revenue for other listed companies. The goodwill acquired through the business combination with Zaarly is comprised of predominantly the capability and knowledge of Zaarly's founder and employees with the objective to not only facilitate the Group's acceleration into the US market but also to further increase the Group's competencies in marketplace operations that can be leveraged across non-US markets.

Note 15. Trade and other payables

	Group 2021 $'000	Group 2020 $'000
Current liabilities		
Trade payables	1,569	547
Director's loan payable	-	136
Escrowed payment	333	-
Accrued expenses	1,712	563
Other payables	2,417	536
	6,031	1,782

Refer to note 24 for further information on financial instruments information.

Escrowed payment
The escrowed payment relates to the business acquisition during the financial year ended 30 June 2021. Refer to note 32 for further details.

Note 16. Contract liabilities

	Group	
	2021 $'000	2020 $'000
Current liabilities		
Contract liabilities	641	337

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

Opening balance	337	468
Payments received in advance	23,488	16,696
Transfer to revenue	(23,184)	(16,827)
Closing balance	641	337

Unsatisfied performance obligations
The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period was $641,000 as at 30 June 2021 ($337,000 as at 30 June 2020) and is expected to be recognised as revenue upon task completion in future periods as follows:

	Group	
	2021 $'000	2020 $'000
Within 12 months	641	337

Contract liabilities for unclaimed customer credits
As disclosed in note 2, unclaimed customer credit represents the amounts that the customer has already paid but the Group is crediting back to their account when an assigned task has been either inactive for a period of 90 days or when an assigned task is cancelled prior to task completion. As task completion is the performance obligation that is required to be satisfied (note 2), unclaimed customer credits are therefore considered as contract liabilities. The Group recognises revenue from unclaimed customer credits when customers redeem credits and/or when the Group expects to be entitled to a breakage amount from its unclaimed customer credits liability as detailed in note 2. The Group does not recognise the full balance of customer credits as revenue, because upon redemption some credits are paid to the tasker who completes the task, and customers may also elect a cash refund in certain circumstances. Revenue arising from unclaimed customer credits liability is recognised over time at the earlier of:
- customer usage, in conjunction with expected breakage in proportion to the pattern of rights exercised by the customers; or
- upon the expiration of the validity period of the customer credits.

The Group expects to realise unclaimed customer credits as revenue within two years of the reporting date

Note 17. Lease liabilities

	Group 2021 $'000	Group 2020 $'000
Current liabilities		
Lease liability	422	485
Non-current liabilities		
Lease liability	-	351
	422	836

Refer to note 24 for further information on financial instruments information.

Note 18. Provisions

	Group 2021 $'000	Group 2020 $'000
Current liabilities		
Government grants	1,454	1,962

Government grants
The Group is currently in dispute with the ATO in relation to its R&D tax offset incentive claimed for the years ended 30 June 2015 and 30 June 2016, which total $1,962,000. The balance of government grants provisioned as at 30 June 2021 has reduced compared with 30 June 2020, reflecting R&D tax offset incentive claims received by the Group during the year ended 30 June 2021 in respect of the years ended 30 June 2017, 30 June 2018, 30 June 2019 and 30 June 2020, which were received by the Group as an offset against the existing liability.

Movements in provisions
Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

Group - 2021	Government grants $'000
Carrying amount at the start of the year	1,962
Refund received (note 6)	(575)
General interest charge	67
Carrying amount at the end of the year	1,454

Note 19. Financial instruments

	Group 2021 $'000	Group 2020 $'000
Current liabilities		
Forward foreign exchange contracts	-	98
Preference share financial liability	-	25,073
	-	25,171

Refer to note 24 for further information on financial instruments information.

Note 19. Financial instruments (continued)

Refer to note 25 for further information on fair value measurement.

Preference shares
The number of preference shares on issue as at 30 June 2021 was nil (30 June 2020: 33,077,185).

The preference shares were mandatorily converted into ordinary shares on completion of the IPO.

Note 20. Issued capital

	Group			
	2021 Shares	2020 Shares	2021 $'000	2020 $'000
Ordinary shares – fully paid	413,741,361	290,667,000	123,062	59,465
Employee restricted ordinary shares – fully paid	-	1,896,000	-	23
	413,741,361	292,563,000	123,062	59,488

Movements in ordinary share capital

Details	Date	Shares	$'000
Balance	1 July 2019	290,667,000	59,465
Balance	30 June 2020	290,667,000	59,465
Issue of shares on exercise of options under Alumni Offer	22-29 January 2021	9,018,027	334
Issue of shares on exercise of options under Alumni Offer	1 February 2021	8,000	2
Issue of shares to existing contractual rights holder	8 February 2021	18,800,000	1,568
Issue of shares on conversion of preference shares	15 March 2021	38,573,082	25,073
Issue of shares on conversion of employee restricted ordinary shares	15 March 2021	1,896,000	23
Issue of shares on conversion of SAFE equity instrument	15 March 2021	6,923,076	2,544
Issue of shares under Alumni Offer	15 March 2021	3,940,169	-
Issue of shares on exercise of options	15 March 2021	95,000	1
Issue of shares on IPO	23 March 2021	23,076,923	15,000
Less: share issue transaction costs	23 March 2021	-	(925)
Issue of shares on exercise of options	30 April 2021	31,650	16
Issue of shares on exercise of options	7 May 2021	8,500	4
Less: share issue transaction costs	25 May 2021	-	(747)
Issue of shares	1 June 2021	20,703,934	20,704
Balance	30 June 2021	413,741,361	123,062

Movements in employee restricted ordinary shares

Details	Date	Shares	$'000
Balance	1 July 2019	-	-
Issue of employee restricted shares on conversion of options		1,896,000	23
Balance	30 June 2020	1,896,000	23
Conversion of employee restricted shares on IPO	15 March 2021	(1,896,000)	(23)
Balance	30 June 2021	-	-

Note 20. Issued capital (continued)

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. 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.

Employee restricted ordinary shares
Employee restricted ordinary shares are shares issued under the Company's employee options plan.

Prior to the IPO each employee restricted share conferred on the holder the right to receive notice and to attend all meetings of the Company but not to vote at any such meeting and does not confer a right to dividends or, in the event of a winding up of the Company, to the repayment of any amount paid up on the share.

Upon the Company's IPO the employee shares automatically converted to fully paid ordinary shares.

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

Capital risk management
The Group manages capital with the objectives of ensuring its ability to continue as a going concern, and to maintain an optimal capital structure to reduce its costs of capital. These objectives are designed to enable the Group to maximise returns to shareholders.

The capital structure of the Group consists of equity of the Group (comprising issued capital (note 20), reserves (note 22) and accumulated losses). The Group had no borrowings as at 30 June 2021. The Group is not subject to any externally imposed capital requirements. The Group reviews its capital structure on a regular basis, and as part of this review, considers the above objectives and the risks associated with each class of capital.

Note 21. Other equity

	Group	
	2021 $'000	2020 $'000
Simple agreement for future equity ('SAFE') instrument	-	2,544

The SAFE was an agreement between the Group and Seven West Media ('SWM'). SWM provided $4,500,000 in funding of which $4,000,000 was applied to advertising services related to promotion of the Group. The equity component of the SAFE agreement was $2,544,000 as at 30 June 2020, which was converted into ordinary shares during the financial year ended 30 June 2021 as part of the IPO.

Note 22. Reserves

	Group	
	2021 $'000	2020 $'000
Foreign currency reserve	55	(101)
Share-based payments reserve	15,654	8,846
	15,709	8,745

Note 22. Reserves (continued)

Foreign currency reserve
The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

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.

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

Group	Foreign currency reserve $'000	Share-based payments reserve $'000	Total $'000
Balance at 1 July 2019	(57)	4,429	4,372
Foreign currency translation	(44)	-	(44)
Share-based payments	-	4,417	4,417
Balance at 30 June 2020	(101)	8,846	8,745
Foreign currency translation	156	-	156
Share-based payments	-	6,808	6,808
Balance at 30 June 2021	55	15,654	15,709

Note 23. Dividends

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

Note 24. Financial instruments information

Financial risk management
The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk.

Risk management framework
The Group's Board of Directors has ultimate responsibility for establishment and oversight of the Group's risk management framework. The Board of Directors has established the Audit and Risk Committee, whose responsibilities include developing and monitoring the Group's risk management framework. The Committee reports regularly to the Board of Directors on these activities.

The Group's risk management program processes have been established to identify and assess the risks faced by the Group, set appropriate risk limits and controls, and monitor these risks and adherence to agreed limits. Financial risk management is carried out by senior finance executives ('Finance') based on the risk management framework established by the Board of Directors. Finance identifies, evaluates and, where appropriate, hedges financial risks within the Group's operations and reports to the Board of Directors on a monthly basis.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Group's profit or loss or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the returns.

Note 24. Financial instruments information (continued)

Foreign currency risk
The Group transacts in currencies other than its reporting currency of the Australian dollar, most notably the US dollar and pound sterling. The Group's revenue is primarily denominated in Australian dollars, although there is a small component of revenue denominated in other currencies. The Group is exposed to the net impact of movements in exchange rates in foreign currencies in which revenue is denominated, or in which services are provided, and hence is subject to both realised and unrealised gains and losses on foreign currency movements. The Group does not consider its foreign currency risk to be significant and it is the policy of the Group to enter into participating foreign exchange forward contracts to manage the foreign currency risk associated with anticipated employee and supplier payments.

Price risk
The Group is not exposed to any significant price risk.

Interest rate risk
The Group 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 Group. Due to its business model, whereby cash is collected by the Group prior to the completion of a task, the Group has limited counterparty risk with its Customers. The Group's main credit risk exposure is cash and cash equivalents and term deposits and to minimise this risk, the Group only holds cash and cash equivalents and term deposits with creditworthy counterparties, and the credit ratings of its counterparties are periodically monitored.

Liquidity risk
Liquidity risk is the risk that the Group will encounter difficulty meeting its financial obligations that are settled by cash. The Group manages liquidity risk by maintaining adequate reserves and continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities
The following tables detail the Group'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.

Group - 2021	Weighted average interest rate %	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Non-derivatives						
Non-interest bearing						
Trade payables	-	1,569	-	-	-	1,569
Other payables	-	2,417	-	-	-	2,417
Escrowed payment	-	333	-	-	-	333
Interest-bearing- variable						
Lease liability	9.58%	423	-	-	-	423
Total non-derivatives		4,742	-	-	-	4,742
Derivatives						
Forward foreign exchange contracts net settled	-	(3)	-	-	-	(3)
Total derivatives		(3)	-	-	-	(3)

Note 24. Financial instruments information (continued)

Group - 2020	Weighted average interest rate %	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Non-derivatives						
Non-interest bearing						
Trade payables	-	547	-	-	-	547
Other payables	-	536	-	-	-	536
Other loans	-	136	-	-	-	136
Interest-bearing - variable						
Lease liability	10.00%	530	423	-	-	953
Interest-bearing - fixed rate						
Preference share financial liability*	-	25,073	-	-	-	25,073
Total non-derivatives		26,822	423	-	-	27,245
Derivatives						
Forward foreign exchange contracts net settled	-	98	-	-	-	98
Total derivatives		98	-	-	-	98

* The terms of the preference shares included a mandatory conversion into ordinary shares in the event of an IPO.

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

Note 25. Fair value measurement

Fair value hierarchy
The following tables detail the Group'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

Group - 2021	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Assets				
Forward foreign exchange contracts	-	3	-	3
Total assets	-	3	-	3

Group - 2020	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Liabilities				
Forward foreign exchange contracts	-	98	-	98
Preference share financial liability	-	-	25,073	25,073
Total liabilities	-	98	25,073	25,171

There were no transfers between levels during the financial year.

Note 25. Fair value measurement (continued)

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Valuation techniques for fair value measurements categorised within level 2 and level 3
Preference share financial liability and derivative financial instruments have been valued using inputs from the terms of their contractual agreements. This valuation technique maximises the use of contractual data where it is available and relies as little as possible on entity specific estimates.

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

Group	Convertible note liability $'000	Preference share financial liability $'000	Total $'000
Balance at 1 July 2019	(11,782)	-	(11,782)
Additions	-	(10,336)	(10,336)
Conversion to preference shares	11,782	(11,782)	-
Fair value movement on preference share financial liability	-	(2,955)	(2,955)
Balance at 30 June 2020	-	(25,073)	(25,073)
Conversion to ordinary shares (note 20)	-	25,073	25,073
Balance at 30 June 2021	-	-	-

Note 26. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Deloitte Touche Tohmatsu, the auditor of the Company, and unrelated firms:

	Group 2021 $	Group 2020 $
Audit services - Deloitte Touche Tohmatsu (2020: RSM Australia Partners)		
Audit or review of the financial statements	185,000	89,350
Other services - Deloitte Touche Tohmatsu (2020: RSM Australia Partners)		
Investigating Accountant's Report related to the IPO	580,000	-
Other services	60,500	16,000
	640,500	16,000
	825,500	105,350
Audit services - unrelated firms		
Audit or review of the financial statements	28,000	-

Note 27. Contingent liabilities

The Group did not have any contingent liabilities as at 30 June 2021 and 30 June 2020.

Note 28. Commitments

The Group did not have any commitments as at 30 June 2021 and 30 June 2020.

Note 29. Key management personnel disclosures

Compensation
The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	Group	
	2021 $	2020 $
Short-term employee benefits	1,179,300	620,707
Post-employment benefits	91,872	41,406
Long-term benefits	13,390	48,843
Termination benefits	240,000	-
Share-based payments	5,037,007	3,796,370
	6,561,569	4,507,326

Included in the above compensation is $1,966,200 of non-recurring remuneration of which $1,726,200 was associated with completion of the IPO and achieving the Prospectus Forecast and $240,000 was associated with the termination of a key management personnel in the financial year ended 30 June 2021.

Note 30. Related party transactions

Parent entity
Airtasker Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 31.

Key management personnel
Disclosures relating to key management personnel are set out in note 29 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.

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

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

	Group	
	2021 $	2020 $
Current borrowings:		
Interest free loan provided by key management personnel	-	136,435

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 31. 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 2021 %	Ownership interest 2020 %
Airtasker (AU) Pty Ltd	Australia	100%	100%
Airtasker UK Limited	United Kingdom	100%	100%
Airtasker USA Inc.	United States of America	100%	-
Airtasker New Zealand Limited	New Zealand	100%	-
Airtasker SGP Pte. Ltd.	Singapore	100%	-

Note 32. Business combinations

Zaarly acquisition
On 21 May 2021, the Group acquired a local services marketplace business from Zaarly, Inc. for the total consideration of $3,458,000. This is a curated local services marketplace business with operations in Kansas City and Dallas. It was acquired to accelerate the Group's expansion into the United States of America. As no separately identifiable intangible assets were acquired, the full $3,482,000 represents goodwill. The goodwill represents predominantly the capability and knowledge of Zaarly's founder and employees being acquired know-how and expertise and expected synergies from merging this business in the Group.

Details of the acquisition are as follows:

	Fair value $'000
Trade and other liabilities acquired	(24)
Net liabilities acquired	(24)
Goodwill	3,482
Acquisition-date fair value of the total consideration transferred	3,458
Representing:	
Cash paid or payable to vendor	3,125
Escrowed purchase price to be paid in November 2021	333
	3,458
Acquisition costs expensed to profit or loss	201

Note 33. Cash flow information

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

	Group 2021 $'000	Group 2020 $'000
Loss after income tax expense for the year	(9,709)	(10,254)
Adjustments for:		
Depreciation and amortisation	2,198	1,229
Impairment of property, plant and equipment	74	-
Share-based payments	6,808	4,417
Movement on financial instruments at fair value through profit or loss	(101)	98
Net fair value movement on preference share financial liability	-	2,955
Non-cash SWM contra spend	2,394	-
Breakage revenue	(3,387)	(2,432)
Government grant for research and development incentive	(575)	-
Other	(193)	116
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	223	(138)
Decrease/(increase) in other operating assets	(712)	66
Increase in trade and other payables	3,867	1
Increase in employee benefits	432	318
Increase in unclaimed customer credits	4,201	2,975
Net cash from/(used in) operating activities	5,520	(649)

The net cash from operating activities of $5,520,000 for the year ended 30 June 2021 includes non-recurring costs related to the Company's IPO.

Non-cash investing and financing activities

	Group 2021 $'000	Group 2020 $'000
Convertible notes and SAFE equity instrument	-	4,000
Ordinary shares issued	27,638	-
	27,638	4,000

Note 33. Cash flow information (continued)

Changes in liabilities arising from financing activities

Group	Convertible notes and SAFE equity instrument $'000	Lease liabilities $'000	Total $'000
Balance at 1 July 2019	9,790	1,189	10,979
Net cash from/(used in) financing activities	500	(353)	147
Conversion to preference shares	(9,790)	-	(9,790)
Conversion to SAFE equity instrument	(500)	-	(500)
Balance at 30 June 2020	-	836	836
Net cash used in financing activities	-	(450)	(450)
Other accounting changes	-	36	36
Balance at 30 June 2021	-	422	422

Note 34. Earnings per share

	Group 2021 $'000	Group 2020 $'000
Loss after income tax attributable to the owners of Airtasker Limited	(9,709)	(10,254)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	325,162,402	290,667,000
Weighted average number of ordinary shares used in calculating diluted earnings per share	325,162,402	290,667,000
	Cents	**Cents**
Basic earnings per share	(2.99)	(3.53)
Diluted earnings per share	(2.99)	(3.53)

27,856,749 (2020: 50,802,000) options and 6,935,346 (2020: nil) rights have been excluded from the diluted earnings per share calculations as they are anti-dilutive.

Note 35. Share-based payments

Employee Option Plan ('EOP')
The EOP is a legacy start-up concession employee incentive plan, in which current or prospective employees, contractors or directors of Airtasker Limited may participate.

The options have exercise prices, which must be paid by participants to exercise the options and are subject to time-based vesting conditions that are set out in respective options offer letters and predominantly vests in four tranches of 25% each over four years.

The options expire five years after grant date and do not carry dividend or voting rights prior to vesting. The options may be settled in ordinary shares only and the shares allocated on exercise carry the same dividend and voting rights as other shares. The Group does not intend to issue any further options under this plan.

Note 35. Share-based payments (continued)

Equity Participation Plan ('EPP')
The EPP is a legacy employee incentive plan, in which employees, directors and consultants of Airtasker Limited or any related body corporate of Airtasker Limited and other persons approved by the Board may participate. The options automatically convert to ordinary options immediately prior to completion of the IPO.

The options may have issue prices, which must be paid by the participants to acquire the options. The options have exercise prices, which must be paid by the participants to exercise the options. The options automatically expire seven years after their issue date, or such earlier date provided for in a grant letter. All options under this plan have vested.

Legacy Founder Option Plan ('LFOP')
On 21 August 2018, 18,800,000 options were granted to the managing director and chief executive officer, Timothy Fung, which vested in the current financial year on completion of the IPO. The instruments issued were options to acquire zero priced rights over ordinary shares with vesting conditions of ongoing service to the Company and six tranches of operational performance conditions. 100% of these options vested as a result of accelerated vesting on a Liquidity Event, being the IPO.

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

	Number of options 2021	Weighted average exercise price 2021	Number of options 2020	Weighted average exercise price 2020
Outstanding at the beginning of the financial year	50,802,000	$0.279	50,198,677	$0.263
Granted	18,961,229	$0.500	6,844,162	$0.618
Forfeited	(13,945,303)	$0.477	(4,344,839)	$0.747
Exercised	(27,961,177)	$0.069	(1,896,000)	$0.012
Outstanding at the end of the financial year	27,856,749	$0.562	50,802,000	$0.279
Exercisable at the end of the financial year	16,314,334	$0.561	20,848,381	$0.251

The weighted average share price during the financial year was $0.484 (30 June 2020: $0.157).

The weighted average remaining contractual life of options outstanding at the end of the financial year was 3.59 years (30 June 2020: 2.55 years).

Rights

Rights Plan ('RP')
The RP is one of the Company's current employee incentive plans, in which current or prospective employees, contractors or executive directors of Airtasker Limited may participate. Non-executive directors are not eligible to participate in this plan.

Rights, when exercised, may be settled in cash or shares, as determined by the Board at its discretion. Unless otherwise determined by the Board, the rights have nil issue and exercise prices. Rights may be subject to:
- performance-based vesting conditions (which may also include time-based vesting conditions);
- time-based vesting conditions; or
- no vesting conditions.

Note 35. Share-based payments (continued)

Performance-based vesting conditions are measured over a period of three financial years unless otherwise determined by the Board. Performance-based vesting conditions may relate to the performance of the Company or the participant and may be subject to the achievement of minimum hurdles. For the financial year ended 30 June 2021, the performance-based vesting conditions were non-market based and includes the following:

- the meeting or exceeding the financial forecasts for Revenue, Gross Marketplace Volume ('GMV') and Earnings Before Interest and Tax ('EBIT') set out in the Prospectus based on the audited financial statements for the year ended 30 June 2021 lodged with the ASX and subject to requiring participants to remain employed with the Group during the financial year; and
- the meeting or exceeding milestones relating to performance metrics on the Group's platform such as Cancellation Rates, Assignment Rates and Return Assigner Rates and subject to requiring participants to remain employed with the Group during the financial year.

Service-based (i.e. time-based) vesting conditions are measured over a period of a number of financial years as determined by the Board. The Board has the discretion to determine that any service-based vesting conditions have been fulfilled whether or not a participant remains employed by the Group.

Rights do not carry dividend or voting rights prior to vesting. Shares allocated on exercise carry the same dividend and voting rights as other shares.

NED Equity Plan ('NEP')
The NEP is one of the Company's current incentive plans in which only non-executive directors may participate.

During the financial year ended 30 June 2021, the rights issued under the NEP includes:

- the rights in lieu of Directors' fees for the last quarter of the financial year ended 30 June 2021 and for the year ending 30 June 2022; and
- the rights in connection with the completion the IPO.

Rights, when exercised, are settled as shares. Unless otherwise determined by the Board, the rights have nil issue and exercise prices. No vesting conditions apply to rights issued under this plan. Rights do not carry dividend or voting rights prior to vesting. Shares allocated on exercise carry the same dividend and voting rights as other shares.

Set out below are summaries of rights granted under the plans:

	Number of rights 2021	Weighted average exercise price 2021	Number of rights 2020	Weighted average exercise price 2020
Outstanding at the beginning of the financial year	-	$0.000	-	$0.000
Granted	6,935,346	$0.375	-	$0.000
Outstanding at the end of the financial year	6,935,346	$0.375	-	$0.000
Exercisable at the end of the financial year	-	$0.000	-	$0.000

The weighted average remaining contractual life of rights outstanding at the end of the financial year was 7.51 years (30 June 2020: nil).

Note 35. Share-based payments (continued)

Valuation model inputs

For the options granted during the current financial year, the valuation 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 September 2020	28 September 2025	$0.387	$0.500	50.00%	-	0.99%	$0.141
11 January 2021	11 January 2026	$0.500	$0.500	50.00%	-	0.94%	$0.188
28 September 2020*	28 September 2025	$0.387	$0.500	50.00%	-	0.99%	$0.259
11 January 2021*	11 January 2026	$0.500	$0.500	50.00%	-	0.94%	$0.274

* On 28 September 2020 and 11 January 2021, the shares under option with an exercise price of $0.760 underwent an accounting modification in which new options were granted to the option holders at $0.500 and the option holders could only exercise the new $0.500 options by giving up their right to exercise the $0.760 options; what this means is that the option holders can only elect to exercise at either $0.500 or $0.760 but not both. The new shares under options with the exercise price of $0.500 were granted when the market price of the underlying equity instrument was $0.500, and thereby increased the fair value of the $0.760 option by $0.098. The terms were as follows:

	Original terms - Terms of $0.760 options	Modified terms - Terms of $0.500 options
Exercise price	$0.760	$0.500
Expiry period	five years post original grant date	five years from new grant date
Vesting conditions	service-based, over a four year period	service-based, over a four year period
Vesting period	not applicable	the same timeframe as the original $0.760 grant
Selling restrictions	none	employees cannot sell until three years from new grant date

For the rights granted during the current financial year, the valuation 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
4 February 2021	4 February 2026	$0.650	$0.760	50.00%	-	1.49%	$0.260
4 February 2021	4 February 2036	$0.650	$0.000	50.00%	-	3.84%	$0.650
1 March 2021	1 March 2036	$0.650	$0.000	50.00%	-	3.84%	$0.650
20 May 2021	Not applicable	$1.092	$0.000	50.00%	-	3.40%	$1.092
21 May 2021	Not applicable	$1.096	$0.000	50.00%	-	3.40%	$1.096

Refer to note 7 for the share-based payment expense during the year ended 30 June 2021.

Note 36. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent 2021 $'000	Parent 2020 $'000
Loss after income tax	(8,771)	(10,190)
Total comprehensive income	(8,771)	(10,190)

Note 36. Parent entity information (continued)

Statement of financial position

	Parent 2021 $'000	Parent 2020 $'000
Total current assets	45,737	15,881
Total assets	64,680	27,339
Total current liabilities	12,185	33,536
Total liabilities	12,374	34,030
Equity		
Issued capital	123,062	59,488
Other equity	-	2,544
Share-based payments reserve	15,584	8,846
Accumulated losses	(86,340)	(77,569)
Total equity/(deficiency)	52,306	(6,691)

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 2021 and 30 June 2020.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2021 and 30 June 2020.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2021 and 30 June 2020.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the Group, 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 37. Events after the reporting period

On 29 July 2021, the Group announced that the Sydney, Melbourne and Adelaide COVID-19 related lockdowns had impacted operations, with weekly GMV down approximately 12% in July compared to pre-lockdown.

Current and potential future lockdowns may further impact market activity. Looking forward, in line with the four stage plan agreed to by the National Cabinet in August 2021, the Group expects the cessation of lockdowns as vaccination levels increase in the community.

As with previous lockdowns, the Group has seen both taskers and customers adapt during these phases, with a change in the mix of services being offered and a range of services being provided remotely rather than in-person, demonstrating the resilience of the Group’s community and marketplaces.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the Group's operations, the financial results of those operations, or the Group's state of affairs in future financial years.

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 Group's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its 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

James Spenceley
Chairperson

Timothy Fung
Director

18 August 2021

Deloitte.

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Independent Auditor's Report to the Members of Airtasker Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Airtasker Limited (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated 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:

- Giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- 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 & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for 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.

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<table>
<tr><th>Key Audit Matter</th><th>How the scope of our audit responded to the Key Audit Matter</th></tr>
<tr><td>

Revenue Recognition

The Group has reported total revenue of $26.6 million, as disclosed in Note 5 ‘Revenue’.

The Group primarily earns revenue from charging Taskers a service fee and charging customers a booking fee.

Service fees and booking fees are calculated as a percentage of the task value agreed between the customer and the Tasker. Revenue is not recognised until the task is complete.

The Group also generates revenue from breakage revenue arising on unclaimed customer credits. Breakage revenue is recognised using management’s internal estimate of the historical redemption rate based on historical usage patterns.

The Group is also characterized by a large volume of transactions to be processed through complex information systems and is heavily reliant on the IT systems in which tasks are reported and accounted for.

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Our procedures included, but were not limited to the following:

- Obtaining an understanding of the revenue streams and the appropriateness of the Group’s principles in determining that revenue is recognised in accordance with the criteria in AASB 15 *Revenue from Contracts with Customers*;
- Understanding management’s process for monitoring revenue recognised throughout the period;
- Engaging our Information Technology specialists we performed an assessment of the General IT Controls (GITCs) over key design and implementation components of the IT environment in which tasks are reported and accounted for;
- Where technology services were provided by a third party we assessed assurance reports from the third party’s SOC 1 type 2 auditor on the design and operating effectiveness of controls;
- Testing on a sample basis, revenue transactions in the sales ledger and testing that the service has in fact been provided by verifying that the task has been completed and the amounts recognised are consistent with the cash banked;
- Performing “proof to cash” testing, agreeing the total cash received to the revenue recorded in the general ledger;
- Testing the mathematical accuracy of management’s calculation of breakage revenue;
- Evaluating the reasonableness of management’s estimate relating to the breakage revenue rates including corroborating management’s assertions of the historical redemption rate; and
- Assessing the appropriateness of the Group’s accounting policies and disclosures in Note 2 and Note 5 to the financial statements.

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Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Share-based payments In the current year the Group awarded equity incentive plans to its key management personnel and employees in the form of performance rights and options as disclosed in Note 35 'Share-based payments'. These issuances were attached to non-market conditions as well as service conditions. At 30 June 2021 there are performance conditions both fulfilled and unfulfilled with respect to the performance rights and options issued during the period. Each of the arrangements which form part of the plan required significant judgments and estimations by management, including: • Determining the grant date of each arrangement, and the evaluation of the fair value of the underlying share price of the Company at grant date; • The evaluation of the vesting charge taken to the profit and loss in respect of the service conditions attached to those share-based payment arrangements; and • The evaluation of key assumptions into the pricing model, including the volatility of the share price, risk free rate and time to maturity.	Our procedures included, but were not limited to the following: • Obtaining management relevant schedules and related valuation workings of the share-based payments; • On a sample basis, testing the mathematical accuracy of management's workings; • On a sample basis, obtaining and reviewing the share-based payment plan and related offer letters to confirm the observable inputs in the valuation model; • Engaging our valuation experts to review management's valuation of these awards at the grant date of the awards; • Challenging the reasonableness of the key assumptions used by management relative to the valuation at grant date; and • Assessing the appropriateness of the related disclosures in respect of share-based payments in the Notes to the financial statements.

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 2021, but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Other matter

The financial report of Airtasker Pty Limited, for the year ended 30 June 2020 was audited by another auditor who expressed an unmodified opinion on that report on 2 February 2021.

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 has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 10 to 27 of the Directors' Report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Airtasker Limited, for the year ended 30 June 2021, 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.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Joshua Tanchel
Partner
Chartered Accountants

Sydney, 18 August 2021